

**FINANCIAL HIGHLIGHTS**

(Rupees in Millions)

| Year ended                                    | 2006          | 2007           | 2008           | 2009           | 2010                  |
|-----------------------------------------------|---------------|----------------|----------------|----------------|-----------------------|
| <b>Profit and Loss Account</b>                |               |                |                |                |                       |
| Sales                                         | 737.44        | 887.55         | 829.57         | 581.65         | <b>636.02</b>         |
| Other Income                                  | 26.58         | 12.46          | 29.63          | 11.11          | <b>9.76</b>           |
| <i>Total Income</i>                           | <i>764.02</i> | <i>900.01</i>  | <i>859.20</i>  | <i>592.76</i>  | <i><b>645.78</b></i>  |
| Profit before Interest, Depreciation and Tax  | 220.25        | 212.90         | 151.65         | 91.53          | <b>94.13</b>          |
| Depreciation                                  | 32.18         | 37.38          | 41.85          | 47.87          | <b>46.19</b>          |
| Profit before Interest and Tax                | 188.07        | 175.52         | 109.80         | 43.66          | <b>47.94</b>          |
| Interest                                      | 11.69         | 24.28          | 46.94          | 28.72          | <b>13.56</b>          |
| Profit before Tax                             | 176.38        | 151.24         | 62.86          | 14.94          | <b>34.38</b>          |
| <i>Profit after Tax and Prior period adj.</i> | <i>152.96</i> | <i>136.10</i>  | <i>37.27</i>   | <i>16.12</i>   | <i><b>32.23</b></i>   |
| <b>Balance Sheet</b>                          |               |                |                |                |                       |
| Net Fixed Assets                              | 396.00        | 455.05         | 418.18         | 391.51         | <b>364.53</b>         |
| Investments                                   | 0.00          | 0.00           | 5.00           | 5.00           | <b>0.00</b>           |
| Net Current Assets                            | 598.59        | 891.66         | 1002.36        | 936.47         | <b>853.72</b>         |
| <i>Total</i>                                  | <i>994.59</i> | <i>1346.73</i> | <i>1425.54</i> | <i>1332.98</i> | <i><b>1218.25</b></i> |
| Share Capital                                 | 89.47         | 89.47          | 89.47          | 89.47          | <b>89.47</b>          |
| Reserves and Surplus                          | 684.86        | 810.30         | 837.10         | 842.76         | <b>864.55</b>         |
| Miscellaneous expenditure not written off     | 0.00          | 3.07           | 3.07           | 2.86           | <b>2.14</b>           |
| Net Worth                                     | 774.33        | 896.70         | 923.50         | 929.37         | <b>951.88</b>         |
| Total Borrowings                              | 155.83        | 386.30         | 439.17         | 344.11         | <b>211.97</b>         |
| Deferred Tax Liability                        | 64.33         | 63.73          | 62.87          | 59.50          | <b>54.40</b>          |
| <i>Total</i>                                  | <i>994.59</i> | <i>1346.73</i> | <i>1425.54</i> | <i>1332.98</i> | <i><b>1218.25</b></i> |
| <b>Ratios</b>                                 |               |                |                |                |                       |
| Earning Per Share (Rs.)                       | 17.10         | 15.21          | 4.17           | 1.80           | <b>3.60</b>           |
| Dividend (%)                                  | 10            | 20             | 10             | 10             | <b>10</b>             |
| Dividend Per Share (Rs.)                      | 1.00          | 2.00           | 1.00           | 1.00           | <b>1.00</b>           |
| Dividend Payout (%)                           | 6.08          | 13.15          | 24.01          | 55.50          | <b>27.76</b>          |
| Book Value Per Share (Rs.)                    | 86.55         | 100.22         | 103.22         | 103.88         | <b>106.39</b>         |
| Return on Capital Employed (ROCE) (%)         | 21.90         | 14.37          | 8.14           | 3.44           | <b>4.16</b>           |
| Return on Net Worth (RONW) (%)                | 20.93         | 16.29          | 4.10           | 1.74           | <b>3.44</b>           |
| Fixed Assets Turnover (No. of times)          | 2.00          | 2.09           | 1.90           | 1.44           | <b>1.68</b>           |
| Working Capital Turnover (No. of times)       | 1.44          | 1.19           | 0.88           | 0.60           | <b>0.71</b>           |
| Net Profit as % of Total Income               | 18.87         | 15.12          | 4.34           | 2.72           | <b>5.00</b>           |
| Market Capitalisation                         | 912.15        | 764.52         | 382.93         | 109.15         | <b>247.38</b>         |

ROCE is profit before interest and taxation divided by average networth plus total borrowings.

RONW is profit after tax divided by average networth.

Fixed assets turnover is sales divided by average net fixed assets as at the end of the year.

Working capital turnover is sales divided by average net current assets as at the end of the year.

Market capitalisation is calculated by considering the market prices for shares at the end of the year.



## Notice of Annual General Meeting

**NOTICE** is hereby given that the Twenty First Annual General Meeting of the Company will be held on Saturday, the 25<sup>th</sup> day of September, 2010 at 4.15 p.m. at Hotel Rajdarshan, Pannadhay Marg, Udaipur - 313001, (Raj.) to transact the following business:-

### Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended March, 31, 2010 and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the year 2009-10.
3. To appoint a Director in place of Mr.Ravi Kumar Krishnamurthi , who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Nyati & Associates, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.

### Special Business

5. To consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 314(1)(b) read with Director’s Relatives(Office or Place of Profit)Rules,2003 and other applicable provisions of the Companies Act,1956, consent of the members be and is hereby accorded to the appointment of Mrs. Riddhima Doshi, daughter in law of Mr. Ashok Doshi, Managing Director of the Company to hold an Office or Place of profit in the Company as Deputy Manager Finance(Granite Division) on a gross monthly remuneration of Rs. 44907 p.m. (Rupees Forty Four Thousand Nine Hundred Seven Only) as per the terms and conditions embodied in the draft appointment letter of which a copy is submitted before the meeting and initialed by the chairman for the purpose of identification.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to promote her to higher cadres and / or to sanction her higher increments, or revise increments or the payment in monthly salary, as and when they deem fit, subject, however, to the rules and regulations of the Company, in force, from time to time, provided that the total monthly remuneration shall not exceed Rs.50,000/- or such higher sum as may be prescribed from time to time, except with the prior approval of the Central Government, if required, pursuant to the provisions of Section 314 (1)(b) and other applicable provisions of the Act.”

6. To consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 & 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (the Act), consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. Ashok Doshi as



Managing Director of the Company for a further period of five years commencing from 1<sup>st</sup> May, 2010 upon the terms and conditions including remuneration as set out in the agreement dated 30<sup>th</sup> April, 2010 entered into between the Company and Mr. Ashok Doshi, a copy whereof, initialed by the chairman for the purpose of identification, has been submitted to this meeting, which agreement is hereby specifically approved.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Ashok Doshi shall not exceed the overall ceiling of the total managerial remuneration as provided by the applicable sections and schedules of the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time.

**RESOLVED FURTHER THAT** the Board of directors be and are hereby authorized to alter or vary the remuneration within the provisions of Schedule XIII of the Companies Act, 1956, to the extent the Board of Directors may consider appropriate, as may be permitted or authorized in accordance with any provisions under the Companies Act, 1956 or schedule (s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/ or any rules or regulations there under and to do all such acts, deeds, things in order to give effect to this resolution or as otherwise considered by the Board to be in best interest of the company, as it may deem fit.”

By order of the Board  
For **Madhav Marbles and Granites Ltd.**

Place: Udaipur  
Date: August 07, 2010

Priyanka Manawat  
**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 INSTEAD OF HIMSELF. A PROXY NEED NOT BE MEMBER OF THE COMPANY. PROXY/PROXIES TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- 2 The Register of Members and the Share transfer books of the Company will remain closed from September 18, 2010 to September 25, 2010 (both days inclusive) for the purposes of Annual General Meeting and payment of dividend, if any.
- 3 The Dividend for the year ended March 31, 2010, as recommended by the Board, if declared at the Annual General Meeting, will be paid on or after September 29, 2010, to the members who are holding their shares in physical form and whose names appear on the Company's Register of Members on September 25, 2010 and in respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the Depositories for this purpose as on September 18, 2010.
- 4 In terms of Section 205 A and 205 C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the payment of dividend is required to be transferred to the Investor Education and Protection Fund (IEPF). Members who have not encashed their dividend warrants for the year 2002-03 or thereafter are requested to write to the Company / Registrar and Share Transfer Agents.
- 5 The Registered office of the Company has been shifted to 11-A, Charak Marg, Ambamata Scheme, Udaipur -313001(Raj.). Any future correspondence to the Company should be made at the above mentioned address only.
- 6 Members holding shares in dematerialized mode are requested to intimate all changes with respect to their bank details, mandate etc. to their respective Depository Participant (DP). These changes will get automatically reflected in Company's records and those who hold shares in physical form should intimate their bank details and change of address, if any, etc. to the Company or Company's Registrar and Share Transfer agent M/s Ankit Consultancy Pvt. Limited, 2nd Floor, Alankar Point, 4A Rajgarh Kothi, Gita Bhawan Square, Indore – 452 001 (M.P)
- 7 Non-resident Indian Shareholders are requested to inform us immediately, the change in their Residential Status on return to India for permanent settlement and the particulars of NRE Account, if not furnished earlier.
- 8 Members are requested to bring their copies of Annual Report to the meeting.
- 9 A member desirous of getting any further information on the accounts or operations of the Company, is requested to forward his / her queries to the Company at least five working days prior to the meeting, so that the required information will be made available at the meeting.
- 10 Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of directors seeking appointment/re-appointment at the Annual General Meeting is separately annexed hereto.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

The Explanatory Statement sets out the facts relating to Item No.5 & 6 of the accompanying notice dated August 07, 2010.

**Item no. 5**

The Board of Directors at their meeting held on 22<sup>nd</sup> January, 2010 approved the appointment of Mrs. Riddhima Doshi, daughter in law of Mr. Ashok Doshi, Managing Director of the company as Management Trainee with effect from 1<sup>st</sup> February, 2010 on a gross monthly remuneration of Rs. 44907/- p.m. as per the rules of the Company. Further Board of Directors at their meeting held on 18<sup>th</sup> June, 2010 promoted Mrs. Riddhima Doshi as Deputy Manager Finance (Granite Division).

As the total gross monthly remuneration to Mrs. Riddhima Doshi is Rs. 44907/- p.m., approval of members by way of Special resolution is required as per the provisions of section 314(1)(b) of the Companies Act, 1956.

A draft of the appointment letter containing the terms of the appointment of Mrs. Riddhima Doshi has been kept for inspection of the members between 2.00 p.m. to 4.00 p.m. on any working day upto the date of Annual General Meeting at the registered office of the Company.

The Board recommends the Special resolution at Item No. 5, for the approval of the members.

None of the directors is interested in the resolution except Mr. Ashok Doshi, Managing Director and Mr. Sudhir Doshi, Whole Time Director, who may be deemed to be concerned or interested in the proposed resolution as Mrs. Riddhima Doshi is relative of them.

**Item no. 6**

In view of the contributions made by Mr. Ashok Doshi and his rich experience and expertise in managing the affairs of the company, the Board of Directors in their meeting held on 30<sup>th</sup> April, 2010 re-appointed Mr. Ashok Doshi as Managing Director of the company for a further period of five years commencing from 1<sup>st</sup> May, 2010 subject to the approval of the members in a general meeting.

The remuneration payable to Mr. Ashok Doshi was approved by remuneration committee of the Board of Directors. The material terms and conditions of the re-appointment as set out in the agreement dated 30<sup>th</sup> April, 2010 entered into between the company and Mr. Ashok Doshi are as follows:

1. The Managing Director shall, subject to superintendence, control and direction of the Board of Directors carry out such duties and exercise such powers as may be entrusted and delegated to him by the Board.
2. Period of agreement: Five years from 1<sup>st</sup> May, 2010



### 3. Remuneration

2.1 Basic Salary: Rs.180000/- per month with yearly increments to be decided by the Board of Directors.

2.2 Variable Pay: Performance linked bonus as may be decided by the Board of Directors from time to time subject to a maximum of 3% of the net profits of the company for each financial year and subject to overall limits as stipulated under section 198,309,310,311 read with schedule XIII of the Companies Act, 1956 and computed in the manner prescribed under section 349 and 350 of the Companies Act, 1956.

#### 2.3 Perquisites

- a) Housing: Free furnished accommodation if the house is owned by the Managing Director or House rent allowance @ 30% of the Basic Salary in lieu of company provided accommodation.
- b) Reimbursement of expenses: On actual basis pertaining to electricity/gas/water /telephone and other miscellaneous expenses for the upkeep and maintenance of such accommodation
- (c) Medical Reimbursement: Actual expenses incurred by Mr. Ashok Doshi and his family.
- (d) Leave Travel Concession: For Mr. Ashok Doshi and his family subject to ceiling of Rs.3 lakhs per annum

Explanation:

For the purpose of (c) and (d) above, family means the spouse, the dependent children and the dependent parent of Mr. Ashok Doshi.

- (e) Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- (f) Personal Accident / Medical Insurance: Premium not to exceed Rs.20000/- per annum.
- (g) Company's Contribution towards Provident Fund: As per the rules of the Company. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent not taxable under the Income Tax Act 1961.
- (h) Gratuity: Gratuity payable shall not exceed half a month's salary for each completed year of service.
- (i) Provision of Car: Provision of car for use on Company's business will not be considered as perquisites.
- (j) Provision of Telephone: Provision of telephone at residence will not be considered as perquisites.
- (k) Encashment of leave: No encashment of leave is permissible.



- (l) Other benefits Reimbursement of all entertainment traveling and other expenses incurred for the business of the company.
- (m) Any other one time/periodic retirement allowance /benefits as may be decided by the Board at the time of retirement.

Explanation:

For the purposes of the foregoing, perquisites shall be valued as per Income Tax Rules, 1962. In the absence of any such rule, perquisites shall be evaluated at actual cost.

#### 4. Other Terms and Conditions

- In the event of loss or inadequacy of profits in any financial year(s), the Board of Directors shall revise the remuneration payable to Managing Director, during such financial year, in such manner as agreed to between the Board of Directors and the Managing Director and within the limits prescribed in this behalf under Schedule XIII to the Companies Act, 1956.
- No sitting fees shall be paid to the Managing Director for attending the meetings of the Board or any Committee meeting.
- The Managing Director shall not be liable to retire by rotation.
- The terms and conditions of the said re-appointment and / or Agreement may be varied / enhanced from time to time by the Board of Directors as it may in its discretion deem fit.

The agreement entered into between the Company and Mr. Ashok Doshi, Managing Director containing the terms of the appointment and remuneration payable is available for inspection by the members at the registered office of the Company between 2.00 p.m. to 4.00 p.m. on any working day upto the date of Annual General Meeting.

The Board recommends the Ordinary Resolution at Item No. 6, for the approval of the members.

None of the directors is interested in the resolution except Mr. Ashok Doshi, himself and Mr. Sudhir Doshi, younger brother of Mr. Ashok Doshi who may be deemed to be concerned or interested in the proposed resolution.

