

16th
A
ANNUAL
REPORT
2004-2005

MADHAV
MARBLES & GRANITES LIMITED



Sixteenth Annual Report 2004 - 2005

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MADHAV MARBLES & GRANITES LIMITED

BOARD OF DIRECTORS

RAJ SINGH DUNGARPUR
Chairman

C D GOPINATH

ARVIND LAXMAN APTE

AJAY INDRAJIT THAKORE

JAGDISH DASHORA

RAVI KUMAR KRISHNAMURTHI

VIPIN DOSHI
(up to 27.08.2004)

RAJ KUMAR BAPNA
Whole-time Director

ASHOK DOSHI
Managing Director

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

Wind Mills

SF NO. 405/1 (PART) & 412 (PART)
VILLAGE: Balabathiraramapuram
Dist. Tirunelveli
Tamilnadu

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MADHAV MARBLES & GRANITES LIMITED

FINANCIAL HIGHLIGHTS

(Rupees in Millions)

| Year ended | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---------------|---------------|---------------|---------------|---------------|
| Profit and Loss Account | | | | | |
| Sales | 383.03 | 418.20 | 542.92 | 618.40 | 718.82 |
| Other Income | 8.59 | 16.59 | 14.50 | 5.65 | 9.81 |
| Total Income | 391.62 | 434.79 | 557.42 | 624.05 | 728.63 |
| Profit before Interest, Depreciation, and Tax | 101.56 | 101.14 | 123.56 | 143.65 | 182.58 |
| Depreciation | 20.44 | 30.56 | 29.46 | 29.60 | 26.65 |
| Profit before Interest and Tax | 81.12 | 70.58 | 94.10 | 114.05 | 155.93 |
| Interest | 18.52 | 22.14 | 19.34 | 11.70 | 12.25 |
| Profit before Tax and extra-ordinary item | 62.60 | 48.44 | 74.76 | 102.35 | 143.68 |
| Profit after Tax and extra-ordinary item | 62.60 | 41.12 | 74.58 | 105.42 | 117.95 |
| Balance Sheet | | | | | |
| Net Fixed Assets | 248.66 | 223.32 | 225.94 | 220.84 | 325.93 |
| Investments | 0.50 | 5.23 | 9.40 | 0.00 | 0.00 |
| Net Current Assets | 331.17 | 392.21 | 414.63 | 501.25 | 444.29 |
| Total | 580.33 | 620.76 | 649.97 | 722.09 | 770.22 |
| Share Capital | 89.47 | 89.47 | 89.47 | 89.47 | 89.47 |
| Reserves and Surplus | 404.84 | 400.75 | 453.46 | 538.24 | 542.11 |
| Miscellaneous expenditure not written off | (16.09) | (7.43) | (1.28) | (0.56) | (0.23) |
| Net Worth | 478.22 | 482.79 | 541.65 | 627.15 | 631.35 |
| Total Borrowings | 102.11 | 103.63 | 80.01 | 69.70 | 87.90 |
| Deferred Tax Liability | -- | 34.34 | 28.31 | 25.24 | 50.97 |
| Total | 580.33 | 620.76 | 649.97 | 722.09 | 770.22 |
| Ratios | | | | | |
| Earning Per Share (Rs.) | 7.00 | 4.60 | 8.33 | 11.78 | 13.18 |
| Dividend (%) | -- | 20 | 20 | 20 | 30 |
| Dividend Per Share (Rs.) | -- | 2.00 | 2.00 | 2.00 | 3.00 |
| Dividend Payout (%) | -- | 43.52 | 24.00 | 16.97 | 22.76 |
| Book Value Per Share (Rs.) | 53.45 | 53.96 | 60.54 | 70.10 | 70.56 |
| Return on Capital Employed (ROCE) (%) | 14.87 | 12.08 | 15.89 | 17.44 | 21.74 |
| Return on Net Worth (RONW) (%) | 14.12 | 8.56 | 14.56 | 18.04 | 18.74 |
| Fixed Assets Turnover (No. of times) | 1.92 | 1.77 | 2.42 | 2.77 | 2.63 |
| Working Capital Turnover (No. of times) | 1.17 | 1.16 | 1.35 | 1.35 | 1.52 |
| Net Profit as % of Total Income | 15.98 | 9.46 | 13.38 | 16.89 | 16.19 |
| Market Capitalisation | 92.15 | 58.16 | 114.97 | 210.70 | 562.32 |

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.



