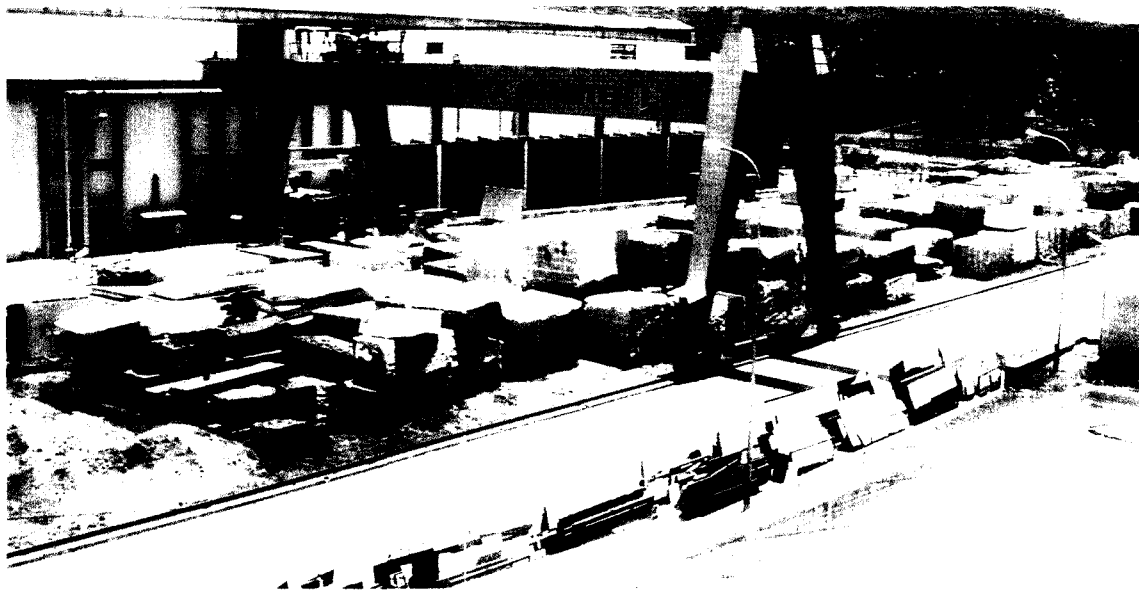
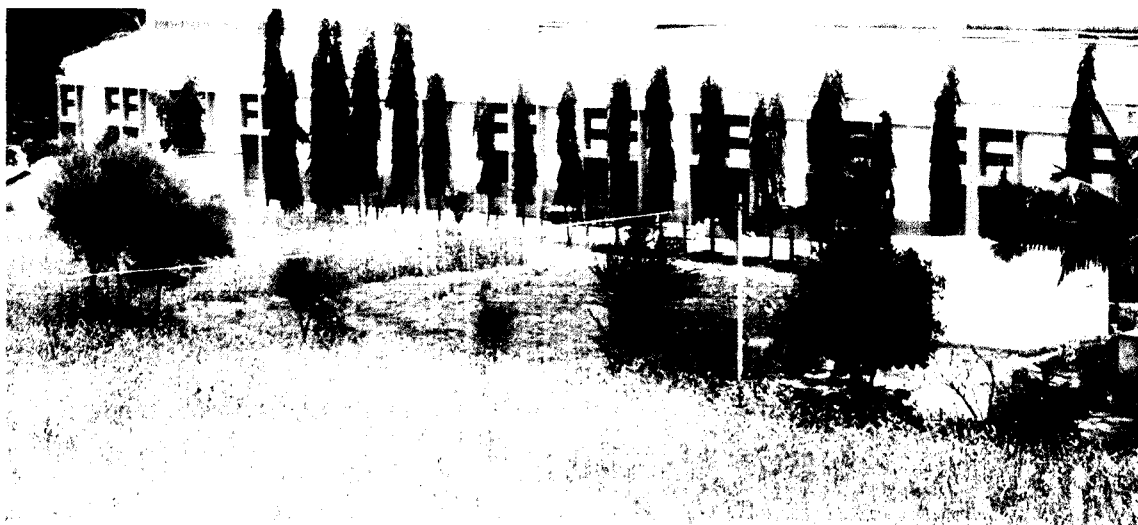