By order of the Board  
For **Madhav Marbles and Granites Ltd.**

Place: Udaipur  
Date: August 07, 2010

Priyanka Manawat  
**Company Secretary**



## Annexure to the Notice

**Details of director seeking re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to clause 49 of the listing agreement with the Stock Exchanges)**

| Name of Director                                                                               | Mr. Ravi Kumar Krishnamurthi                                                                                                                                                                                                     | Mr. Ashok Doshi                                                                                                                                                     |
|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Birth                                                                                  | January 17, 1946                                                                                                                                                                                                                 | May 21, 1950                                                                                                                                                        |
| Date of Initial Appointment                                                                    | November 16, 2002                                                                                                                                                                                                                | May 10, 1995                                                                                                                                                        |
| Qualification                                                                                  | B.A, L.L.B.                                                                                                                                                                                                                      | B.Sc.                                                                                                                                                               |
| Expertise                                                                                      | Vast experience in the field of Corporate Law.                                                                                                                                                                                   | Vast experience in the field of Marketing and also in managing the affairs of the Company.                                                                          |
| No. of Shares held in the Company as on 31.03.2010                                             | Nil                                                                                                                                                                                                                              | 493900                                                                                                                                                              |
| Directorships held in other Companies as on 31.03.2010                                         | 1) Altair (India) Private Ltd<br>2) Emkay Global Financial Services Ltd.<br>(Formerly called Emkay Share & Stock Brokers Ltd.<br>3) Emkay Commotrade Ltd.                                                                        | 1) Rajdarshan Industries Ltd.<br>2) Rajdarshan Hotel P. Ltd.<br>3) Rupal Holdings P. Ltd.<br>4) Shri Madhav Hotels P. Ltd.<br>5) Lark Finance & Investments P. Ltd. |
| Chairman/Member of the Committee of the Board of Directors of the Company as on 31.03.2010     | Nil                                                                                                                                                                                                                              | Nil                                                                                                                                                                 |
| Chairman/Member of the Committee of the Board of Directors of other Companies as on 31.03.2010 | 1) Member of Audit Committee, Remuneration/Compensation Committee and Chairman of Investor Grievance & Share Transfer Committee of Emkay Global Financial Services Ltd.<br>2) Member of Audit Committee of Emkay Commotrade Ltd. | Nil                                                                                                                                                                 |



## DIRECTORS' REPORT

The Directors have great pleasure in presenting the Twenty First Annual Report and the Audited Accounts for the year ended March 31, 2010.

## FINANCIAL HIGHLIGHTS

|                                            | (Rupees in Millions)     |                          |
|--------------------------------------------|--------------------------|--------------------------|
| Details                                    | Year ended<br>31.03.2010 | Year ended<br>31.03.2009 |
| Net sales and other income                 | <b>645.78</b>            | 592.76                   |
| Profit before interest and depreciation    | <b>94.13</b>             | 91.53                    |
| Interest                                   | <b>13.56</b>             | 28.72                    |
| Depreciation                               | <b>46.19</b>             | 47.87                    |
| Profit before tax                          | <b>34.38</b>             | 14.94                    |
| Provision for taxation                     |                          |                          |
| Current tax                                | <b>5.84</b>              | 1.69                     |
| Deferred tax                               | <b>(5.10)</b>            | (3.37)                   |
| Fringe Benefit Tax                         | <b>0.00</b>              | 0.33                     |
| Profit after tax                           | <b>33.64</b>             | 16.29                    |
| Add / (Less) Provision no longer required  | <b>0.00</b>              | 0.00                     |
| Prior period adjustment                    | <b>(1.41)</b>            | (0.17)                   |
| Surplus brought forward from previous year | <b>463.00</b>            | 457.35                   |
| Total                                      | <b>495.23</b>            | 473.47                   |
| Proposed dividend (10%)                    | <b>8.95</b>              | 8.95                     |
| Tax on proposed dividend                   | <b>1.49</b>              | 1.52                     |
| Transfer to general reserve                | <b>15.00</b>             | 0.00                     |
| Surplus in Profit & Loss Account           | <b>469.80</b>            | 463.00                   |

## Performance Review

The performance of the company in the year 2009- 2010 has significantly improved as compared to the previous year. The net sales increased by 9.35 % to Rs.636.02 million from Rs.581.65 million in the previous year. The company posted a net profit after tax of Rs.33.64 million as against Rs.16.29 million in the previous year registering an increase of 106.51%.

## Dividend

The Board of Directors have pleasure in recommending a dividend of Re. 1 per share on 8947000 Equity Shares of Rs. 10 each for the year

ended March 31, 2010. The dividend, if approved by the shareholders, would involve an total outflow of Rs.10.44 million including dividend tax of Rs.1.49 million. Dividend will be paid to those shareholders whose name appear in the register of members of the Company as on September 25, 2010 and to the beneficial holders as on September 18, 2010.

The Company has been paying dividend consistently since financial year 1998-99 except year 2000-01 (the year in which Unit II, Granite Slab Unit was established at Salem, Tamilnadu)

## Finance

During the year under review, the company has not availed any Corporate loan from Banks and Financial Institutions.

## Directors Responsibility Statement

The Directors hereby confirm that:

- in the preparation of the Annual Accounts for the FY 2009-10, applicable Accounting Standards have been followed and that there are no material departures;
- they have 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 as at the end of the financial year and of the Profit of the Company for that period;
- they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the Annual Accounts of the Company on a "going concern" basis.

## Management Discussion and Analysis Report

The annexed Management Discussion and Analysis forms a part of this Report and covers, amongst other matters, the performance of the



Company during the Financial Year under review as well as future prospects.

**Corporate Governance**

A report on Corporate Governance along with a Certificate from the Auditors of the Company regarding the compliance of conditions stipulated under clause 49 of the listing Agreement is annexed hereto.

**Fixed Deposits**

Your Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

**Directors**

Mr. Ravi Kumar Krishnamurthi, director retires by rotation and being eligible offers himself for re-appointment.

Brief resume of director seeking re-appointment is annexed with Notice calling the Annual General Meeting.

**Auditors**

The Auditors, M/s Nyati & Associates, Chartered Accountants, Udaipur, retire in accordance with the provisions of the Companies Act, 1956, at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

**Auditor's Report**

As regards the Auditors Report, the points raised therein have been explained in the Notes to the Accounts and elsewhere in the Annual Report, as such Directors have no further comments to offer.

**Other Mandatory Requirements**

Pursuant to the requirements of the Listing Agreements with the Stock Exchanges and the Accounting Standards in terms of Section 211 (3A) of the Companies Act, 1956 details of Segment-wise revenue, results and capital employed (AS-17), Related Party Transactions (AS-18), Deferred

Taxation (AS-22) and Impairment of Assets (AS-28) have been incorporated in and / or annexed with the Accounts.

**Energy, Technology and Foreign Exchange**

As per the requirements of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo are given in Annexure-I forming part of this report.

**Particulars of Employees**

During the year no employee was getting remuneration beyond the limit fixed for which the particulars are required pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

The Company continues to maintain good cordial relations with its employees.

**Acknowledgement**

Your Directors expresses their sincere thanks to the Bankers, Financial Institutions, Customers, Government Departments and Suppliers for their continued co-operation. The directors also place on record their deep appreciation for the valuable contribution of its employees at all levels.

Your Directors also thanks the shareholders and other stakeholders for their continued support and patronage during the year under review.

By Order of the Board  
For **Madhav Marbles and Granites Ltd.**

Ashok Doshi                      Sudhir Doshi  
Managing Director      Whole Time Director

Place: Udaipur

Date: August 07, 2010



## Annexure I to the Directors' Report.

Information as required under Section 217 (1) (e) of the Companies Act, 1956

### A. Conservation of Energy

Your Company continues its mission of Conservation of Energy. The efforts are continuing to examine and implement fresh proposals for conservation of energy and minimize its use by regularly monitoring consumption and improved maintenance of the existing systems. Currently, the Company is also using imported plants, which are equipped with energy efficient equipments.

In order to stop wastage of energy, the Company has taken various steps to reduce consumption of energy. The water recycling plants are in operation since the beginning of the units.

Studies are also being conducted for more efficient use of other utilities like diesel, water, power etc.

### B. Technology Absorption

#### 1 Research and Development (R&D)

In house R&D activities are primarily directed towards development of company's products and reduced cost of Diamond Tools. Faster adaptation with changing market demand with improved productivity and better yield results into cost savings and higher quality products. The company has not maintained separate accounts for expenditure incurred on R&D and therefore no specific figures are mentioned.

#### 2 Technology Absorption, Adaptation and Innovation

The company has been successfully using its imported tiling plant. In addition to this

the company is making continuous efforts to develop and absorb latest manufacturing and quality control facilities for maintaining high quality standards and consistency in its products to confirm with international specifications.

### C. Foreign Exchange Earning and Outgo and Export Activities

#### 1 Exports

Exports during the year ended 31<sup>st</sup> March 2010 amounted to Rs.582.66 million against Rs. Rs.533.13 million for the year ended 31<sup>st</sup> March 2009, which is inclusive of third party exports.

#### 2 Export Activities

Increasing the penetration through an optimal mix of pricing and promotions in the international market.

#### 3 Foreign Exchange Earnings and Outgo

Earning : Rs. 535.27 million  
(previous year Rs. 472.46 million)

Outgo : Rs. 88.14 million  
(previous year Rs.113.22 million)

By Order of the Board  
For **Madhav Marbles and Granites Ltd.**

Ashok Doshi  
Managing Director

Sudhir Doshi  
Whole Time Director

Place: Udaipur  
Date: August 07, 2010



## Management's Discussion and Analysis

The Management of MMGL is pleased to present its analysis report covering business wise performance and outlook. This report contains certain forward-looking statements, which are subject to certain future events and uncertainties that could cause actual results to differ materially.

### Business

MMGL is mainly engaged in the following Business:

- (a) Manufacturing and processing Marble Tiles and Slabs;
- (b) Manufacturing and processing Granite Tiles and Slabs; and
- (c) Other trading activities related to Marble and Granite.
- (d) Generation of power by WTG
- (e) Land Development and Realty Business

### Granite Tile Unit

#### Review of Operations

The turnover from the tile business was at Rs. 243.24 million as against Rs. 161.00 million in the previous year, registering an increase of 51.08 %.

The production during the year was at 238534.69 sq. meters as compared to 166156.45 sq. meters of previous year, thus registering a substantial increase of 43.56%

During the year granite tile business contributed 37.58% of the total turnover of the Company.

#### Outlook

With the appreciation in the value of US Dollar/ EURO and the favourable foreign exchange fluctuation , the sales realisation is expected to improve during the year 2010-11. Further Company's efforts towards market enlargement may spur the demand for the tile segment.

### Marble Tiles and Slab Unit

#### Review of Operations

The marble division continue to face various constraints as the business conditions were not

viable during the year under review. Business was affected due to reduced demand of marble tiles and slabs, rise in cost of production and various miscellaneous reasons.

The turnover from marble business was at Rs.59.27 million as against Rs.49.85 million in previous year thus registering an increase of 18.90%

#### Outlook

As a result of pending labour litigations and adverse conditions for business at Marble division, business operations were suspended with effect from June 18, 2010.

The Board also proposed to sell/lease or otherwise transfer major capital assets of marble division subject to approval of members of the Company.

However trading activities of Marble and Granite will be continued and company expects a good growth and profitability in the same.

### Granite Slab Unit

#### Review of Operations

The turnover from the slab business was Rs.329.86 million as against Rs. 372.37 in the previous year showing a decline of 11.42%.

The production quantity was 172824.93 sq. meters and the sale quantity was at 168603.21 sq. meters as against 191779.81 sq. meters and the sale quantity at 199755.55 sq. meters respectively in the previous year.

Profitability from the Granite slab business was affected mainly due to decline in turnover during the year.

#### Outlook

The Company expects that the demand of granite slabs from markets like US, Germany, Holland, Australia, UK and South Africa will improve. The management expects significant growth in contribution to the business from granite slab business.



### Power Generation

The production during the year was 47,92,887 units against 41,80,736 units in the previous year registering a increase of 6,12,151 units. Out of current years' production of 21,98,109 ( previous year 10,54,386) units were sold to TNEB after utilizing 25,94,778 (previous year 31,26,350 ) units by Granite division.

### Financial Review and Analysis

(Rs. in Millions)

| Details                                   | Year ended |        | % of change |
|-------------------------------------------|------------|--------|-------------|
|                                           | 2010       | 2009   |             |
| Net Sales and Other Income                | 645.78     | 592.76 | 8.94        |
| Total Expenditure                         | 551.65     | 501.23 | 10.06       |
| Profit Before Interest and Depreciation   | 94.13      | 91.53  | 2.84        |
| Interest                                  | 13.56      | 28.72  | (52.79)     |
| Depreciation                              | 46.19      | 47.87  | (3.51)      |
| Profit Before Tax and Extra-ordinary Item | 34.38      | 14.94  | 130.12      |
| Provision for Taxation                    |            |        |             |
| Current Tax                               | 5.84       | 1.69   | 245.53      |
| Deferred Tax                              | (5.10)     | (3.37) | 51.34       |
| Fringe Benefit Tax                        | 0.00       | 0.33   | (100)       |
| Profit After Tax                          | 33.64      | 16.29  | 106.51      |

### Net Sales and Other Income

Net sales and other income during the year has increased to Rs.645.78 million from Rs.592.76 million in previous year which includes around 90.00% contribution from granite division (slab & tiles), around 9.95% contribution from marble division, and 0.05% from the sale of power.

### Manufacturing Expenses

The manufacturing expenses increased by 20.04% to Rs.144.40 million from Rs. 120.29 million in previous year.

### Net Material Consumed

Net material consumed increased by 0.98% to

Rs.266.42 million from Rs. 263.84 million in previous year.

### Employee Cost

The employee cost increased by 10.84% during the year to Rs.42.55 million from Rs.38.39 million in previous year.

### Administrative and Other Expenses

Administrative and Other expenses increased by 5.22% to Rs. 63.32 million from Rs.60.18 million in the previous year.

### Profit Before Interest, Depreciation and Tax

The company has achieved operating profits at 14.54% of total sales which is due to better operating efficiencies and continuous cost cutting measures adopted by the Company.

### Interest

Interest charges decreased by 52.79 % to Rs. 13.56 million from Rs. 28.72 million in previous year. Company made a repayment of term loan to the extent of Rs. 136.16 million

### Depreciation

The depreciation charges were at Rs. 46.19 million as against Rs. 47.87 million in the previous year, an decrease of around 3.51%.

### Profit Before Tax

The profit before tax increased by 130.12% to Rs.34.38 million from Rs. 14.94 million in previous year 2008-09. The total tax provision for the current year amounted to Rs.5.84 million against Rs.1.69 million in the previous year.

### Profit After Tax

The profit after tax increased by 106.51% to Rs.33.64 million from Rs. 16.29 million in previous year 2008-09.

### Gross Debt

The gross debt stood at Rs. 211.97 million as compared to Rs. 344.11 million in the previous year.



### **Fixed Assets**

The fixed assets stand to Rs. 364.53 million as against Rs. 391.51 million in the previous year 2008-09.

### **Net Current Assets**

The net current assets of company decreased to Rs.853.72 million from Rs.936.47 million in previous year mainly because of better realisation of debtors during the year under review.

### **Deferred Tax**

The Company has provided for deferred tax assets of Rs. 5.10 million as against Rs. 3.37million in previous year as per the Accounting Standard (AS) 22. For details kindly refer Notes to the Accounts No. 17.

### **Earning Per Share**

The Earning Per Share was Rs. 3.60 during F.Y. 2009-10, as compared to Rs. 1.80 during FY 2008-09 and Cash Earning Per Share decreased from Rs.8.84 to Rs. 8.76 during the period under review as compared to previous year.

### **Contingent Liabilities**

Details of contingent liabilities are given in Notes to the Accounts No. 2.

### **Internal Control Systems**

The Company has an adequate system of internal controls implemented by the Management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws.

### **Human Resources**

During the year, labour relations continued to be cordial. The Company employs a total of 215 employees.

### **Recognition**

The Government of India recognized the Company as 'Export House' since 1995.

### **Conclusion**

In sum, the Company's performance has improved significantly over the previous year and management further expects continued growth this year also.



## Report on Corporate Governance

The Company believes in the concept of good Corporate Governance involving integrity, transparency, accountability and compliance with laws in all dealings with Government, Customers, Suppliers, Employees and other Stake-holders. It should be followed by all the directors, management and employees of the company to evolve into a responsible business enterprise and should endeavor to improve on these aspects.

In accordance with clause 49 of the listing Agreement with the Stock Exchange and the best practice followed, on Corporate Governance, the details of Compliances by the company are as under.

The following are some of the highlights:

### Board of Directors

As on 31st March, 2010, the Board comprises Seven directors among which two are executive and five non-executive directors. Out of five non - executive directors, four are non - executive independent directors. The Chairman of the Board is Non-executive Independent Director.

In the opinion of the Board, the constitution of the Board meets with the requirements of board composition as set out in the Listing Agreement with the Stock Exchanges.