MADHAV MARBLES & GRANITES LIMITED

Notice to the Shareholders

NOTICE is hereby given that the Sixteenth Annual General Meeting of Members of **MADHAV MARBLES & GRANITES LIMITED** will be held at the Registered office of the Company at N.H. 8, Amberi, Udaipur – 313 004, Rajasthan, on Saturday, the 19th day of November, 2005 at 4.00 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 2005 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. 3.00 per share absorbing a sum of Rs. 26.84 million be and is hereby declared on 8947000 equity shares of Rs.10/- each fully paid-up, comprised in the paid-up equity share capital of the Company viz., Rs. 89.47 million, for the year ended 31st March 2005 and the same be paid to shareholders whose names appear in the register of members of the Company on 19th October 2005 and to the beneficial holders on 18th November 2005

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

"RESOLVED THAT Mr. Ravi Kumar Krishnamurthy, Director, who retires by rotation

and being eligible for re-appointment be and is hereby re-appointed as a Director of the Company".

"RESOLVED THAT Mr. Raj Singh Dungarpur, 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 the retiring Auditors M/s 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:

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

RESOLVED THAT subject to the provisions of sections 198, 269, 309, 310 & 311 and other applicable provisions, if any, of the Companies Act, 1956, the re-appointment of Mr Ashok Doshi as Managing Director for a further period of five years from 1st May 2005 to 30th April 2010 and the remuneration payable to Mr Ashok Doshi, Managing Director, upon such re-appointment as set out in the agreement dated 30th April 2005, entered into between the Company and Mr Ashok Doshi, copy of which is placed before the meeting and initialed by the chairman for the purpose of identification, be and is hereby approved.



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RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary, from time to time, the percentage and quantum of commission payable to the Managing Director, provided that the total remuneration payable whether by way of salary perquisites or commission and other allowances, shall not exceed five percent of the net profits of the Company in any financial year.

may be enhanced, enlarged widened altered or varied by the Board of Directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 1956/ Income Tax Act, 1961 and /or the rules and regulations made there under and/or such guidelines as may be announced by the Central Government from time to time.

By Order of the Board

RESOLVED FURTHER THAT the scope and quantum of remuneration specified hereinabove,

Mumbai
22nd October 2005

ASHOK DOSHI
Managing Director

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MADHAV MARBLES & GRANITES LIMITED

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/herself and the proxy or proxies so appointed need not be a member 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 register of Directors' Shareholdings, maintained under Section 307 and 301 of the Companies Act, 1956, will be available for inspection by the members at the Annual General Meeting.
3. The register of members and the share transfer books of the Company will remain closed from 18th November 2005 to 19th November 2005 both days inclusive.
4. The dividend on the equity shares as recommended by the Board of Directors when declared, will be made payable on or after 19th November 2005 to those shareholders (or their mandates) whose names appear in the Register of Members of the Company on 19th November 2005, in the physical form or in the Register of Beneficial Owners maintained by Depositories as on 18th November 2005, in the demat form.
5. Pursuant to the provisions of 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, 31st March 2003, 31st March 2004 and 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. Thereafter, Members shall not be able to register their claim in respect of their unencashed dividends.
6. Members who have not encashed their dividend warrants are requested to make their claim directly to the Company.
7. Members holding more than one share certificate in the same name under different ledger folios are requested to apply for consolidation on such folios and send the relevant Share Certificate to the Company for consolidating their holdings in one folio. The Share Certificates will be returned to the Members after making requisite changes thereon.
8. 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.
9. Members are requested to notify immediately any change in their addresses/bank account details/mandate, to the Company and those who are holding their shares in depository mode are requested to notify to their respective Depository Participants (DPs).
10. 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.
11. 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.



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12. As per the provisions of the Section 109A 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. In case of shares held in demat form, the nomination has to be lodged with Depository Participants (DPs).
13. 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.
14. 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.

dated 30th April 2005 entered between him and the Company are as under :

Salary

Rs.85,000/- per month in the range of Rs. 85,000/- - Rs 120,000/-. The increments will be decided by the Board of Directors.

Commission

Not exceeding 3% of the net profits of the Company for a financial year, as may be decided by the Board of Directors for each financial year and subject to the overall limits as stipulated under sections 198, 309, 310 & 311 read with Schedule XIII to the Companies Act, 1956 and computed in the manner prescribed under sections 349 and 350 of the Companies Act, 1956.

Perquisites

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956.

In addition to salary and commission, perquisites restricted to an amount equal to 125% of his annual salary, which are as follows:

Item No. 5

Mr Ashok Doshi, was re-appointed as Managing Director from 1st May 2000 by the shareholders at the 11th Annual General Meeting held on 26th May 2000. The appointment and remuneration payable to Mr Ashok Doshi were approved by the shareholders.