MADHAV MARBLES & GRANITES LIMITED



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MADHAV MARBLES & GRANITES LIMITED

BOARD OF DIRECTORS

RAJ SINGH DUNGARPUR

Chairman

C D GOPINATH

LATA MANGESHKAR

(upto 21.06.2003)

ARVIND LAXMAN APTE

AJAY INDERJIT THAKORE

JAGDISH DASHORA

RAVI KUMAR KRISHNAMURTHI

VIPIN DOSHI

RAJ KUMAR BAPNA

Whole-time Director

ASHOK DOSHI

Managing Director

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Bankers

State Bank of India
Allahabad Bank

Auditors

Nyati & Associates
Chartered Accountants
Udaipur (Raj.) 313 001

Registered Office

N H 8, Amberi
Udaipur (Raj.) 313 004

Works

Marble Division

Sukher Industrial Area
N H 8, Udaipur (Raj.)

Granite Division

Unit I & II

Village Thoppur
Distt. Dharampuri
Tamil Nadu

Company Secretary

R SRIDHAR

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Fourteenth Annual Report 2002 - 2003

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MADHAV MARBLES & GRANITES LIMITED

Notice to the Shareholders

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Company will be held at the Registered Office of the Company, N H 8, Amberi, Udaipur 313 004, Rajasthan on Tuesday the 09th day of September 2003, at 4:15 P.M. to transact the following business:

ORDINARY BUSINESS

- 1 To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

RESOLVED THAT the audited balance sheet as at 31st March 2003 and the profit and loss account of the Company for the year ended on that date, together with the directors' report and the auditors' report thereon as presented to the meeting be and the same are hereby approved and adopted.

- 2 To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the recommendation of the directors, a dividend of Rs.2.00 per share absorbing a sum of Rs.178.94 lakhs be and is hereby declared on 8,947,000 equity shares of Rs.10/- each fully paid-up, comprised in the paid-up equity share capital of the Company viz., Rs.894.70 lakhs, for the year ended 31st March 2003 and the same be paid to shareholders whose names appear in the register of members of the Company on 09th September 2003 and to the beneficial holders on 01st September 2003.

- 3 To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

RESOLVED THAT Mr Ajay Inderjit Thakore, director who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a director of the Company.

- 4 To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

RESOLVED THAT Mr Jagdish Dashora, director who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a director of the Company.

- 5 To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

RESOLVED THAT the retiring auditors Messrs. Nyati & Associates, Chartered Accountants, Udaipur be and are hereby re-appointed as auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next annual general meeting of the Company on such remuneration as may be fixed in this behalf by the board of directors of the Company.

SPECIAL BUSINESS

- 6 To consider and if thought fit to pass with or without modification the following resolution as a special resolution:

RESOLVED THAT pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time, the Directors' Relatives (Office or Place of Profit) Rules, 2003, the consent of the Members of the Company be and is hereby accorded to Dr Sudhir Doshi, who is a relative of Company's Managing Director Mr Ashok Doshi, and who holds office as a Manager - Exports and to hold and continue to hold an office or place of profit under the Company as a Manager - Exports or with such designation as the Board of Directors may, from time to time, decide, upon a revised monthly salary of Rs.40,000 (rupees forty thousand only) and



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benefits including contribution to provident fund, payment of bonus / ex-gratia, re-imbursement of medical expenses, leave travel concession, etc., aggregating to Rs.49,500/-, with effect from 01st April 2003, so as not to exceed the monthly remuneration of Rs.50,000/- or such other permissible total monthly remuneration that may be prescribed in this behalf from time to time under Section 314 of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to revise the remuneration of Dr Sudhir Doshi, 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 (1B) and other applicable provisions of the Act.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to the Resolution.

By Order of the Board

Udaipur
26th July 2003

R SRIDHAR
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 and the proxy or proxies so appointed need not be a member or members as the case may be of the Company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the meeting.**
- 2 The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business under item no.6 as set out above is annexed hereto.
- 3 The Register of Directors' Shareholdings, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the Annual General Meeting.
- 4 The register of members and the share transfer books of the Company will remain closed from

01st September 2003 to 09th September 2003 both days inclusive.