### Composition of the Board and attendance of Directors;

| Name of the Director             | Category of Directorship  | No. of Board meetings attended | Attendance at the last AGM | Directorship(s) in other Companies | Chairmanship(s) Memberships/ Committees of others Companies |           |
|----------------------------------|---------------------------|--------------------------------|----------------------------|------------------------------------|-------------------------------------------------------------|-----------|
|                                  |                           |                                |                            |                                    | As Chairman                                                 | As Member |
| C. D. Gopinath                   | Non-executive Independent | 3                              | Yes                        | 1                                  | -                                                           | -         |
| Raj Singh Dungarpur <sup>1</sup> | Non-executive             | -                              | No                         | 3                                  | -                                                           | -         |
| Ravi K. Krishnamurthi            | Non-executive Independent | 6                              | No                         | 3                                  | 1                                                           | 3         |
| Prakash K. Verdia                | Non-executive Independent | 4                              | Yes                        | -                                  | -                                                           | -         |
| Raj Kumar Bapna <sup>2</sup>     | Non-executive             | -                              | No                         | 5                                  | -                                                           | -         |
| Roshan Lal Nagar                 | Non-executive Independent | 6                              | No                         | 1                                  | -                                                           | -         |
| Jagdish Dashora                  | Non-executive             | 2                              | No                         | 8                                  | -                                                           | -         |
| Sudhir Doshi                     | Executive                 | 5                              | Yes                        | 3                                  | -                                                           | 2         |
| Ashok Doshi                      | Executive                 | 7                              | Yes                        | 5                                  | -                                                           | -         |

1. Ceased to be director w.e.f. 12<sup>th</sup> September, 2009

2. Ceased to be director w.e.f. 20<sup>th</sup> August, 2009



The Directors have expertise in the fields of strategy, corporate management, taxation, finance, legal and human resource development.

None of the directors hold directorships in more than the permissible number of companies under the applicable provisions. Similarly, none of the directors on the Board's committees hold membership of more than ten committees of Boards, nor is any director a chairman of more than five committees of Boards.

No director is related to any other director except Mr. Ashok Doshi and Dr. Sudhir Doshi who are elder and younger brother respectively.

### Board Meetings

The Board of Directors met Seven times during the year with a clearly defined agenda for each meeting. The gap between two Board meetings did not exceed four months.

The dates on which the Seven board meetings were held are as follows:

| Date of Board Meeting | Held at | No. of Directors Present |
|-----------------------|---------|--------------------------|
| April 29, 2009        | Udaipur | 5                        |
| July 31, 2009         | Udaipur | 7                        |
| August 20, 2009       | Udaipur | 5                        |
| September 26, 2009    | Udaipur | 4                        |
| October 31, 2009      | Udaipur | 4                        |
| December 03, 2009     | Udaipur | 3                        |
| January 22, 2010      | Udaipur | 5                        |

### Availability of information to the members of the Board

Key information is being provided to the Board at regular intervals.

Board annually reviews the Company's performance, operating plans, long-term plans, business initiatives and other related matters.

Further the information periodically placed before the Board whenever applicable and materially significant includes –

- (a) Quarterly / half yearly results for the company and its units or business segments

- (b) Minutes of meetings of Audit Committee / Shareholders' Transfer/ Grievance Committee
- (c) Details of Investor Grievances received and resolved
- (d) Transactions with related parties
- (e) Sale of material nature of investment, subsidiaries, assets, which is not in normal course of business
- (f) Other matters as set out in the listing agreement

### Audit Committee

As on 31<sup>st</sup> March 2010, the committee comprises four directors, out of which majority are independent directors. The audit committee has adequate powers and detailed terms of reference to play an effective role as required under the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreements with the Stock Exchanges.

Brief description of the terms of reference to the audit committee are as follows: –

- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
- (b) Recommending the appointment, reappointment and if, required, replacement or removal of the statutory auditors, tax auditors and internal auditors of the company and fixation of audit fees
- (c) Reviewing, with the management, the annual/ half yearly/quarterly financial statements before submission to the board for approval
- (d) Reviewing the internal audit reports and follow up thereon
- (e) Discussion with Statutory auditors about the nature and scope of audit as well post-audit discussion to ascertain any are of concern
- (f) Other matters as set out in the listing agreement

The committee met five times in the year under review on: April 29 2009, July 31 2009, August 20 2009, October 31 2009 and January 22 2010



### Attendance record of Audit Committee Meetings

| Name of Directors                   | Position | No. of meetings |          |
|-------------------------------------|----------|-----------------|----------|
|                                     |          | Held            | Attended |
| Mr. Roshan Lal Nagar                | Chairman | 5               | 5        |
| Mr. Prakash K. Verdia               | Member   | 5               | 4        |
| Mr. Jagdish Dashora                 | Member   | 5               | 2        |
| Mr. Sudhir Doshi                    | Member   | 5               | 4        |
| Mr. Ravi Krishnamurthi <sup>1</sup> | Member   | —               | —        |

1. Ceased to be Member w.e.f. 01st April, 2009

### Shareholders Transfer/Grievance Committee

As on 31<sup>st</sup> March, 2010, the committee comprises four directors, out of which majority are independent directors.

The committee has responsibility to look after transfer, transmission, consolidation, issue of duplicate shares certificates, etc., relating to the shares of the Company and matters relating to redressal of investor grievances/complaints in consultation with the Registrar and Share Transfer agents of the Company.

The committee has excellent co-ordination with the Share Transfer Agents and effects all the share transfers /transmissions and other allied matters within the statutory time limits. Details of share transfers/transmissions /issue of duplicate shares made/approved are periodically placed at the Board Meeting.

The committee met five times during the year under review.

### Attendance record at the Shareholders Transfer/Grievance Committee Meetings

| Name of Directors                   | Position | No. of meetings |          |
|-------------------------------------|----------|-----------------|----------|
|                                     |          | Held            | Attended |
| Mr. Prakash K. Verdia               | Chairman | 5               | 5        |
| Mr. Roshan Lal Nagar                | Member   | 5               | 5        |
| Mr. Jagdish Dashora                 | Member   | 5               | 1        |
| Mr. Sudhir Doshi                    | Member   | 5               | 5        |
| Mr. Ravi Krishnamurthi <sup>1</sup> | Member   | —               | —        |

1. Ceased to be Member w.e.f. 01st April, 2009

### Remuneration Committee

In compliance with the non-mandatory requirement of Clause 49 of the listing agreement and pursuant to the provisions of Schedule XII of the Companies Act, 1956, the company constituted a Remuneration committee. The committee comprises of independent directors.

### Terms of reference/objectives

1. To make recommendation to the Board on the company's framework of managerial personnel remuneration and to determine on behalf of board specific remuneration package
2. To review the ongoing appropriateness and relevance of the remuneration policy
3. To make recommendations to the board on an annual basis as to whether the circumstances are such that shareholders should be invited to approve the policy set out in the board's remuneration report at the company's annual general meeting.
4. To determine the terms of any compensation package in the event of early termination of the contract of any executive director.
5. To recommend Commission payable, if, any to non-executive directors

### Remuneration Policy

The remuneration as recommended by the committee is based on factors such as Company's financial status, future growth potential, Company's performance vis-a-vis industry, performance of managerial personnel etc.

### Attendance record of Remuneration Committee Meeting

| Name of Directors         | Position | No. of meetings |          |
|---------------------------|----------|-----------------|----------|
|                           |          | Held            | Attended |
| Mr. Ravi K. Krishnamurthi | Chairman | 1               | 1        |
| Mr. Roshan Lal Nagar      | Member   | 1               | 1        |
| Mr. Prakash K. Verdia     | Member   | 1               | 1        |

**Details of remuneration to Managing Director and Whole-time Director**

| Name         | Salary/<br>Bonus | PF       | Perqs. | Comm.<br>payable | Total<br>(Rs.) |
|--------------|------------------|----------|--------|------------------|----------------|
| Ashok Doshi  | 14,40,000        | 1,72,800 | 338558 | -                | 1951358        |
| Sudhir Doshi | 1,04,8000        | 1,08,000 | 29,331 | -                | 1185331        |

**Remuneration to Non-executive Directors**

Detail of Sitting Fees paid to non-executive directors during the year 2009-10 is given below—

| Name of the Director  | Sitting fees (Rs.) | Commission payable (Rs.) | Total (Rs.) |
|-----------------------|--------------------|--------------------------|-------------|
| C.D. Gopinath         | 30000              | -                        | 30000       |
| Ravi K. Krishnamurthi | 60000              | -                        | 60000       |
| Jagdish Dashora       | 20000              | -                        | 10000       |
| Prakash Kumar Verdia  | 20000              | -                        | 20000       |
| Roshan Lal Nagar      | 30000              | -                        | 30000       |

**Agreements with Directors**

An agreement was entered into with Mr. Ashok Doshi as Managing Director for a period from 1<sup>st</sup> May 2010 valid till 30<sup>th</sup> April 2015 subject to approval of shareholders of the Company at the ensuing Annual General Meeting.

Mr. Sudhir Doshi was appointed as Whole Time Director of the Company for a period of five years w.e.f July 28, 2007, and his appointment as Whole Time Director was approved by shareholders at the Annual General Meeting held on September 22, 2007.

Mr. Ashok Doshi, Managing Director and Mr. Sudhir Doshi, Whole Time Director are being paid remuneration within the limits stipulated by Schedule XIII to the Companies Act, 1956.

**Code of Conduct**

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management Personnel of your Company. All Board Members and Senior Management Personnel have confirmed compliance with the code.

A declaration signed by the Managing Director is attached and forms part of the Annual Report.

**Annual General Meetings**

The particulars of last three Annual General Meetings are as under:

| Year    | Date     | Time      | Place                                                       |
|---------|----------|-----------|-------------------------------------------------------------|
| 2008-09 | 26.09.09 | 4.15 p.m. | Regd. Office at NH. 8, Amberi, Post-Bhuwana Udaipur- 313004 |
| 2007-08 | 30.09.08 | 4.15 p.m. | As above                                                    |
| 2006-07 | 22.09.07 | 4.15 p.m. | As above                                                    |

Special Resolutions passed in the last three AGMs.

2008-09

Appointment of Mr. Madhav Doshi as Manager Exports.

2007-08

N.A.

2006-07

N.A.

**Code for prevention of Insider Trading Practices**

The Company has also adopted a code of internal procedure and conduct for prevention of insider trading in the shares of the Company, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2002.

**Postal Ballot**

No resolution requiring a postal ballot was recommended for approval during the last year.

The Board proposed to seek approval of the members of the company to sell/lease or otherwise transfer the major Capital assets situated at Marble division, Udaipur, Rajasthan by way of postal ballot

**CEO / CFO Certification**

The Managing Director of the Company has certified in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the year ended March 31, 2010.

**Means of Communication**

- The quarterly, half-yearly and annual financial results of the Company were published in Financial express and in Jai Rajasthan.
- The Company has developed a website addressed as [www.madhavmarbles.com](http://www.madhavmarbles.com), wherein the results are posted regularly.



- (c) Is half-yearly report sent to each shareholders household: No
- (d) Whether any presentations made to Institutional Investors or to the Analysts : No
- (e) Whether Management Discussion and Analysis is a part of Annual Report : Yes
- (f) Whether Shareholder Information forms part of the Annual Report : Yes

## General Shareholders' Information

### 1 Annual General Meeting

**Date and time** : 25<sup>th</sup> September, 2010  
at 4:15 p.m.

**Venue** : Hotel Rajdarshan,  
Pannadhay Marg  
Udaipur 313001 (Raj.)

**2 Book closure** : 18<sup>th</sup> September 2010  
to 25<sup>th</sup> September 2010  
(both days inclusive).

**3 Rate of dividend** : 10% (proposed).  
Rs. 1.00 Per Share

**4 Dividend payment date** : On or after  
29th September 2010

### 5 Dividend declared in earlier years

2002 - 2003 : 20% Rs.2.00 per share  
2003 - 2004 : 20% Rs.2.00 per share  
2004 - 2005 : 30% Rs.3.00 per share  
2005 - 2006 : 10% Rs.1.00 per share  
2006 - 2007 : 20% Rs.2.00 per share  
2007 - 2008 : 10% Rs.1.00 per share  
2008 - 2009 : 10% Rs.1.00 per share

### 6 Financial Calendar

Quarter ended : Reported on  
30<sup>th</sup> June 2010 07<sup>th</sup> August 2010

Quarter ending : On or before  
30<sup>th</sup> Sept. 2010 15<sup>th</sup> November 2010

Quarter ending : On or before  
31<sup>st</sup> Dec. 2010 15<sup>th</sup> February 2011

Quarter ending : On or before  
31<sup>st</sup> March 2010 30<sup>th</sup> April 2010, or on  
before 30<sup>th</sup> June 2010

### 7 Registered office

11-A, Charak Marg, Ambamata Scheme  
Udaipur (Raj.) 313 001

Phone: 0294-2430200, Fax: 0294-2430440.

e-mail : madhavfact@gmail.com  
investormmgl@gmail.com

website : www.madhavmarbles.com

### 8 Factory location

*Marble Division* -N.H. 8, Amberi,  
P.O. Bhuwana, Udaipur, 313004

*Granite Division* - Unit I and Unit II  
Village Thoppur, Distt. Dharampuri (TN).

### 9 Listing and stock code

| Stock Exchanges | Stock Code     |
|-----------------|----------------|
| BSE             | : 515093       |
| NSE             | : Madhav       |
| ISIN No.        | : INE925C01016 |

### 10 Addresses of Stock Exchanges

Bombay Stock Exchange Limited (BSE)  
25<sup>th</sup> Floor P. J. Towers, Dalal Street  
Mumbai 400 001

Phone: 022-2272 1233/ 34 Fax: 022-2272 2061  
Web: www.bseindia.com

National Stock Exchange of India Limited (NSE)  
"Exchange Plaza", Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051

Ph.:022-2659 8100 Fax:022-2659 8237/38  
Web: www.nseindia.com

### 11 Listing fees

Listing fees for the year 2010-11 has been paid to the Stock Exchanges and there is no fees outstanding as on date.

### 12 Depositories

The National Securities Depository Ltd. (NSDL)  
4<sup>th</sup> Floor,"A" Wing Trade World Kamala Mills



Compound, Senapati Bapat Marg, Lower Parel,  
Mumbai 400 013

Ph. : 022-2499 4200 Fax : 022-2497 6351.

Web: www.nsdl.co.in

The Central Depository Services (India) Ltd.  
(CDSL)

17<sup>th</sup> Floor, P.J. Towers, Dalal Street, Fort  
Mumbai 400 001

Ph.: 022-2272 3333 Fax: 022-2272 3199.

Web: www.cdslindia.com

### 13 Address of Registrar of Companies

The Registrar of Companies, Rajasthan  
G/6-7, Second Floor, Residency Area  
Civil Lines, Jaipur - 302001

### 14 Share Transfer Agent & Depository Registrar

M/s Ankit Consultancy Private Limited

2<sup>nd</sup> Floor, Alankar Point

Gita Bhawan Chouraha

A.B. Road, Indore (MP) 452 001

Phone: 0731-2491298, Fax: 0731-4065798.

e-mail : ankit\_4321@yahoo.com

### 15 Compliance Officer

Ms. Priyanka Manawat, Company Secretary

11-A, Charak Marg, Ambamata Scheme,

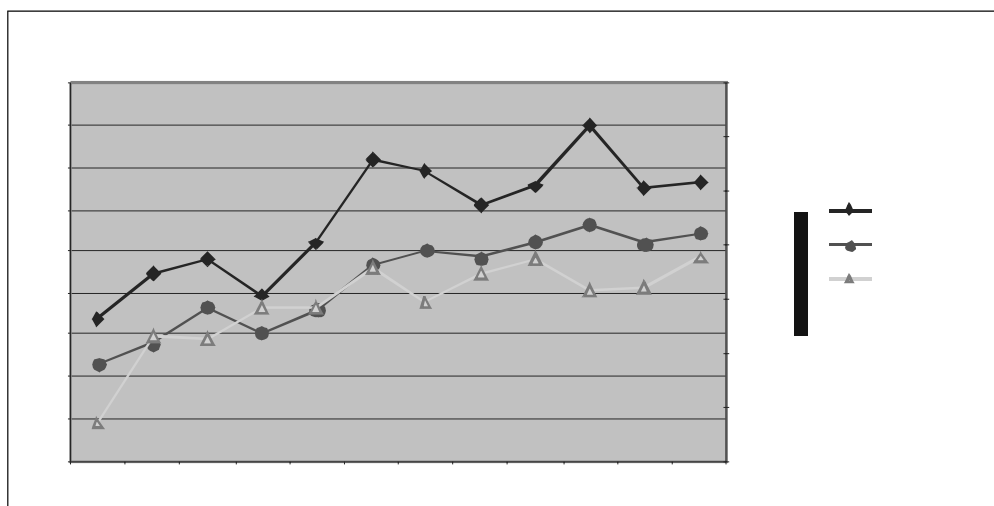
Udaipur - 313001((Raj.))