In terms of article 124 of the Articles of Association of the Company, Mr Ashok Doshi was re-appointed by the Board of Directors as Managing Director for a further period of five years from 1st May 2005 in Board meeting held on 30th April 2005 subject to the approval of the members in general meeting, of the Company on the terms & condition mention below.

Necessary agreement was executed by the Company with Mr Ashok Doshi giving effect to the abovesaid proposal. Details of the remuneration as contained in the agreement

(a) Housing

The Company shall provide furnished accommodation, which includes electricity, water furniture, fixtures, domestic help and other related items. The Managing Director shall not be entitled to house rent allowance.

(b) Medical Reimbursement

Actual expenses incurred by Mr Ashok Doshi and his family.

(c) Leave Travel Concession

For Mr Ashok Doshi and his family once in a year incurred in accordance with any rules specified by the Company.

Explanation: For the purpose of (b) and (c) above, family means the spouse, the



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- dependent children and dependent parent of Mr Ashok Doshi.
- (d) Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- (e) Personal Accident/Medical Insurance: Premium not to exceed Rs. 10,000/- per annum.
- (f) Company's Contribution towards Provident Fund: Contribution to Provident Fund will not be included in the computation of the selling on perquisites to the extent not taxable under the Income Tax Act 1961.
- (g) Gratuity: Gratuity payable will not exceed half a month's salary for each completed year of service.
- (h) Provision of Car: Provision of car for use on Company's business will not be considered perquisites.
- (i) Provision of Telephone: Provision of telephone at residence will not be considered perquisites.
- (j) Such other perquisites, benefits, amenities and facilities not specified above as opted by Mr Ashok Doshi, the annual value of which shall not exceed one month's salary.
- (b) In the event of loss or inadequacy of profits for any financial year, 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.
- (c) The Managing Director shall not be liable to retire by rotation.
- (d) 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 within the maximum amounts payable to Managing Director as per Schedule XIII to the Companies Act, 1956, or any amendments made hereafter in this regard by the Central Government.

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.

In compliance with the provision of section 269, 309, 310 & 311 of the Companies Act, 1956, the terms of re-appointment and remuneration specified above are now being placed before the shareholders for their approval.

This Abstract and Memorandum under Section 302 of the Company Act 1956 regarding Mr Ashok Doshi's appointment has been sent to the members.

Mr Ashok Doshi, Managing Director may be deemed to be concerned or interested in this resolution.

4 Other terms and condition

- (a) No sitting fees shall be paid to the Managing Director for attending the meetings of the Board or of any Committee thereof.

By Order of the Board

Mumbai
22nd October 2005

ASHOK DOSHI
Managing Director



ADDITIONAL INFORMATION

Brief Resume of Directors seeking re-appointment at the ensuing AGM

- 1) Mr Ravi Kumar Krishnamurthi, aged 59 years, has served as an independent and non-executive director of the Company since October 1992. He is a practicing advocate and senior partner of M/s Mulla & Mulla Advocates and Solicitors and has vast experience in the field of Corporate Law. He received BA & LLB degree from Bombay University and Solicitor from Bombay incorporated Law Society and The Law Society, UK.

He served in the Audit Committee and share holders Grievance Committee of the Company.

- 2) Mr Raj Singh Dungarpur, aged 70 years, has served as the Chairman of the Company since February 1991. He has served as the Director of the Company from October 1989 to February 1991. In his current position as Chairman, he is responsible for the board matters, besides he brings in his vast experience in the conduct of the proceedings of the Company. He was

the member of the National Cricket Selection Committee from 1973-77, 1987-90 and was Chairman during 1989, 1990. From 1977-79, he was President of Rajasthan Sports Council. He was BCCI Chief from 1996-99. He is also the President of M/s The Cricket Club of India Limited, Mumbai, since 1992. He was conferred with awards like Rajasthan Shree, Rajiv Gandhi Award, Giants International Award, Old Dailian Award. He received BA from Vikram University, Ujjain (MP). Mr. Raj Singh Dungarpur has vast experience in the various fields of business besides Corporate Management. He is also Director / Chairman of M/s Mumbai Finance Private Limited, M/s Rajdarshan Hotel Private Limited, M/s Sanghi Finance Private Limited.

He served as Chairman of the Audit Committee and share holders Grievance Committee of the Company.

By Order of the Board

Mumbai
22nd October 2005

ASHOK DOSHI
Managing Director