- 5 The dividend on the equity shares as recommended by the Board of Directors when declared, will be made payable on or after 09th September 2003 to those shareholders (or their mandatees) whose names appear in the Register of Members of the Company on 09th September 2003, in the physical form or in the Register of Beneficial Owners maintained by Depositories as on 01st September 2003, in the de-mat form.
- 6 Consequent upon the amendment to Section 205A read with Section 205C of the Companies Act, 1956, the dividend declared for the year ended 31st March 1999, 31st March 2000, 31st March 2002 and for any financial year ending thereafter which remain unclaimed for a period of seven years' will be transferred to the Investor Education and Protection Fund established by the Central Government.
- 7 Members who have not encashed their dividend warrants are requested to make their claim directly to the Company.



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- 8 Members holding more than one share certificate in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to the Company for consolidating their holdings in one folio. The Share Certificates will be returned to the Members after making requisite changes thereon.
- 9 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.
- 10 Members are requested to notify immediately any change in their addresses, to the Company and those who are holding their shares in depository mode are requested to notify to their respective Depository Participants (DPs).
- 11 Members are requested to intimate, to the Company at least seven days' before the date of annual general meeting, the details of their bank accounts, like, bank account no., bank name, branch name, city, etc., which will be used by the Company for printing on dividend warrants.
- 12 As a measure of economy, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the annual report to the meeting.
- 13 As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form - 2B as prescribed, can be obtained from the Registered Office of the Company.
- 14 Members are requested to affix their signature at the space provided on the attendance sheet annexed to the proxy form and handover the slip at the entrance of the meeting hall.
- 15 A member desirous of getting any 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.



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Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice dated 26th July 2003 and shall be taken as forming part of the notice.

Item No.6

Dr Sudhir Doshi, manager - exports, is a relative of Company's Managing Director, Mr Ashok Doshi.

Taking into account the increase in the Company's activities and considering the result oriented contributions Dr Sudhir Doshi has made in the past, it was considered proper to revise his monthly salary to Rs.40,000 (rupees forty thousand only) and benefits including contribution to provident fund, payment of bonus / ex-gratia, re-imbursment of medical expenses, leave travel concession, etc., aggregating to Rs.49,500/-, with effect from 01st April 2003, so as not to exceed the monthly remuneration of Rs.50,000/-.

Accordingly, the Board of Directors of the Company at their meeting held on 26th July 2003, revised the remuneration payable to Dr Sudhir Doshi, manager - exports.

In terms of the Directors' Relative (Office or Place of Profit) Rules, 2003, vide notification no.G.S.R.89(E), dated 05th February 2003, the

limit for approval of the Central Government has been increased from Rs.20,000/- per month to Rs.50,000/- per month.

In terms of Section 314 of the Companies Act, 1956, the proposed revision of remuneration to Dr Sudhir Doshi, manager - exports requires the approval of the shareholders in General Meeting through a special resolution.

Accordingly Directors' recommend the special resolution as set out under item no.6 of the Notice submitted to the Meeting.

None of the Directors except Mr Ashok Doshi, managing director, being brother of Dr Sudhir Doshi, are deemed to be concerned or interested in the Resolution.

Inspection of documents

The documents referred to in the notice will be available for inspection at the registered office of the Company on any working day between 11:00 a.m. and 1:00 p.m., and will also be available for inspection at the Annual General Meeting.

By Order of the Board

Udaipur
26th July 2003

R SRIDHAR
Company Secretary



MADHAV MARBLES & GRANITES LIMITED

Directors' Report to the Shareholders

The directors have great pleasure in presenting the 14th annual report and the audited accounts for the year ended 31st March 2003.