Phone: 0294-2430200, Fax: 0294-2430440.

### 16 Share price data

The monthly high and low quotations and volume of shares traded on Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India (NSE) during the year 2009-10, is given below along with graph showing share price movement with BSE Sensex.

| Month  | BSE           |              |                               | NSE           |              |                               |
|--------|---------------|--------------|-------------------------------|---------------|--------------|-------------------------------|
|        | High<br>(Rs.) | Low<br>(Rs.) | Volume of<br>Shares<br>Traded | High<br>(Rs.) | Low<br>(Rs.) | Volume of<br>Shares<br>Traded |
| Apr-09 | 16.8          | 11.56        | 80715                         | 15.90         | 11.55        | 43877                         |
| May-09 | 22.21         | 14.1         | 121150                        | 23.05         | 14           | 45595                         |
| Jun-09 | 24            | 18.35        | 354517                        | 23.95         | 18           | 97898                         |
| Jul-09 | 19.8          | 15.25        | 80326                         | 20.5          | 16           | 33634                         |
| Aug-09 | 26            | 17.75        | 194361                        | 25.80         | 17.55        | 90881                         |
| Sep-09 | 35.9          | 23.4         | 728112                        | 32.9          | 20.25        | 850879                        |
| Oct-09 | 34.5          | 25.15        | 336901                        | 34.8          | 24.15        | 598215                        |
| Nov-09 | 30.45         | 24.2         | 164356                        | 30.85         | 22.8         | 120990                        |
| Dec-09 | 32.7          | 26.1         | 293453                        | 32.5          | 25.2         | 165924                        |
| Jan-10 | 39.9          | 28           | 684674                        | 40.15         | 28           | 609021                        |
| Feb-10 | 32.4          | 26           | 145669                        | 34.4          | 26.3         | 53892                         |
| Mar-10 | 33.15         | 27.1         | 364434                        | 34.25         | 25.65        | 296434                        |



### 17 Share Transfer System

Shares sent for transfer in physical form are registered and returned within a period of 21 days' from the date of receipt, if the documents are clear in all respects. Registrar and Share Transfer Agents of your company have been authorized to approve transfers in physical form, However, the Shareholders Grievance Committee of the Company also meets as and when required. The total number of shares transfers during the year was 6200 (previous year 27800).

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, Certificates, on half yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.

### 18 Dematerialization of Shares

Dematerialization of shares are done through our depository registrar and on an average we complete the de-mat process within 15 days from the date of receipt of a valid de-mat request along with the documents.

The total number of shares in dematerialized form at the close of the financial year was 83,19,190 equity shares, which represents 92.98% of the total outstanding equity.

Trading in company's shares is permitted only in the dematerialised form.

### 19 Consolidation of folios

Shareholders holding shares in their individual name or jointly with other person(s) in more than one folio may please write to the company or Share Transfer Agents to consolidate under one folio. Consolidation helps the shareholders to monitor holdings effectively.

### 20 Nomination facility

Shareholders may avail the nomination facility under section 109A of the Companies Act, 1956. Shareholders desirous of availing the nomination facility may please write to the Company or Share transfer agent.

### 21 Unpaid / Unclaimed Dividends

The shareholders are requested to write to the Company or its RTA in respect of non-receipt / unclaimed / un-encashed dividend.

As per the provisions of Companies Act, 1956, the Company is required to transfer the unpaid dividend, remaining unclaimed and unpaid for a period of 7 years' from the date of transfer to the unpaid dividend account, to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Unpaid Dividend for the financial year ended March 31, 2003 is due for transfer to IEPF in the month of October, 2010. No claims will lie against the Company in respect of the unclaimed / unpaid dividend amounts once it is transferred to the IEPF.



**22 Distribution of Shareholding as on March 31, 2010.**

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---------------------------|---------------------|-------------------|--------------------|-------------------|
| 0-1000                    | 5527                | 58.92             | 476840             | 5.33              |
| 1001-2000                 | 1205                | 12.84             | 226975             | 2.54              |
| 2001-3000                 | 496                 | 5.29              | 139031             | 1.55              |
| 3001-4000                 | 264                 | 2.81              | 101252             | 1.13              |
| 4001-5000                 | 739                 | 7.88              | 366958             | 4.10              |
| 5001-10000                | 557                 | 5.94              | 459467             | 5.14              |
| 10001-20000               | 268                 | 2.86              | 402532             | 4.50              |
| 20001-30000               | 85                  | 0.91              | 215289             | 2.41              |
| 30001-40000               | 61                  | 0.65              | 219510             | 2.45              |
| 40001-50000               | 46                  | 0.49              | 172143             | 1.92              |
| 50001-100000              | 59                  | 0.63              | 433141             | 4.84              |
| 100000 above              | 73                  | 0.78              | 5733862            | 64.09             |
| <b>Total</b>              | <b>9380</b>         | <b>100.00</b>     | <b>8947000</b>     | <b>100.00</b>     |

**23 Shareholding Pattern as on March 31, 2010**

| Category of Shareholder                 | No. of Shareholders | Number of Shares | Percentage of Shares |
|-----------------------------------------|---------------------|------------------|----------------------|
| <b>A. Promoter &amp; Promoter Group</b> |                     |                  |                      |
| Indian                                  | 27                  | 3483742          | 38.94                |
| Foreign                                 | -                   | -                | -                    |
| <b>B. Public Shareholding</b>           |                     |                  |                      |
| Mutual Funds/UTI                        | 4                   | 9500             | 0.11                 |
| Financial Institutions / Banks          | 1                   | 500              | 0.01                 |
| Insurance Companies                     | 1                   | 360425           | 4.03                 |
| Foreign Institutional Investors         | 2                   | 2300             | 0.02                 |
| Bodies Corporate                        | 260                 | 1111632          | 12.42                |
| Individual Shareholders                 | 8736                | 3697668          | 41.33                |
| NRIs & OCBs                             | 335                 | 277693           | 3.10                 |
| Clearing Member                         | 14                  | 3540             | 0.04                 |
| <b>Total</b>                            | <b>9380</b>         | <b>8947000</b>   | <b>100.00</b>        |



## 24 Investors' Grievances, Complaints received during the year and attended to

The Company had attended to all of the Investors' Grievances / correspondence within a period of 30 days' from the date of receipt of the same during the year. There were no Investor Grievances remaining unattended / pending, as on 31<sup>st</sup> March 2010.

The details are as follows -

| Nature of Complaints                                                        | 2009 –10 |         |
|-----------------------------------------------------------------------------|----------|---------|
|                                                                             | Received | Cleared |
| Relating to Transfer, Transmission, Dividend, D-mat, Change of Address etc. | 29       | 29      |

## 25 Statutory Compliance

The Company ensures compliance of various statutory requirements by all its Units / Business Segments and obtains quarterly reports / certificates from the respective Units and its Offices. These certificates are placed before the Board and recorded on quarterly basis.

## 26 Secretarial Audit

In terms of the SEBI guidelines, a qualified practicing company secretary carried out a 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 confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of de-materialized shares held with NSDL and CDSL.

## 27 Non-mandatory Disclosure

- (a) Chairman's office: The Company does not maintain the office of the chairman, but

reimburse the expenses incurred in performance of his duties.

- (b) Shareholders Right: The quarterly financial results are published in the newspapers, and also displayed on the web site of the Company. The results are not separately circulated to the shareholders.

- (c) Remuneration committee: The Company has set-up a remuneration committee, details of which are furnished earlier in this annual report.

## Other Matters

No loans are advanced to any of the Directors of the Company.

The materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the directors of the management, their subsidiaries or relatives, key managerial personnel, etc., are disclosed in Notes to the Accounts.

The Company has not defaulted on any loan repayment, interest payment and statutory tax or levy.

## Code of Conduct

### Declaration

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2010.

Place: Udaipur  
Date: August 07, 2010

Ashok Doshi  
Managing Director



**Compliance Certificate on Corporate Governance, for the year ended 31<sup>st</sup> March 2010**

To  
The Members of  
M/s Madhav Marbles and Granites Limited  
Udaipur

We have examined the compliance of conditions of corporate governance by M/s Madhav Marbles and Granites Limited, Udaipur for the year ended 31<sup>st</sup> March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with various Stock Exchanges (hereinafter referred to as 'the agreement').

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordings with the Guidance Note on certification of Corporate Governance (as stipulated in clause 49 of the listing agreement) issued by The Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither

an audit nor an expression of opinion on the financial statement 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 Clause 49 of the listing agreement in all material aspects.

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 & ASSOCIATES  
*Chartered Accountants*  
ICAI Reg. No. 002327C

Place: Udaipur  
Date: August 07, 2010

SURESH NYATI  
**Partner**  
Membership No. 70742



## Auditors' Report to the Members of Madhav Marbles and Granites Limited

To  
The Members of  
Madhav Marbles and Granites Limited

- 1 We have audited the attached Balance Sheet of **MADHAV MARBLES AND GRANITES LIMITED** as at 31st March, 2010 and also the Profit & Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003, issued by the Central government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4 Further to our comments in the Annexure referred to in paragraph (3) above:
  - (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, Profit and Loss Account and Cash Flow Statements dealt with by this report are in agreement with the books of account of the Company.
- (d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (e) on the basis of the written representations received from the directors as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with Accounting Principle generally accepted in India;
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010.
  - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For NYATI & ASSOCIATES**  
Chartered Accountants  
ICAI Reg. No. 002327C

SURESH NYATI  
Partner  
Membership No. 70742

Place: Udaipur  
Date: August 07, 2010

**Annexure to Audit Report**

- (I) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) During the year, the Company has carried out physical verification of the fixed assets. and no material discrepancies were noticed in such verification.
- (c) The Company has not disposed off a substantial part of the fixed assets during the year.
- (II) (a) As explained to us, inventories have been physically verified by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion the Company has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
- (III) (a) The Company has taken interest free unsecured loans from Companies covered in the register maintained under Section 301 of Companies Act, 1956. The number of Companies and amount involved in the transactions is as follows:

| <b>No.of Parties</b> | <b>Amount of loans taken<br/>(Balance as on 31.03.2010)</b> |
|----------------------|-------------------------------------------------------------|
| One                  | Rs. 50 Lacs                                                 |

The Company has not taken unsecured loans from firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.

- (b) In our opinion, the rate of interest and other terms and conditions of the said loans are

not, prima facie, prejudicial to the interest of the Company.

- (c) The Company has not granted any loan to the Companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act 1956.
- (IV) In our opinion and according to the information and explanations provided to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods & services. During the course of our audit, no major weakness has been noticed in the internal control.
- (V) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been properly entered in the said register.
- (b) As per records of the Company there were no transactions exceeding during the year by Rs. Five lakh in respect of each party made in pursuance of contracts, or arrangements required to be entered in the register maintained under Section 301 of the Act.
- (VI) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made thereunder. Hence, the clause (vi) of the Order is not applicable.
- (VII) The Company has a system of internal audit, which, in our opinion, is commensurate with its size and nature of its business.
- (VIII) We have broadly reviewed the books of account and records maintained by the company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of generation of electricity through wind power and are of



the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.

- (IX) (a) According to the records, information and explanation provided to us, the Company is generally regular in depositing with appropriate authorities undisputed amount of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Customs duty, Excise duty, Cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.
- b) The following are the details of disputed Income-tax, Excise duty, Customs duty, Sales tax and cess that have not been paid to the concerned authorities.

| Name of the statute | Name of the disputed dues                                                                                                                                | Amount Rs. Lacs | Period to which the amount relates | Forum where disputes are pending |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------|----------------------------------|
| Income Tax Act 1961 | Disallowance of exemption u/s 10B under MAT                                                                                                              | 61.82           | 2005-06                            | I.T.A.T.                         |
| Income Tax Act 1961 | Disallowance of Deduction u/s 80IA in respect of income of windmill<br>- Conversion charges & other expenses related to land<br>- expenses u/s 40(a)(ia) | 140.71          | 2006-07                            | I.T.A.T                          |

- (X) The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses during the year and in the immediately preceding year.
- (XI) Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in repayment of dues to any financial institution or bank.
- (XII) Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (XIII) The Company is not a chit / nidhi / mutual fund / society and clause (xiii) of the Order is not applicable.
- (XIV) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (XV) On the basis of the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (XVI) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (XVII) On the basis of our examination of the books of accounts and the information and explanation given to us, and in our opinion, the funds raised on short-term basis have not been used for long-term investment and vice-versa.
- (XVIII) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- (XIX) The Company did not have any outstanding debentures during the year.
- (XX) The Company has not raised any money by public issues during the year.
- (XXI) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For NYATI & ASSOCIATES**  
Chartered Accountants  
ICAI Reg. No. 002327C

Place: Udaipur  
Date: August 07, 2010

SURESH NYATI  
Partner  
Membership No. 70742



**BALANCE SHEET AS AT MARCH 31, 2010**

|                                                  |           |                          | (Rupees)                 |
|--------------------------------------------------|-----------|--------------------------|--------------------------|
|                                                  | Schedules | As at<br>31.03.2010      | As at<br>31.03.2009      |
| <b>SOURCES OF FUNDS</b>                          |           |                          |                          |
| <b>Shareholders' Funds</b>                       |           |                          |                          |
| Share Capital                                    | A         | 89470000                 | 89470000                 |
| Reserves and Surplus                             | B         | <u>864550625</u>         | <u>842756992</u>         |
|                                                  |           | <b>954020625</b>         | <b>932226992</b>         |
| <b>Loan Funds</b>                                |           |                          |                          |
| Secured Loans                                    | C         | 206972374                | 339107775                |
| Unsecured Loans                                  |           | <u>5000000</u>           | <u>5000000</u>           |
|                                                  |           | <b>211972374</b>         | <b>344107775</b>         |
| Deferred Tax Liability (Net)                     |           | <u>54395148</u>          | <u>59499867</u>          |
|                                                  |           | <b><u>1220388147</u></b> | <b><u>1335834634</u></b> |
| <b>APPLICATION OF FUNDS</b>                      |           |                          |                          |
| <b>Fixed Assets</b>                              |           |                          |                          |
| Gross Block                                      | D         | 767313143                | 762534385                |
| Less : Depreciation                              |           | <u>424048559</u>         | <u>377858821</u>         |
| Net Block                                        |           | <b>343264584</b>         | <b>384675564</b>         |
| Capital work-in-progress                         |           | <u>21261029</u>          | <u>6834867</u>           |
|                                                  |           | <b>364525613</b>         | <b>391510431</b>         |
| Investments                                      |           | -                        | 5000000                  |
| <b>Current Assets, Loans and Advances</b>        |           |                          |                          |
| Inventories                                      | E         | 244825753                | 197063578                |
| Sundry Debtors                                   | F         | 313943665                | 384989556                |
| Cash & Bank Balances                             | G         | 55658755                 | 88719869                 |
| Loans & Advances                                 | H         | <u>346002771</u>         | <u>355750263</u>         |
|                                                  |           | <b>960430944</b>         | <b>1026523266</b>        |
| <b>Less : Current Liabilities and Provisions</b> |           |                          |                          |
| Current Liabilities                              | I         | 83040872                 | 72593403                 |
| Provisions                                       | J         | <u>23670543</u>          | <u>17463000</u>          |
|                                                  |           | <b><u>106711415</u></b>  | <b><u>90056403</u></b>   |
| Net Current Assets                               |           | <b>853719529</b>         | <b>936466863</b>         |
| Miscellaneous Expenditure                        | K         | 2143005                  | 2857340                  |
| (To the extent not written off or adjusted)      |           |                          |                          |
| TOTAL                                            |           | <b><u>1220388147</u></b> | <b><u>1335834634</u></b> |
| Accounting Policies and Notes to Accounts        | T         |                          |                          |

**In terms of our report of even date**

For NYATI & ASSOCIATES  
Chartered Accountants  
ICAI Reg. No. 002327C

**For and on behalf of the Board of Directors**

Ashok Doshi  
Managing Director

Sudhir Doshi  
Whole Time Director

SURESH NYATI  
Partner, Membership No. 70742  
Place: Udaipur  
Date: August 07, 2010

Priyanka Manawat  
Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

|                                                                       |                  | <b>(Rupees)</b>                  |                                  |
|-----------------------------------------------------------------------|------------------|----------------------------------|----------------------------------|
|                                                                       | <b>Schedules</b> | <b>Year ended<br/>31.03.2010</b> | <b>Year ended<br/>31.03.2009</b> |
| <b>INCOME</b>                                                         |                  |                                  |                                  |
| Sales                                                                 |                  | <b>647378498</b>                 | 597002829                        |
| Less: Inter divisional transfers                                      |                  | <b>9081732</b>                   | 10942225                         |
|                                                                       |                  | <b>638296766</b>                 | 586060604                        |
| Less : Excise Duty                                                    |                  | <b>2281425</b>                   | 4408643                          |
|                                                                       |                  | <b>636015341</b>                 | 581651961                        |
| Other Income                                                          | <b>L</b>         | <b>9759805</b>                   | 11112600                         |
| Increase / (Decrease) in Stock                                        | <b>M</b>         | <b>11266835</b>                  | (1599788)                        |
|                                                                       |                  | <b>657041981</b>                 | 591164773                        |
| <b>EXPENDITURE</b>                                                    |                  |                                  |                                  |
| Materials consumed / sold                                             | <b>N</b>         | <b>277686034</b>                 | 262241058                        |
| Cost of Sales(Realty)                                                 | <b>O</b>         | —                                | —                                |
| Purchase of Traded goods                                              |                  | <b>34963357</b>                  | 18533248                         |
| Manufacturing Expenses                                                | <b>P</b>         | <b>144396047</b>                 | 120287134                        |
| Payment to and provision for Employees                                | <b>Q</b>         | <b>42550504</b>                  | 38390096                         |
| Administrative and other Expenses                                     | <b>R</b>         | <b>63315725</b>                  | 60183513                         |
| Interest                                                              | <b>S</b>         | <b>13563987</b>                  | 28715188                         |
| Depreciation                                                          | <b>D</b>         | <b>46189737</b>                  | 47870990                         |
|                                                                       |                  | <b>622665391</b>                 | 576221227                        |
| Profit/(Loss) for the period before Taxation<br>& Extraordinary Items |                  | <b>34376590</b>                  | 14943546                         |
| Provision for taxation                                                |                  |                                  |                                  |
| - Current Tax                                                         |                  | <b>5842301</b>                   | 1693104                          |
| - Deferred (See Note No. 17)                                          |                  | <b>(5104719)</b>                 | (3368659)                        |
| - Fringe Benefit Tax                                                  |                  | —                                | 326821                           |
|                                                                       |                  | <b>737582</b>                    | (1348734)                        |
| Profit after Tax                                                      |                  | <b>33639008</b>                  | 16292280                         |
| Provision no longer required                                          |                  | —                                | —                                |
| Add / (Less) : Prior period Adjustments                               |                  | <b>(66033)</b>                   | (172604)                         |
| Add / (Less) : Earlier Year Income Tax Liability                      |                  | <b>(1346357)</b>                 | —                                |
| Balance brought forward from previous year                            |                  | <b>463001695</b>                 | 457349562                        |
| Balance available for Appropriation                                   |                  | <b>495228313</b>                 | 473469238                        |
| <b>APPROPRIATIONS</b>                                                 |                  |                                  |                                  |
| Proposed Dividend                                                     |                  | <b>8947000</b>                   | 8947000                          |
| Tax on Proposed Dividend                                              |                  | <b>1485985</b>                   | 1520543                          |
| Transferred to General Reserve                                        |                  | <b>15000000</b>                  | —                                |
| Balance carried to Balance Sheet                                      |                  | <b>469795328</b>                 | 463001695                        |
|                                                                       |                  | <b>495228313</b>                 | 473469237                        |
| Basic and Diluted Earning per Equity share (see note no.7)            |                  | <b>3.60</b>                      | 1.80                             |
| Face value per Equity share                                           |                  | <b>10.00</b>                     | 10.00                            |

**Accounting Policies and Notes to Accounts T****In terms of our report of even date**

For NYATI &amp; ASSOCIATES

Chartered Accountants

ICAI Reg. No. 002327C

SURESH NYATI

Partner, Membership No. 70742

Place: Udaipur

Date: August 07, 2010

**For and on behalf of the Board of Directors**

Ashok Doshi

Managing Director

Sudhir Doshi

Whole Time Director

Priyanka Manawat  
Company Secretary


**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010**

|                                                                               | <b>(Rupees)</b>                  |                                  |
|-------------------------------------------------------------------------------|----------------------------------|----------------------------------|
|                                                                               | <b>Year ended<br/>31.03.2010</b> | <b>Year ended<br/>31.03.2009</b> |
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                  |                                  |                                  |
| <b>Net Profit / Loss Before Tax and Extra-ordinary Items<br/>Adjusted for</b> | <b>34376590</b>                  | 14943546                         |
| Depreciation                                                                  | <b>46189737</b>                  | 47870990                         |
| Interest Paid                                                                 | <b>13563986</b>                  | 28715188                         |
| Deferred Revenue Expenditure                                                  | <b>714335</b>                    | 714335                           |
| Bad Debts / Advances Written Off                                              | <b>270615</b>                    | 202007                           |
| Profit on sale of fixed assets                                                | -                                | (1178584)                        |
| Other Income                                                                  | <b>(9759805)</b>                 | (9934016)                        |
| <b>Operating Profit Before Working Capital Changes<br/>Adjusted for</b>       | <b>85355458</b>                  | 81333467                         |
| Inventories                                                                   | <b>(47762175)</b>                | 28020836                         |
| Trade and Other Receivables                                                   | <b>60112462</b>                  | 27087682                         |
| Trade Payables                                                                | <b>10530574</b>                  | 7666192                          |
| Deferred Revenue                                                              | -                                | (500000)                         |
| <b>Cash Generated From Operation</b>                                          | <b>108236320</b>                 | 143608177                        |
| Interest Paid                                                                 | <b>(13563986)</b>                | (28715188)                       |
| Direct Taxes Paid/Tax Deducted at Source/Fringe Benefit Tax Paid              | <b>(624634)</b>                  | (5405021)                        |
| Other Income                                                                  | <b>9716211</b>                   | 9934016                          |
| <b>Cash Flow Before Extra-ordinary Items</b>                                  | <b>103763910</b>                 | 119421984                        |
| Prior Period Adjustment                                                       | <b>(1412390)</b>                 | (172604)                         |
| <b>Net Cash From Operating Activities (A)</b>                                 | <b>102351520</b>                 | 119249380                        |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                                  |                                  |                                  |
| Purchase of Fixed Assets / Capital W.I.P.                                     | <b>(22593249)</b>                | (21196912)                       |
| Sale of Assets                                                                | -                                | 1178584                          |
| Deposit with Companies and Others                                             | <b>21351635</b>                  | 844348                           |
| Investment                                                                    | <b>5043594</b>                   | -                                |
| <b>Net Cash Used in Investing Activities (B)</b>                              | <b>3801980</b>                   | (19173980)                       |

**CASH FLOW STATEMENT (continued)**

|                                                                             | <b>(Rupees)</b>                  |                                  |
|-----------------------------------------------------------------------------|----------------------------------|----------------------------------|
|                                                                             | <b>Year ended<br/>31.03.2010</b> | <b>Year ended<br/>31.03.2009</b> |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                                |                                  |                                  |
| Long Term Borrowings / Repayments                                           | <b>(132776553)</b>               | 19790547                         |
| Repayments to / Proceeds from Banks                                         | <b>4029482</b>                   | (114855378)                      |
| Dividend Payout                                                             | <b>(8947000)</b>                 | (8947000)                        |
| Tax Paid on Dividend                                                        | <b>(1520543)</b>                 | (1520543)                        |
| <b>Net Cash Used in Financing Activities (C)</b>                            | <b>(139214614)</b>               | (105532374)                      |
| <b>D NET INCREASE / (DECREASE) IN CASH AND<br/>CASH EQUIVALENTS (A+B+C)</b> | <b>(33061114)</b>                | (5456973)                        |
| <b>E OPENING CASH AND CASH EQUIVALENTS</b>                                  | <b>88719869</b>                  | 94176843                         |
| (as at 01.04.2009 - Opening Balance)                                        |                                  |                                  |
| <b>F CLOSING CASH AND CASH EQUIVALENTS</b>                                  | <b>55658755</b>                  | 88719869                         |
| (as at 31.03.2010 - Closing Balance)                                        |                                  |                                  |

**For and on behalf of the Board of Directors**

For NYATI & ASSOCIATES  
Chartered Accountants  
ICAI Reg. No. 002327C

Ashok Doshi  
Managing Director

Sudhir Doshi  
Whole Time Director

SURESH NYATI  
Partner, Membership No. 70742  
Place: Udaipur  
Date: August 07, 2010

Priyanka Manawat  
Company Secretary

**AUDITORS' CERTIFICATE**

We have examined the attached cash flow statement of MADHAV MARBLES AND GRANITES LIMITED for the year ended March 31, 2010. The statement has been prepared by the Company in accordance with Clause 32 of Listing Agreement with Stock Exchanges. The statement is based on and is derived from the Profit and Loss Account and the Balance Sheet of the Company for the year ended March 31, 2010 covered by our report of August 07, 2010 to the members of the Company.

For NYATI & ASSOCIATES  
Chartered Accountants  
ICAI Reg. No. 002327C

Place: Udaipur  
Date: August 07, 2010

SURESH NYATI  
Partner  
Membership No. 70742



## Schedules

|                                                                             | As at<br>31.03.2010 | (Rupees)<br>As at<br>31.03.2009 |
|-----------------------------------------------------------------------------|---------------------|---------------------------------|
| <b>A. SHARE CAPITAL</b>                                                     |                     |                                 |
| <b>Authorised</b>                                                           |                     |                                 |
| 17250000 Equity Shares of Rs.10/- each                                      | 172500000           | 172500000                       |
| 75000 Cumulative Convertible Preference Shares of Rs.100/- each             | 7500000             | 7500000                         |
|                                                                             | <u>180000000</u>    | <u>180000000</u>                |
| <b>Issued, Subscribed and Paid-Up</b>                                       |                     |                                 |
| 8947000 (previous year 8947000) Equity Shares of Rs.10/- each fully paid-up | 89470000            | 89470000                        |
|                                                                             | <u>89470000</u>     | <u>89470000</u>                 |
| <b>B RESERVES AND SURPLUS</b>                                               |                     |                                 |
| General Reserve (as per last account)                                       | 379755297           | 379755297                       |
| Add : Transfer during the year                                              | 15000000            | —                               |
|                                                                             | <u>394755297</u>    | <u>379755297</u>                |
| Profit and Loss Account                                                     |                     |                                 |
| Surplus, being balance in Profit and Loss Account                           | 469795328           | 463001695                       |
|                                                                             | <u>864550625</u>    | <u>842756992</u>                |
| <b>C SECURED LOANS</b>                                                      |                     |                                 |
| <b>Borrowing from Banks</b>                                                 |                     |                                 |
| Rupee Term Loan                                                             |                     |                                 |
| State Bank of Mysore                                                        | 21440092            | 33943227                        |
| State Bank of Bikaner & Jaipur                                              | 37695717            | 72587658                        |
| State Bank of Indore                                                        | 49740369            | 99966753                        |
|                                                                             | <u>108876178</u>    | <u>206497638</u>                |
| Foreign Currency Loan                                                       |                     |                                 |
| State Bank of India                                                         | 41407349            | 79950772                        |
| Working Capital Loan                                                        |                     |                                 |
| State Bank of India                                                         | 45525790            | 40034441                        |
| State Bank of India, Salem                                                  | 3057                | 2424                            |
| Allahabad Bank                                                              | 11160000            | 12622500                        |
|                                                                             | <u>206972374</u>    | <u>339107775</u>                |

### Notes:—

- The Term Loan from State Bank of India and Allahabad Bank is secured by first charge over the fixed assets financed by them and working capital loans are secured by hypothecation of stocks and book debts present and future of the company. Both loans are also secured by personal guarantee of Mr. Ashok Doshi, Managing Director of the Company.
- The Term Loan from State Bank of Bikaner & Jaipur (SBBJ) State Bank of Indore and State Bank of Mysore (SBM) is secured by first charge on pari-passu basis over Fixed Assets of the Company and second charge over current assets of the Company. Term Loan from State Bank of Bikaner & Jaipur and State Bank of Indore is also secured by personal guarantee of Mr. Ashok Doshi, Managing Director of the Company.
- Working Capital Loan from State Bank of India and Allahabad Bank are secured by hypothecation of stocks and book debts present and future of the company and second charge on fixed assets of the company.



## Schedules (continued)

(Rupees)

**D FIXED ASSETS**

| Particulars                             | GROSS BLOCK         |                        |                          |                     | DEPRECIATION       |                 |                          |                    | NET BLOCK           |                     |
|-----------------------------------------|---------------------|------------------------|--------------------------|---------------------|--------------------|-----------------|--------------------------|--------------------|---------------------|---------------------|
|                                         | As at<br>01.04.2009 | Additions/<br>Transfer | Deduction/<br>Adjustment | As at<br>31.03.2010 | Upto<br>31.03.2009 | For the<br>year | Deduction/<br>Adjustment | Upto<br>31.03.2010 | As at<br>31.03.2010 | As at<br>31.03.2009 |
| Free hold land                          | 8379354             | 25544                  | —                        | 8404898             | —                  | —               | —                        | —                  | 8404898             | 8379354             |
| Lease hold land                         | 3791632             | —                      | —                        | 3791632             | —                  | —               | —                        | —                  | 3791632             | 3791632             |
| Site development                        | 2882280             | —                      | —                        | 2882280             | 164436             | —               | —                        | 164436             | 2717844             | 2717844             |
| Building                                | 106219454           | 202317                 | —                        | 106421771           | 29544089           | 3484277         | —                        | 33028366           | 73393405            | 76675365            |
| Plant and machinery                     | 461766602           | 4190484                | 3388329                  | 462568757           | 286867654          | 32687509        | —                        | 319555163          | 143013594           | 174898948           |
| Windmill                                | 109276012           | 1169200                | —                        | 110445212           | 25723571           | 5831507         | —                        | 31555078           | 78890134            | 83552441            |
| Electrical installation                 | 41667747            | 90716                  | —                        | 41758463            | 19467864           | 1979401         | —                        | 21447265           | 20311198            | 22199883            |
| Factory equipments                      | 10292428            | 1939561                | —                        | 12231989            | 5183418            | 525881          | —                        | 5709299            | 6522690             | 5109010             |
| Furniture, fixture and office equipment | 8445802             | 549265                 | —                        | 8995067             | 5088332            | 748921          | —                        | 5837253            | 3157814             | 3357470             |
| Vehicles                                | 9813074             | —                      | —                        | 9813074             | 5819457            | 932242          | —                        | 6751699            | 3061375             | 3993617             |
| <b>TOTAL</b>                            | <b>762534385</b>    | <b>8167087</b>         | <b>3388329</b>           | <b>767313143</b>    | <b>377858821</b>   | <b>46189737</b> | <b>—</b>                 | <b>424048559</b>   | <b>343264584</b>    | <b>384675564</b>    |
| Previous year                           | 769683598           | 21819328               | 28968541                 | 762534385           | 358956372          | 47870990        | 28968541                 | 377858821          |                     |                     |
| Capital work-in-progress                |                     |                        |                          |                     |                    |                 |                          |                    | 21261029            | 6834867             |
|                                         |                     |                        |                          |                     |                    |                 |                          |                    | <b>364525613</b>    | <b>391510431</b>    |
|                                         |                     |                        |                          |                     |                    |                 |                          |                    | <i>Grand Total</i>  |                     |

Note: Deduction in Plant &amp; Machinery amounting to Rs. 3388329/- relates to exchange rate difference.