2 FINANCIAL HIGHLIGHTS

(Rupees in Lakhs)

Details	Year ended 31.03.2003	Year ended 31.03.2002
Net sales and other income	5531.09	4307.49
Profit before interest and depreciation	1235.62	1011.35
Interest	193.44	221.44
Depreciation	294.60	305.59
Profit before tax	747.58	484.32
Extra-ordinary item	(62.24)	--
Provision for taxation		
Current tax	--	--
Deferred tax	(60.25)	73.16
Profit after tax	745.59	411.16
Add / (Less)		
Prior period adjustment	(16.60)	(2.89)
Provision no longer required	--	--
Surplus brought forward from previous year	677.70	948.37
Total	1406.69	1356.64
Proposed dividend (20%)	178.94	178.94
Tax on proposed dividend	22.93	--
Transfer to general reserve	500.00	500.00
Surplus in Profit & Loss Account	704.82	677.70

3 PERFORMANCE

During the year under review, the turnover of the Company has gone up by 30.05% to Rs.5386.05 lakhs. Other income was at Rs.145.04 lakhs. Profit before interest, depreciation and tax has increased 22.18% to Rs.1235.62 lakhs and profit after tax and extra-ordinary item has increased 81.34% to

Rs.745.59 lakhs. Earning per share has gone up to Rs.8.33 as compared to Rs.4.60 of previous year.

The significant improvement in performance is a result of the continuous efforts and focus on cost rationalisation and growth.

The Company at present is exporting its products to more than 25 countries and has established strong business relations with the overseas buyers due to long association with them.

During the year, the Company has received the Certificate of Merit for export achievement from CAPEXIL for the year 2001 - 2002 of marble and granite tiles. The Company has been receiving CAPEXIL Award for ten years' in succession. The Management is hopeful of receiving the CAPEXIL Award for the year under review.

4 SUBSIDIARY COMPANY

During the year, the Subsidiary Company (M/s Rose Marbles Limited, Udaipur (RML), has made a turnover of Rs.150.48 lakhs, and the bottomline was negative despite various efforts put in by the Management of RML.

The net worth of the Subsidiary Company was substantially eroded on the Balance Sheet date. The necessary provision to the extent has been made in the Book of Account of the Company.

As required under Section 212 of the Companies Act, 1956 the Audited Statement of Accounts, the Reports of the Board of Directors' and Auditors' of RML is annexed.

Further, as part of the restructuring activity the Company had sold its entire investment in the Subsidiary Company. Consequently, RML has ceased to be a subsidiary to the Company with effect from 17th June 2003.



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5 DIVIDEND

The directors have pleasure in recommending a dividend of 20% for the year ended 31st March 2003. The dividend, if approved by the shareholders, would absorb Rs.178.94 lakhs and be paid to those shareholders whose names appear in the register of members of the Company on 09th September 2003 and to the beneficial holders on 01st September 2003. This dividend is free from tax in the hands of the shareholders of the Company, while the Company has to pay tax at 12.50% together with surcharge, on dividend, aggregating to Rs.22.93 lakhs.

6 FINANCE

During the year, the working capital limits with the State Bank of India were increased from Rs.1328.00 lakhs to Rs.1368.00 lakhs. Further the limits with the Allahabad Bank were increased from Rs.604.00 lakhs to Rs.854.00 lakhs.

The Company has not availed any terms loans from banks or institutions during the year under review.

7 INVESTOR EDUCATION AND PROTECTION FUND

In terms of the provisions of Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the Company has transferred unclaimed share application monies amounting to Rs.1.85 lakhs to the said Fund.

8 DEPOSITORY SYSTEM

The equity shares of the Company are tradable compulsorily in electronic form and your Company has established connectivity with both the depositories, i.e., the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). This

will facilitate the shareholders to hold and trade their shares in "electronic form". As the depository system offers numerous advantages, members are requested to avail the facility of de-materialisation of the Company's shares on either of the Depositories.

9 DIRECTORS

Mr Ajay Inderjit Thakore, Ms Lata Mangeshkar and Mr Jagdish Dashora, retire by rotation at the ensuing Annual General Meeting.

Mr Ajay Inderjit Thakore and Mr Jagdish Dashora, being eligible offer themselves for re-appointment.

The Board of Directors of your Company commends the appointment of both the above directors.

Ms Lata Mangeshkar has resigned from her directorship with effect from 21st June 2003, on health and other personal grounds.

It has been decided by the Board of Directors, that the vacancy so created on the Board of Directors of the Company should not be filled.

The Directors wish to place on record the valuable contribution made by Ms Lata Mangeshkar during her tenure.

10 AUDITORS

The Auditors, Messrs. 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.

11 AUDITORS' 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.