As at  
**31.03.2010**      As at  
**31.03.2009**

**E INVENTORIES**

(As taken, valued and certified by the Management)

|                                                           |                  |                  |
|-----------------------------------------------------------|------------------|------------------|
| Stores and Spares (at cost)                               | 30893282         | 30346405         |
| Raw Material (at cost)                                    | 77070362         | 42555482         |
| Packing Material (at cost)                                | 1903609          | 1488207          |
| Work-in-Progress (at cost)                                | 10974276         | 10246978         |
| Work-in-Progress (Realty)                                 | 21082485         | 20064304         |
| Finished Goods (at lower of cost or net realisable value) | 100916980        | 88505341         |
| Goods for Trade (at cost)                                 | <u>1984759</u>   | <u>3856861</u>   |
|                                                           | <b>244825753</b> | <b>197063578</b> |

**F SUNDRY DEBTORS**

(Unsecured, considered good)

|                                                     |                  |                  |
|-----------------------------------------------------|------------------|------------------|
| Debts outstanding for a period exceeding six months | 179122333        | 218425830        |
| Other Debts                                         | <u>134821332</u> | <u>166563726</u> |
|                                                     | <b>313943665</b> | <b>384989556</b> |
| Less : Provision for doubtful debts                 | <u>—</u>         | <u>—</u>         |
|                                                     | <b>313943665</b> | <b>384989556</b> |



**Schedules (continued)**

|          |                                                                        | <b>(Rupees)</b>             |                             |
|----------|------------------------------------------------------------------------|-----------------------------|-----------------------------|
|          |                                                                        | <b>As at<br/>31.03.2010</b> | <b>As at<br/>31.03.2009</b> |
| <b>G</b> | <b>CASH AND BANK BALANCES</b>                                          |                             |                             |
|          | Cash in hand                                                           | <b>2055099</b>              | 1306847                     |
|          | Balance with Scheduled Banks                                           |                             |                             |
|          | In Current Accounts                                                    | <b>6211145</b>              | 29061790                    |
|          | In Fixed Deposits                                                      | <b>43168878</b>             | 54635561                    |
|          | In Unclaimed Dividend Accounts                                         | <b>4223633</b>              | 3715671                     |
|          |                                                                        | <b>55658755</b>             | 88719869                    |
| <b>H</b> | <b>LOANS AND ADVANCES</b>                                              |                             |                             |
|          | <b>(Unsecured, considered good unless otherwise stated)</b>            |                             |                             |
|          | Advances recoverable in cash or<br>in kind or for value to be received | <b>312541859</b>            | <b>302219689</b>            |
|          | Deposit with companies and others                                      | <b>8150039</b>              | 29501674                    |
|          | Security deposits                                                      | <b>10532664</b>             | 9236960                     |
|          | Advance Tax & Tax deducted at source                                   | <b>14509441</b>             | 14297945                    |
|          | Balance with central excise department                                 | <b>268768</b>               | 493995                      |
|          |                                                                        | <b>346002771</b>            | 355750263                   |
| <b>I</b> | <b>CURRENT LIABILITIES</b>                                             |                             |                             |
|          | Sundry Creditors (see note no.3)                                       |                             |                             |
|          | For Trade                                                              | <b>43008134</b>             | 10057871                    |
|          | For Expenses                                                           | <b>32768495</b>             | 57647282                    |
|          |                                                                        | <b>75776629</b>             | 67705153                    |
|          | Bills Payable                                                          | <b>3051956</b>              | 1192632                     |
|          | Unclaimed / Unpaid dividend                                            | <b>4212287</b>              | 3695618                     |
|          |                                                                        | <b>83040872</b>             | 72593403                    |
| <b>J</b> | <b>PROVISIONS</b>                                                      |                             |                             |
|          | For Taxation                                                           | <b>8178921</b>              | 2019925                     |
|          | For proposed Dividend (including taxes thereon)                        | <b>10432985</b>             | 10467543                    |
|          | For Gratuity & Leave Encashment                                        | <b>5058637</b>              | 4975532                     |
|          |                                                                        | <b>23670543</b>             | 17463000                    |
| <b>K</b> | <b>MISCELLANEOUS EXPENDITURE</b>                                       |                             |                             |
|          | <b>(To the extent not written off or adjusted)</b>                     |                             |                             |
|          | Deferred Revenue Expenditure                                           | <b>2857340</b>              | 3571675                     |
|          | Less: Written off During the Year                                      | <b>714335</b>               | 714335                      |
|          |                                                                        | <b>2143005</b>              | 2857340                     |
| <b>L</b> | <b>OTHER INCOME</b>                                                    |                             |                             |
|          | Interest on Deposits and Advances                                      | <b>7448150</b>              | 9654324                     |
|          | Export Incentive                                                       | <b>1351329</b>              | —                           |
|          | Profit on sale of Fixed Assets                                         | —                           | 1178584                     |
|          | Profit on sale of Investments                                          | <b>43594</b>                | —                           |
|          | Miscellaneous Income                                                   | <b>916732</b>               | 279692                      |
|          |                                                                        | <b>9759805</b>              | 11112600                    |



## Schedules (continued)

|                                                                |           | (Rupees)                 |                          |
|----------------------------------------------------------------|-----------|--------------------------|--------------------------|
|                                                                |           | Year ended<br>31.03.2010 | Year ended<br>31.03.2009 |
| <b>M INCREASE / (DECREASE) IN STOCK</b>                        |           |                          |                          |
| Closing Stock                                                  |           |                          |                          |
| Finished Goods                                                 | 100916980 |                          | 88505341                 |
| Work-in-Progress                                               | 10974276  |                          | 10246978                 |
| Goods for Trade                                                | 1984759   |                          | 3856861                  |
|                                                                |           | 113876015                | 102609180                |
| Less : Opening Stock                                           |           |                          |                          |
| Finished Goods                                                 | 88505341  |                          | 77547726                 |
| Work-in-Progress                                               | 10246978  |                          | 23018265                 |
| Goods for Trade                                                | 3856861   |                          | 3642977                  |
|                                                                |           | 102609180                | 104208968                |
|                                                                |           | 11266835                 | (1599788)                |
| <b>N MATERIALS CONSUMED / SOLD</b>                             |           |                          |                          |
| <b>(A) Raw Material Consumed / Sold:</b>                       |           |                          |                          |
| Opening Stock                                                  |           | 42555482                 | 72785749                 |
| Add : Purchases and expenses                                   |           | 292392219                | 215692741                |
|                                                                |           | 334947701                | 288478490                |
| Less: Provision for Diminution in Value<br>of Stock            |           | –                        | 3155290                  |
| Less : Closing Stock                                           |           | 77070362                 | 42555482                 |
|                                                                |           | 257877339                | 242767718                |
| <b>(B) Packing Material Consumed</b>                           |           | 19808695                 | 19473340                 |
| <b>TOTAL (A +B)</b>                                            |           | 277686034                | 262241058                |
| <b>O COST OF SALES (REALTY)</b>                                |           |                          |                          |
| Opening Work in Progress                                       |           | 20064304                 | 17795566                 |
| Add: Purchases                                                 |           | –                        | –                        |
| Add: Cost of Conversion, Labour, Material<br>and Other Charges |           | 1018181                  | 2268738                  |
|                                                                |           | 21082485                 | 20064304                 |
| Less: Closing Work in Progress:                                |           | 21082485                 | 20064304                 |
|                                                                |           | –                        | –                        |
| <b>P MANUFACTURING EXPENSES</b>                                |           |                          |                          |
| Stores and Spares consumed                                     |           | 86112984                 | 74644874                 |
| Sawing Charges                                                 |           | 193087                   | 358624                   |
| Power and Fuel                                                 |           | 34271317                 | 26527617                 |
| Repairs and Maintenance                                        |           |                          |                          |
| Plant and Machinery                                            | 18509553  |                          | 14811589                 |
| Building                                                       | 672872    |                          | 388537                   |
|                                                                |           | 19182425                 | 15200126                 |
| Other Manufacturing Expenses                                   |           | 4636234                  | 3555892                  |
|                                                                |           | 144396047                | 120287134                |



**Schedules (continued)**

|                                                   | <b>(Rupees)</b>                  |                                  |
|---------------------------------------------------|----------------------------------|----------------------------------|
|                                                   | <b>Year ended<br/>31.03.2010</b> | <b>Year ended<br/>31.03.2009</b> |
| <b>Q PAYMENT TO AND PROVISION FOR EMPLOYEES</b>   |                                  |                                  |
| Salary, Wages and Allowances                      | <b>35038614</b>                  | 30456106                         |
| Contribution to Provident and other funds         | <b>5202128</b>                   | 5655315                          |
| Workmen and Staff Welfare Expenses                | <b>2309762</b>                   | 2278675                          |
|                                                   | <b><u>42550504</u></b>           | <b><u>38390096</u></b>           |
| <b>R ADMINISTRATIVE AND OTHER EXPENSES</b>        |                                  |                                  |
| Printing and Stationary                           | <b>526966</b>                    | 509012                           |
| Postage, Telegram and Telephone                   | <b>1196085</b>                   | 1218848                          |
| Conveyance, Vehicle running and Maintenance       | <b>927847</b>                    | 625024                           |
| Travelling                                        | <b>5944944</b>                   | 4771767                          |
| Legal, Professional and Consultation              | <b>1988039</b>                   | 2629358                          |
| Remuneration to Directors                         | <b>3010063</b>                   | 2563437                          |
| Auditors Remuneration                             | <b>242660</b>                    | 231630                           |
| Deferred Revenue Expenditure W/off                | <b>714335</b>                    | 714335                           |
| General Insurance                                 | <b>119466</b>                    | 88577                            |
| Selling Expenses                                  | <b>41021304</b>                  | 37747490                         |
| Financial Charges                                 | <b>4376723</b>                   | 3888016                          |
| Security Expenses                                 | <b>517380</b>                    | 506879                           |
| Repairs and Maintenance                           | <b>212024</b>                    | 164823                           |
| Provision for Doubtful Debts                      | <b>270615</b>                    | 202007                           |
| Provision For Dimunition in value of Raw Material | <b>–</b>                         | 3155290                          |
| Miscellaneous Expenses                            | <b>1859146</b>                   | 1028672                          |
| Loss on variation in Foreign Exchange rates (Net) | <b>388128</b>                    | 138348                           |
|                                                   | <b><u>63315725</u></b>           | <b><u>60183513</u></b>           |
| <b>S INTEREST</b>                                 |                                  |                                  |
| On Term Loans                                     | <b>4946662</b>                   | 18869498                         |
| On Working Capital                                | <b>8617325</b>                   | 9845690                          |
|                                                   | <b><u>13563987</u></b>           | <b><u>28715188</u></b>           |



## Schedules (continued)

### T ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### 1 Significant Accounting Policies

##### 1.1 Method of Accounting

- (a) The accounts have been prepared as per historical cost convention on an accrual basis.
- (b) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the Company.

##### 1.2 Fixed Assets

- (a) Fixed Assets are stated at their original cost including incidental expenditure related to acquisition and installation less accumulated depreciation.
- (b) The original cost of the fixed assets acquired by utilizing loans, repayable in foreign currency, any loss or gain on conversion of foreign currency liabilities are added to or deducted from the cost of the assets.
- (c) Indirect expenditure incurred during the construction period related to mines and other fixed assets not yet put to use remain pending for allocation in capital work-in-progress.

##### 1.3 Borrowing Cost

Borrowing costs on loans taken for procurement of specific asset, accrued till such asset is ready for its intended use are capitalised as part of cost of such asset. All other borrowing cost are charged to revenue.

##### 1.4 Depreciation

- (a) Depreciation is provided on straight-line method in accordance with the provisions of Section 205(2)(b) and at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- (b) Depreciation on fixed assets has been calculated on pro-rata basis with reference to the month in which the assets are put to use.
- (c) No write off has been made in respect of Leasehold land.

##### 1.5 Inventories

- (a) Finished goods, rejects and waste are valued at cost or net realizable value whichever is lower. Raw material, work-in-progress, stores and spares and packing materials are valued at cost. Provision is made in respect of non-standard and non-moving items.
- (b) Cost of Work-in-Progress is ascertained at material cost and an appropriate share of production overheads.
- (c) Cost of Finished goods is ascertained at material cost and an appropriate share of production overheads and excise duty where paid/payable.
- (d) Cost of rejects and waste is determined considering cost of material, labour, and related overheads including depreciation.
- (e) Property Development Land is valued at lower of Cost or Net Realisable Value.

##### 1.6 Revenue Recognition

- (a) Sale of goods are recognized on despatch and in accordance with the terms and conditions of the sale. Sale includes excise duty and processing done for third parties.
- (b) Sale from Property Development Activity is recognized when all significant risks and rewards of ownership in the land and/or building are transferred to the customer and a reasonable expectation of collection of the sale consideration from the customer exists.
- (c) The estimates of saleable area and cost are revised periodically by the management. The effect of such changes to estimates is recognized in the period such changes are determined.



## Schedules (continued)

### 1.7 Employee Benefits

#### (a) Short term Employee benefits:

All employee benefits falling due wholly within two months of rendering the services are classified as short-term employee benefits. The benefits like salaries, wages, and short-term compensated absences etc. and the expected cost of bonus, ex gratia is recognized in the period in which the employee renders the related service.

#### (b) Post employment benefits:

##### (i) Defined Contribution Plan

The company has Defined Contribution plan for post employment benefit namely provident fund, which is recognised by the income tax authorities and administered through appropriate authorities. The Company's contributes to a Government administered Provident Fund and has no further obligation beyond making its contribution.

##### (ii) Defined Benefit Plans

The employees gratuity fund scheme managed by life insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method.

Actuarial gains and losses are recognised immediately in the profit and loss Account as income or expense.

#### (c) Leave encashment

The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at period end. The value of such leave balance eligible for carry forward, is determined by actuarial valuation and charged to Profit & Loss account in the period determined.

#### (d) Termination Benefits are recognized as an expense as and when required.

### 1.8 Foreign Exchange Fluctuation

(a) Foreign Currency loans for financing fixed assets outstanding at the close of the financial year are translated at contracted and/or appropriate exchange rates at the close of the year. The gain or loss arising out of such translation is added/deducted from the cost of the assets acquired through these loans.

(b) Current assets and liabilities in Foreign Currency outstanding at the close of the financial year are valued at the contracted and / or appropriate exchange rate at the close of the year. The loss or gain due to fluctuation of exchange rates is charged to Profit and Loss Account.

### 1.9 Cenvat

The Cenvat credit available on purchases of raw material, other eligible inputs and capital goods is adjusted against excise duty payable on clearance of goods produced. The unadjusted cenvat credit is shown under the head 'Loans and Advances'.

### 1.10 Impairment of Assets

Carrying amount of cash generating units/assets is reviewed for impairment. Impairment, if any, is recognized where the carrying amount exceeds the recoverable amount 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 recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

### 1.11 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 a result of past events, where it is probable that there will



## Schedules (continued)

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 recognised 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 the Company or where any present obligation can not be measured in terms of future outflow of resources or where a realisable 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.

### 1.12 Investments

Long-term investments are carried at cost, after providing for any diminution in value of such investments.

### 1.13 Segment Accounting

#### (i) Segment Accounting Policies:

Segment Accounting Policies: Segment accounting policies are in line with the accounting policies of the Company. However, the following specific accounting policies have been followed for segment reporting.

- (a) Segment Revenue includes Sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- (b) Expenses that are directly identifiable with / allocable to segment are considered on determining the Segment Result. The expenses, which relate to the Company as a whole and not allocable to segments, are included under "Other Unallocable Expenditure".
- (c) Income, which relates to the Company, as a whole and not allocable to segments is included in "Unallocable Corporate Income".
- (d) Segment assets and Segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. Assets and liabilities that cannot be allocated between the segments are shown as Unallocated Corporate Assets and Liabilities respectively.

### 1.14 Taxes on Income

Income tax expense for the year comprises of current tax and deferred tax. Current tax provision has been determined on the basis of relief, deductions etc., available under the Income-tax Act, 1961, and Deferred tax is accounted for by computing the tax effect of timing differences which arise during the year and reversed in subsequent periods. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### 1.15 Employees Separation Cost

Compensation to employees who have opted voluntarily for retirement has been debited to profit and loss account in the year of payment.

### 1.16 Miscellaneous Expenditure

Deferred revenue expenditure are written off over a period of 5 years.

## 2 Contingent liabilities not provided for

| (Rupees in Lakhs) |                                                                                                            |           |           |
|-------------------|------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Sr. No.           | Particulars                                                                                                | 2009 - 10 | 2008 - 09 |
| (a)               | Bills discounted with Bankers                                                                              | 679.24    | 351.39    |
| (b)               | Bank Guarantee/Letter of Credit issued by Bank                                                             | 40.75     | 40.75     |
| (c)               | Bond executed in favour of customs, excise and DGFT authorities                                            | 815.00    | 815.00    |
| (d)               | Income Tax Liability (including penalty) that may arise in respect of matters which are pending in appeal. | 360.27    | 211.62    |



### Schedules (continued)

- 3 (a) Sundry Creditors includes Rs. 2,50,899 (previous year Rs.Nil) due to small scale and ancillary undertakings.
- (b) The above information has been complied in respect of parties to the extent to which they could be identified as small scale and ancillary undertaking on the basis of information available with the company.
- (c) The Company has not received information from vendors regarding their status under the Micro, Small and medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at year end together with interest paid/payable under this act has not been given.

(Rupees)

31.03.2010

31.03.2009

#### 4 Auditors' Remuneration

|                               |        |        |
|-------------------------------|--------|--------|
| Audit fee                     | 160000 | 150000 |
| Tax audit fee                 | 17500  | 17500  |
| Other matters / Certification | 42500  | 42500  |
| Out-of-pocket expenses        | 39000  | 40000  |
| Total                         | 259000 | 250000 |

#### 5 Managerial Remuneration

|                                              |         |         |
|----------------------------------------------|---------|---------|
| Salary                                       | 2768800 | 2259000 |
| Perquisites (Valued as per Income-tax Rules) | 367889  | 668867  |
| Total                                        | 3136689 | 2927807 |

#### 6 Prior period adjustment represents

|                                      |          |          |
|--------------------------------------|----------|----------|
| (a) Debits relating to earlier year  | (148990) | (225928) |
| (b) Credits relating to earlier year | 82957    | 53323    |
| Total                                | (66033)  | (172605) |

#### 7 Earning per share

|                                                       |          |          |
|-------------------------------------------------------|----------|----------|
| Net profit for the year after tax & prior period adj. | 34376590 | 16119676 |
| Weighted average number of equity shares outstanding  | 8947000  | 8947000  |
| Nominal value of the shares                           | 10.00    | 10.00    |
| Basic and diluted earning per share                   | 3.60     | 1.80     |

#### 8 Value of imported / indigenous raw materials consumed

|            | %      | Amount    | %      | Amount    |
|------------|--------|-----------|--------|-----------|
| Imported   | 10.41  | 26840345  | 15.75  | 38220146  |
| Indigenous | 89.59  | 231036994 | 84.25  | 204547572 |
|            | 100.00 | 257877339 | 100.00 | 242767718 |

#### 9 Value of stores and spares consumed

|            |        |          |        |          |
|------------|--------|----------|--------|----------|
| Imported   | 57.49  | 49503719 | 92.41  | 68981544 |
| Indigenous | 42.51  | 36609265 | 07.59  | 5663330  |
|            | 100.00 | 86112984 | 100.00 | 74644874 |

#### 10 Value of import on CIF basis

|                   |          |          |
|-------------------|----------|----------|
| Raw material      | 23509121 | 34922265 |
| Stores and spares | 47812430 | 53528179 |
| Capital goods     | 9856001  | 6855891  |
|                   | 81177552 | 95306335 |

**Schedules (continued)****(Rupees)**31.03.201031.03.2009**11 Expenditure in foreign currency**

|                    |                |                |
|--------------------|----------------|----------------|
| Travelling         | 1651333        | 992253         |
| Selling commission | 4285976        | 6192919        |
| Other matters      | 1025870        | 1585181        |
| <b>Total</b>       | <b>6963179</b> | <b>8770353</b> |

**12 Earnings in foreign exchange**

|                                               |           |           |
|-----------------------------------------------|-----------|-----------|
| On account of exports calculated at FOB value | 582658757 | 533128600 |
| (including third party exports Rs.47387431/-, |           |           |
| previous year Rs.60664592/-)                  |           |           |

**13 Remittance of foreign currency on account of dividends**

|                     |           |           |
|---------------------|-----------|-----------|
| No. of holders      | 110       | 96        |
| No. of shares       | 44600     | 41400     |
| Gross amount Rs.    | 44600     | 41400     |
| Related to the year | 2008-2009 | 2007-2008 |

**14 Particulars in respect of loans and advances in the nature of loans as required by the listing agreement****(Rupees)**

| Name of the Company                                                                 | Balance as on 31.03.2010 | Maximum outstanding during the year |
|-------------------------------------------------------------------------------------|--------------------------|-------------------------------------|
| Loans and advances in the nature of loans where repayment schedule is not specified | 8150039                  | 29501674                            |

**15 Licensed / Registered and Installed Capacity**

| Description   | Unit       | Licensed/ Registered# | Installed* | Actual Production         |
|---------------|------------|-----------------------|------------|---------------------------|
| Marble Tiles  | Sq. meters | 361338                | 361338     | 11396.77<br>(16645.51)    |
| Granite Tiles | Sq. meters | 260000                | 260000     | 238534.69@<br>(166156.45) |
| Granite Slabs | Sq. meters | 340000                | 340000     | 172824.93<br>(191779.81)  |
| Marbles Slabs | Sq. meters | 40000                 | 40000      | 0.00<br>(0.00)            |

# Registered capacities are those capacities for which registration has been granted by DGTD or approval obtained from the Government of India, Ministry of Industry, New Delhi or Development Commissioner, Madras Export Processing Zone, under "100% Export Oriented Scheme".

@ Includes 44409.32 sq.mtr. production of Rejects & 25651.024 sq. mtr. production of Scrap (Previous year 30087.092 Sq. mtr Rejects and 20355.18 sq. mtr. Scrap).

\* As certified by the Management and relied upon by the Auditors, this being a technical matter.



## Schedules (continued)

### 16 Quantitative information in respect of opening stock, sales, purchases of goods and consumption of raw materials

#### A Own production

|                  | Units   | Opening Stock                 |                               | Production                       |            | Sales                            |                                 | Closing Stock                  |                               |
|------------------|---------|-------------------------------|-------------------------------|----------------------------------|------------|----------------------------------|---------------------------------|--------------------------------|-------------------------------|
|                  |         | Qty.                          | Rs.                           | Qty.                             | Rs.        | Qty.                             | Rs.                             | Qty.                           | Rs.                           |
| Marble Tiles     | Sq.mtr. | <b>58243.50</b><br>(56434.80) | <b>17160388</b><br>(15972936) | <b>11396.77</b><br>(16645.51)    | --<br>(--) | <b>13945.67</b><br>(14836.81)    | <b>9664611</b><br>(12105128)    | <b>55694.6</b><br>(58243.5)    | <b>17668512</b><br>(17370064) |
| Granite Tiles    | Sq.mtr. | <b>27142.30</b><br>(22711.47) | <b>14355464</b><br>(11475026) | <b>238534.69#</b><br>(166156.45) | --<br>(--) | <b>218828.025</b><br>(161728.38) | <b>243236682</b><br>(160998211) | <b>46849.09</b><br>(27142.30)  | <b>25333658</b><br>(14355464) |
| Granite Slabs    | Sq.mtr. | <b>38638.73</b><br>(33920.59) | <b>56779813</b><br>(47897263) | <b>172824.93</b><br>(191779.81)  | --<br>(--) | <b>168603.214</b><br>(199755.55) | <b>325277771</b><br>(372365620) | <b>42860.39</b><br>(38638.73)  | <b>57914810</b><br>(56779813) |
| Power Generation | Units   | -<br>(-)                      | -<br>(-)                      | <b>4792887</b><br>(4180736)      | --<br>(--) | <b>2198109*</b><br>(1054386)     | <b>5934894</b><br>(2846849)     | --<br>(--)                     | --<br>(--)                    |
| <b>TOTAL (A)</b> |         |                               |                               |                                  |            | <b>584113958</b><br>(548315808)  |                                 | <b>100916980</b><br>(88505341) |                               |

# Includes 44409.32 sq.mtr. production of Rejects & 25651.024 sq. mtr. production of Scrap (Previous year 30087.092 Sq. mtr Rejects and 20355.18 sq. mtr. Scrap).

\* Excludes 2594778 (Previous year 3126350) units internally consumed.

#### B. Goods for Trade:

|                      | Units    | Opening Stock                 |                             | Purchase                     |                             | Sales                           |                                 | Closing Stock               |                             |
|----------------------|----------|-------------------------------|-----------------------------|------------------------------|-----------------------------|---------------------------------|---------------------------------|-----------------------------|-----------------------------|
|                      |          | Qty.                          | Rs.                         | Qty.                         | Rs.                         | Qty.                            | Rs.                             | Qty.                        | Rs.                         |
| Marble Tiles/ Slabs  | Sq.mtr.  | <b>7251.83</b><br>(10640.951) | <b>2150244</b><br>(4051257) | <b>6131.91</b><br>(7515.659) | <b>5316863</b><br>(6445970) | <b>22947.38</b><br>(10904.78)   | <b>13875283</b><br>(14221039)   | <b>982.481</b><br>(7251.83) | <b>238034</b><br>(2150244)  |
| Granite Tiles/ Slabs | Sq.mtr.  | -<br>(--)                     | <b>0</b><br>(0)             | <b>21613.61</b><br>(0)       | <b>28284613</b><br>(0)      | <b>21613.61</b><br>(11284.69)   | <b>36961208</b><br>(18237695)   | -<br>(--)                   | 0<br>(0)                    |
| Others***            | Assorted | --<br>(--)                    | <b>1706617</b><br>(1794221) | --<br>(--)                   | <b>1223895</b><br>(1056316) | --<br>(--)                      | <b>3346317****</b><br>(5286062) | --<br>(--)                  | <b>1746725</b><br>(1706617) |
| <b>TOTAL (B)</b>     |          |                               |                             |                              |                             | <b>54182808</b><br>(37744796)   |                                 | <b>1984759</b><br>(3856861) |                             |
| <b>TOTAL (A + B)</b> |          |                               |                             |                              |                             | <b>638296766</b><br>(586060604) |                                 |                             |                             |

Figures in brackets represents previous year figure.

\*\*\* Others includes diamond segments, sandstone and marble crazy, etc.

\*\*\*\* Includes Rs. 1460436/- (Previous year Rs. Nil job work) job work done for others.

#### C. Raw material consumed/sold

(Rupees)

|                |         | 2009-2010      |                  | 2008-2009 |                  |
|----------------|---------|----------------|------------------|-----------|------------------|
|                | Units   | Qty.           | Rs.              | Qty.      | Rs.              |
| Marble Blocks  | MT      | <b>1763.9</b>  | <b>2322974</b>   | 2282.45   | 3854271          |
| Granite Blocks | Cub.mtr | <b>9642.34</b> | <b>255554365</b> | 8582.629  | 238913447        |
|                |         |                | <b>257877339</b> |           | <b>242767718</b> |



## Schedules (continued)

### 17 Deferred Taxes

The significant component and classification of Deferred Tax (Assets) / Liabilities on account of timing differences are

|                                                   | As at 31 <sup>st</sup> March<br>2009 | Charge/(credit)<br>for the year<br>2009-10 | As at 31 <sup>st</sup> March<br>2010 |
|---------------------------------------------------|--------------------------------------|--------------------------------------------|--------------------------------------|
| <b>Deferred tax liabilities on account of:</b>    |                                      |                                            |                                      |
| Timing difference in depreciable assets           | <b>61862932</b>                      | <b>(4872558)</b>                           | <b>56990374</b>                      |
| Profit on sale of Mutual Fund/asset               | 400600                               | 14818                                      | 415418                               |
| Total                                             | <b>62263532</b>                      | <b>(4857740)</b>                           | <b>57405792</b>                      |
| <b>Deferred tax assets</b>                        |                                      |                                            |                                      |
| Deferred tax asset on account of:                 |                                      |                                            |                                      |
| Provision for gratuity & leave encashment         | 1691182                              | 246979                                     | 1938161                              |
| Provision for diminution in value of raw material | 1072483                              | —                                          | 1072483                              |
| Other timing differences                          | —                                    | —                                          | —                                    |
| Total                                             | 2763665                              | 246979                                     | 3010644                              |
| <b>Net deferred tax (assets) / liabilities</b>    | <b>59499867</b>                      | <b>(5104719)</b>                           | <b>54395148</b>                      |

### Notes

- Working of deferred taxes is based on assessment orders where assessments are completed and on return of income in other cases.
- Provision for deferred taxes has been made at the tax rates that have been enacted or substantively enacted as on the Balance Sheet date.

### 18 Related Party Disclosures

Related party disclosures, as required by Accounting standard (AS) 18- "Related Party Disclosure" issued by the ICAI are given below:

The Company has identified all the related parties having transactions during the year, as per details given below

#### (i) List of Related Parties

- (a) Individual exercising control or significant influence

#### Directors

Mr. C. D. Gopinath, Chairman  
 Mr. Ravi K Krishnamurthi  
 Mr. Jagdish Dashora  
 Mr. Prakash Kumar Verdia  
 Mr. Roshan Lal Nagar

#### Managing Director

Mr. Ashok Doshi  
 Mrs. Aruna Doshi, Wife  
 Mrs. Asha Doshi, Mother  
 Mr. Madhav Doshi, Son  
 Mrs. Ridhima Doshi, Daughter in Law



## Schedules (continued)

Whole Time Director

Mr. Sudhir Doshi

Mrs. Prema Doshi, Wife

Key Managerial Personnel

Mr. Suranjan Gupta, President (Granite Division)

Mr. L Govindarajan, Works Manager (Granite Division)

Mr. O P Jain, Manager Finance (Marble Division)

Mr. S S Janakaram, Manager Finance (Granite Division)

- (ii) In respect of the outstanding balance recoverable as at 31st March 2010, no provision for doubtful debts is required to be made. During the year, there were no amounts written off or written back from such related parties.

### (iii) Transactions, etc., with Related Parties

| # | Name of the transacting related party (M/s) | Nature of Relationship             | Nature of Transaction | Volume of Transaction in Rupees | Amount outstanding as on 31.03.2010 |
|---|---------------------------------------------|------------------------------------|-----------------------|---------------------------------|-------------------------------------|
| 1 | Raj Darshan Hotel Pvt. Ltd.                 | Ashok Doshi, Director              | Business Expenses     | 168508/-                        | –                                   |
| 2 | Madhav Doshi                                | Son of Mr. Ashok Doshi             | Salary                | 330323/-                        | –                                   |
| 3 | Ridhima Doshi                               | Daughter in law of Mr. Ashok Doshi | Salary                | 64000/-                         | –                                   |

Notes

- 1 Remuneration paid to Managing Director and Whole Time Directors are disclosed under note no. 5 above.
- 2 Remuneration paid to Key Managerial Personnel of the Company amounted to Rs. 5316637/- (previous year Rs.4387861/-).

## 19 Segment Reporting for the year ended 31.03.2010

### (a) Information about Primary Business Segments

| (Rupees)                                |                 |                 |                  |                   |
|-----------------------------------------|-----------------|-----------------|------------------|-------------------|
| Particulars                             | Wind Mill       | Marble          | Granite          | Total             |
| <b>(i) Revenue</b>                      |                 |                 |                  |                   |
| Sales to external customers             | 5934894         | 59267403        | 573094469        | <b>638296766</b>  |
| Inter-segment revenue                   | 9081732         | –               | –                | <b>9081732</b>    |
| <b>Total Revenue</b>                    | <b>15016626</b> | <b>59267403</b> | <b>573094469</b> | <b>647378498</b>  |
| <b>(ii) Result</b>                      |                 |                 |                  |                   |
| Segment result                          |                 |                 |                  |                   |
| Profit / (Loss) before tax and interest | 6311583         | (11896676)      | 46220659         | <b>40635565</b>   |
| Add : Un-allocated income Net off       |                 |                 |                  | <b>(143138)</b>   |
| Un-allocated Expenditure                |                 |                 |                  |                   |
| Operating Profit / (Loss)               |                 |                 |                  | <b>40492426</b>   |
| Interest expense                        |                 |                 |                  | <b>(13563986)</b> |
| Interest income                         |                 |                 |                  | <b>7448150</b>    |
| Profit / (Loss) before tax              |                 |                 |                  | <b>34376590</b>   |
| Provision for current tax               |                 |                 |                  | <b>5842301</b>    |
| Provision for deferred tax              |                 |                 |                  | <b>(5104719)</b>  |
| Provision for fringe benefit            |                 |                 |                  | <b>–</b>          |
| <b>Profit / (Loss) after tax</b>        |                 |                 |                  | <b>33639008</b>   |
| Prior period adjustments                |                 |                 |                  | <b>(66033)</b>    |

**Schedules (continued)**

|                                                                                                                                                                         |                 |                 |                  | (Rupees)          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|------------------|-------------------|
| Particulars                                                                                                                                                             | Wind Mill       | Marble          | Granite          | Total             |
| <b>(iii) Other Information</b>                                                                                                                                          |                 |                 |                  |                   |
| Segment Assets                                                                                                                                                          | 84205344        | 489272241       | 1118150408       | <b>1691627993</b> |
| Un-allocated Corporate Assets                                                                                                                                           |                 |                 |                  | <b>8150039</b>    |
| <b>Total Assets</b>                                                                                                                                                     |                 |                 |                  | <b>1699778032</b> |
| Segment Liabilities                                                                                                                                                     | 64933630        | 267674515       | 139277000        | <b>471885145</b>  |
| Un-allocated Corporate Liabilities                                                                                                                                      |                 |                 |                  | <b>261367523</b>  |
| <b>Total Liabilities</b>                                                                                                                                                |                 |                 |                  | <b>733252668</b>  |
| Capital expenditure                                                                                                                                                     | 1169200         | 128283          | 6869603          | <b>8167086</b>    |
| Depreciation                                                                                                                                                            | 5831507         | 8067670         | 32290560         | <b>46189737</b>   |
| <b>(b) Information about Secondary Business Segments</b>                                                                                                                |                 |                 |                  |                   |
| Revenue by Geographical Segment                                                                                                                                         |                 |                 |                  |                   |
| (i) Segment-wise revenue                                                                                                                                                |                 |                 |                  |                   |
| Revenue from customers outside India                                                                                                                                    | –               | 41840170        | 542533078        | <b>584373248</b>  |
| Revenue from customers within India                                                                                                                                     | 15016626        | 17427233        | 30561391         | <b>63005250</b>   |
| <b>Total Revenue</b>                                                                                                                                                    | <b>15016626</b> | <b>59267403</b> | <b>573094469</b> | <b>647378498</b>  |
| (ii) All the assets of the Company are situated / registered in India accordingly the total cost incurred during the year, geographical segment-wise is not applicable. |                 |                 |                  |                   |

Segment Reporting for the year ended 31.03.2009

**(a) Information about Primary Business Segments**

| Particulars                             | Wind Mill       | Marble          | Granite          | Total             |
|-----------------------------------------|-----------------|-----------------|------------------|-------------------|
| <b>(i) Revenue</b>                      |                 |                 |                  |                   |
| Sales to external customers             | 2846849         | 49849924        | 533363831        | <b>586060604</b>  |
| Inter-segment revenue                   | 10942225        | –               | –                | <b>10942225</b>   |
| <b>Total Revenue</b>                    | <b>13789074</b> | <b>49849924</b> | <b>533363831</b> | <b>597002829</b>  |
| <b>(ii) Result</b>                      |                 |                 |                  |                   |
| Segment result                          |                 |                 |                  |                   |
| Profit / (Loss) before tax and interest | 5663045         | (15074054)      | 43564836         | <b>34153827</b>   |
| Add : Un-allocated income Net off       |                 |                 |                  | <b>(149417)</b>   |
| Un-allocated Expenditure                |                 |                 |                  |                   |
| Operating Profit / (Loss)               |                 |                 |                  | <b>34004410</b>   |
| Interest expense                        |                 |                 |                  | <b>(28715188)</b> |
| Interest income                         |                 |                 |                  | <b>9654324</b>    |
| Profit / (Loss) before tax              |                 |                 |                  | <b>14943545</b>   |
| Provision for current tax               |                 |                 |                  | <b>1693104</b>    |
| Provision for deferred tax              |                 |                 |                  | <b>(3368659)</b>  |
| Provision for fringe benefit            |                 |                 |                  | <b>326821</b>     |
| <b>Profit / (Loss) after tax</b>        |                 |                 |                  | <b>16292280</b>   |
| Prior period adjustments                |                 |                 |                  | <b>(172604)</b>   |



**Schedules (continued)**

|                                                                                                                                                                                                                                                                                                                                                         | (Rupees)        |                 |                  |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|------------------|-------------------|
| Particulars                                                                                                                                                                                                                                                                                                                                             | Wind Mill       | Marble          | Granite          | Total             |
| <b>(iii) Other Information</b>                                                                                                                                                                                                                                                                                                                          |                 |                 |                  |                   |
| Segment Assets                                                                                                                                                                                                                                                                                                                                          | 88124715        | 527605277       | 1091958447       | <b>1707688439</b> |
| Un-allocated Corporate Assets                                                                                                                                                                                                                                                                                                                           |                 |                 |                  | <b>29501674</b>   |
| <b>Total Assets</b>                                                                                                                                                                                                                                                                                                                                     |                 |                 |                  | <b>1737190113</b> |
| Segment Liabilities                                                                                                                                                                                                                                                                                                                                     | 50330610        | 224158894       | 119733486        | <b>394222990</b>  |
| Un-allocated Corporate Liabilities                                                                                                                                                                                                                                                                                                                      |                 |                 |                  | <b>398607642</b>  |
| <b>Total Liabilities</b>                                                                                                                                                                                                                                                                                                                                |                 |                 |                  | <b>792830632</b>  |
| Capital expenditure                                                                                                                                                                                                                                                                                                                                     | —               | 28700           | 21790628         | <b>21819328</b>   |
| Depreciation                                                                                                                                                                                                                                                                                                                                            | 5769773         | 8056996         | 34044221         | <b>47870990</b>   |
| <b>(b) Information about Secondary Business Segments</b>                                                                                                                                                                                                                                                                                                |                 |                 |                  |                   |
| Revenue by Geographical Segment                                                                                                                                                                                                                                                                                                                         |                 |                 |                  |                   |
| (i) Segment-wise revenue                                                                                                                                                                                                                                                                                                                                |                 |                 |                  |                   |
| Revenue from customers outside India                                                                                                                                                                                                                                                                                                                    | —               | 41061425        | 497070617        | <b>538132042</b>  |
| Revenue from customers within India                                                                                                                                                                                                                                                                                                                     | 13789074        | 8788499         | 36293214         | <b>58870787</b>   |
| <b>Total Revenue</b>                                                                                                                                                                                                                                                                                                                                    | <b>13789074</b> | <b>49849924</b> | <b>533363831</b> | <b>597002829</b>  |
| (ii) All the assets of the Company are situated / registered in India accordingly the total cost incurred during the year, geographical segment-wise is not applicable.                                                                                                                                                                                 |                 |                 |                  |                   |
| <b>(c) Notes</b>                                                                                                                                                                                                                                                                                                                                        |                 |                 |                  |                   |
| (i) Management has identified three reportable business segments, namely.<br><i>Marble Segment</i> -Comprising of Marble Tiles, Marble Slabs, Marble Blocks and Realty.<br><i>Granite Segment</i> -Comprising of Granite Tiles, Granite Slabs, Granite Blocks and other related stones.<br><i>Windmill Segment</i> – Comprising of generation of power. |                 |                 |                  |                   |
| (ii) The Segment Revenue in the geographical segments considered for disclosure are as follows:<br><i>Domestic</i> - Comprising of sales to customers located within India and earnings in India.<br><i>International</i> - Comprising of sales to customers located outside India and third party exports.                                             |                 |                 |                  |                   |
| (iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.                                                                                                                                                                                 |                 |                 |                  |                   |

**20 Employee Benefits**

- a) Defined Benefit Plans- As per Actuarial Valuation on 31<sup>st</sup> March, 2010

|                                                           |  | (Amount Rs.) |            |
|-----------------------------------------------------------|--|--------------|------------|
|                                                           |  | Year Ended   |            |
|                                                           |  | 31.03.2010   | 31.03.2009 |
| <b>I Amount recognized in the Profit and Loss Account</b> |  |              |            |
| Current Service Cost                                      |  | 442046       | 500911     |
| Interest Cost                                             |  | 636531       | 495955     |
| Expected Return on Plan Assets                            |  | (740279)     | (585530)   |
| Actuarial (gain)/Loss on Obligation                       |  | 1354575      | 949081     |
| Expense/ (Income) recognised in Profit and Loss Account   |  | 1692873      | 1360417    |
| <b>II Actual return on plan assets</b>                    |  |              |            |
| Expected Return on Plan Assets                            |  | 740279       | 585530     |
| Actuarial gain/ (loss) on Obligation                      |  | (1354575)    | (949081)   |
| Actual return on plan assets                              |  | (614296)     | (363551)   |

**Schedules (continued)**

|                                                                                                                                                           |          |          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>III Amount recognised in the Balance Sheet</b>                                                                                                         |          |          |
| Present value of Funded Obligation                                                                                                                        | 10348775 | 8819798  |
| Fair Value of Plan Assets                                                                                                                                 | 9686038  | 8039300  |
| Net Asset/ (Liability) recognised in Balance Sheet<br>(Included under provision for Leave Encashment and<br>other employee benefits, Refer Schedule 'J' ) | 662737   | (780498) |
| <b>IV Change in the present value of obligation</b>                                                                                                       |          |          |
| Opening balance of present value of obligation                                                                                                            | 7956639  | 7062591  |
| Interest Cost                                                                                                                                             | 636531   | 495955   |
| Current Service Cost                                                                                                                                      | 442046   | 500911   |
| Benefits Paid                                                                                                                                             | (41016)  | (188740) |
| Actuarial (gain)/Loss on Obligation                                                                                                                       | 1354575  | 949081   |
| Closing balance of present value of obligation                                                                                                            | 10348775 | 8819798  |
| <b>V Change in fair value of plan assets</b>                                                                                                              |          |          |
| Opening balance of fair value of plan assets                                                                                                              | 8039300  | 5891650  |
| Expected return on plan assets                                                                                                                            | 740279   | 585530   |
| Contributions                                                                                                                                             | 947475   | 1750860  |
| Benefits Paid                                                                                                                                             | (41016)  | (188740) |
| Actuarial Gain/(Loss) on plan assets                                                                                                                      | —        | —        |
| Closing balance of fair value of plan assets                                                                                                              | 9686038  | 8039300  |
| <b>(b) Actuarial assumptions (% per annum)</b>                                                                                                            |          |          |
| Discount Rate                                                                                                                                             | 8%       | 8%       |
| Salary escalation                                                                                                                                         | 7-8%     | 5-7%     |
| Rate of return on plan assets                                                                                                                             | 8.25%    | 8.25%    |
| <b>(c) The Liability for Leave encashment and compensated absences as at year end is Rs.2130286/-</b>                                                     |          |          |
| <b>(d) Gratuity is administered through Group Gratuity scheme with Life Insurance Corporation of India.</b>                                               |          |          |

21. There were no amounts due and outstanding to be credited to Investor Education and Protection Fund.
22. The figures of the previous year have been re-grouped, rearranged wherever necessary to make them comparable with the current year's figure.
23. Figures have been rounded off to nearest Rupees.

**SIGNATURES TO SCHEDULES 'A' TO 'T'****For and on behalf of the Board of Directors**

For NYATI & ASSOCIATES  
Chartered Accountants  
ICAI Reg. No. 002327C

Ashok Doshi  
Managing Director

Sudhir Doshi  
Whole Time Director

SURESH NYATI  
Partner, Membership No. 70742

Place:, Udaipur  
Date: August 07, 2010

Priyanka Manawat  
Company Secretary

**Balance Sheet Abstract and Company's General Business Profile****1 Registration Details**

Registration No. 0 4 9 0 3 of 1 9 8 9

State Code

0 1 7

Balance Sheet Date 3 1 . 0 3 . 2 0 1 0

**2 Capital Raised During the Year (Amount in Rs. Thousand)**

Public Issue N I L

Rights Issue

N I L

Bonus Issue N I L

Private Placement

N I L

**3 Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)**

Total Liabilities 1 2 2 0 3 8 8

Total Assets

1 2 2 0 3 8 8

**7 Sorces of Funds**

Paid-up Capital 8 9 4 7 0

Reserves and Surplus

8 6 4 5 5 1

Secured Loans 2 0 6 9 7 2

Unsecured Loans

5 0 0 0

Deffered Tax liability 5 4 3 9 5

**Application of Funds**

Investments N I L

Net Fixed Assets

3 6 4 5 2 6

Miscellaneous Expenditure 2 1 4 3

Net Current Assets

8 5 3 7 1 9

Accumulated Losses N I L

**4 Performance of Company (Amount in Rs. Thousand)**

Turnover (includes other income) 6 5 7 0 4 1

Total Expenditure

6 2 2 6 6 5

Profit / (Loss) Before Tax 3 4 3 7 6

Earning Per Share in Rs.

3 . 6 0

Profit / (Loss) After Tax 3 3 6 3 9

Dividend Rate %

1 0

**5 Generic names of Three Principal Products / Services of Company (As per Monetary Terms)**

Item Code No. (ITC Code) and Product Description

2 5 1 5 1 2 . 3 0

M A R B L E T I L E S

2 5 1 6 1 2 . 0 0

G R A N I T E T I L E S

2 5 1 6 1 2 . 0 0

G R A N I T E S L A B S

**In terms of our report of even date****For and on behalf of the Board of Directors**

For NYATI &amp; ASSOCIATES

Chartered Accountants

ICAI Reg. No. 002327C

SURESH NYATI

Partner, Membership No. 70742

Place: Udaipur

Date: August 07, 2010

Ashok Doshi

Managing Director

Sudhir Doshi

Whole Time Director

Priyanka Manawat  
Company Secretary



## FORM OF ATTENDANCE SLIP AND PROXY

**Madhav Marbles and Granites Ltd.**

**Regd. Office: 11-A, Charak Marg, Ambamata Scheme, Udaipur – 313 001 (Raj.)**

### ATTENDANCE SLIP

I hereby record my presence at the Twenty First Annual General Meeting of the Company to be held on Saturday, the September 25, 2010 at 4.15 p.m. at Hotel Rajdarshan, Pannadhy Marg, Udaipur-313001, (Raj.)

Full name of the Shareholder (in Block Letters) \_\_\_\_\_

Folio No. \_\_\_\_\_ / DP ID No\*. \_\_\_\_\_ and Client ID No\* \_\_\_\_\_

\*applicable for members holding shares in electronic form

No. of Shares held \_\_\_\_\_

Full Name of Proxy \_\_\_\_\_

Signature of Member / Proxy

**Note:** Member / Proxy attending the Meeting must fill in this attendance slip and hand it over at the entrance of the meeting hall.



**Madhav Marbles and Granites Ltd.**

**Regd. Office: 11-A, Charak Marg, Ambamata Scheme, Udaipur – 313 001 (Raj.)**

### PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member/Members of the above named Company hereby appoint Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ my/our proxy to vote for me/us on my/our behalf the Twenty First Annual General Meeting of the Company to be held on Saturday, the September 25, 2010 at 4:15 p.m. or any adjournment thereof.

Folio No. \_\_\_\_\_ DP ID No.\* \_\_\_\_\_ Client ID No.\* \_\_\_\_\_

\*applicable for members holding shares in electronic form

No. of Shares held \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

Affix  
Re.1  
Revenue  
Stamp

**Note :** This Proxy Form, in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

*Signature of  
shareholder*