

20th

ANNUAL

REPORT

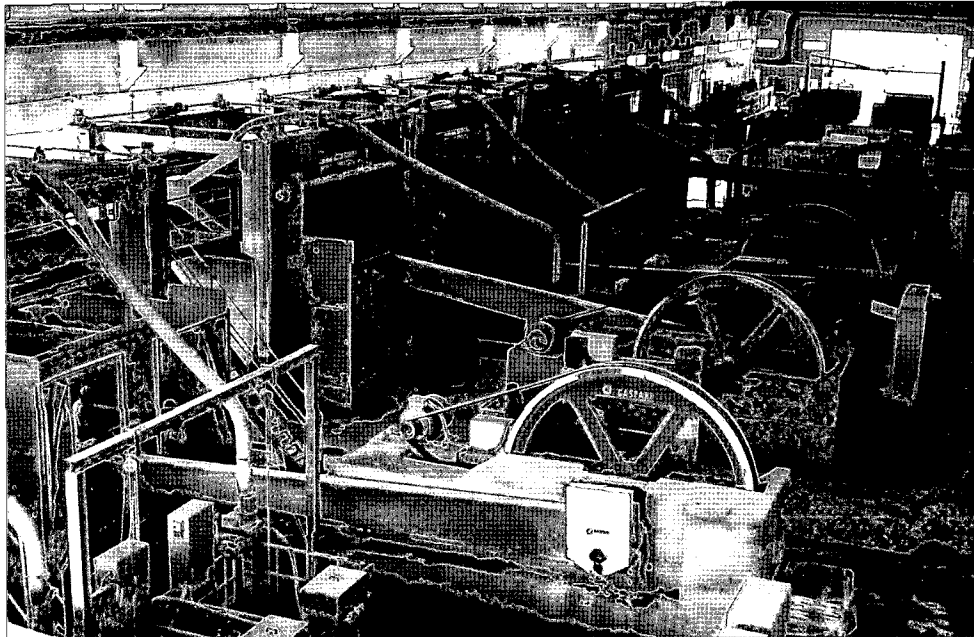
2008-2009

**MADHAV
MARBLES & GRANITES LIMITED**



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MADHAV MARBLES & GRANITES LIMITED



BOARD OF DIRECTORS

C. D. GOPINATH*Chairman***RAJ SINGH DUNGARPUR****AJAY INDRAJIT THAKORE***(Upto 31st October 2008)***RAVI KUMAR KRISHNAMURTHI****PRAKASH KUMAR VERDIA***(w.e.f. 31st October 2008)***ROSHAN LAL NAGAR***(w.e.f. 31st October 2008)***JAGDISH DASHORA****RAJ KUMAR BAPNA***(Upto 20th August 2009)***SUDHIR DOSHI***Whole Time Director***ASHOK DOSHI***Managing Director***PRIYANKA MANAWAT***Company Secretary***Bankers**

State Bank of India
 Allahabad Bank
 State Bank of Bikaner & Jaipur
 State Bank of Mysore
 State Bank of Indore

Auditors

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

Registered Office

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

Works***Marble Division***

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

Granite Division***Unit I & II***

Village Thoppur
 Distt. Dharampuri
 Tamil Nadu

Wind Mills

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

visit us at : www.madhavmarbles.com



Twentieth Annual Report 2008 - 2009

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MADHAV MARBLES & GRANITES LIMITED

FINANCIAL HIGHLIGHTS

(Rupees in Millions)

Year ended	2005	2006	2007	2008	2009
Profit and Loss Account					
Sales	718.82	737.44	887.55	829.57	581.65
Other Income	9.81	26.58	12.46	29.63	11.11
<i>Total Income</i>	<i>728.63</i>	<i>764.02</i>	<i>900.01</i>	<i>859.20</i>	<i>592.76</i>
Profit before Interest, Depreciation, and Tax	182.58	220.25	212.90	151.65	91.53
Depreciation	26.65	32.18	37.38	41.85	47.87
Profit before Interest and Tax	155.93	188.07	175.52	109.80	43.66
Interest	12.25	11.69	24.28	46.94	28.72
Profit before Tax	143.68	176.38	151.24	62.86	14.94
<i>Profit after Tax and prior period Adj.</i>	<i>117.53</i>	<i>152.96</i>	<i>136.10</i>	<i>37.27</i>	<i>16.12</i>
Balance Sheet					
Net Fixed Assets	325.93	396.00	455.05	418.18	391.51
Investments	0.00	0.00	0.00	5.00	5.00
Net Current Assets	444.29	598.59	891.66	1002.36	936.47
<i>Total</i>	<i>770.22</i>	<i>994.59</i>	<i>1346.73</i>	<i>1425.54</i>	<i>1332.98</i>
Share Capital	89.47	89.47	89.47	89.47	89.47
Reserves and Surplus	542.11	684.86	810.30	837.10	842.76
Miscellaneous expenditure not written off	(0.23)	0.00	3.07	3.07	2.86
Net Worth	631.35	774.33	896.70	923.50	929.37
Total Borrowings	87.90	155.83	386.30	439.17	344.11
Deferred Tax Liability	50.97	64.33	63.73	62.87	59.50
<i>Total</i>	<i>770.22</i>	<i>994.59</i>	<i>1346.73</i>	<i>1425.54</i>	<i>1332.98</i>
Ratios					
Earning Per Share (Rs.)	13.13	17.10	15.21	4.17	1.80
Dividend (%)	30	10	20	10	10
Dividend Per Share (Rs.)	3.00	1.00	2.00	1.00	1.00
Dividend Payout (%)	22.76	6.08	13.15	24.01	55.25
Book Value Per Share (Rs.)	70.56	86.55	100.22	103.22	103.88
Return on Capital Employed (ROCE) (%)	21.74	21.90	14.37	8.14	3.44
Return on Net Worth (RONW) (%)	18.74	20.93	16.29	4.10	1.74
Fixed Assets Turnover (No. of times)	2.63	2.00	2.09	1.90	1.44
Working Capital Turnover (No. of times)	1.52	1.44	1.19	0.88	0.60
Net Profit as % of Total Income	16.19	18.87	15.12	4.34	2.72
Market Capitalisation	562.32	912.15	764.52	382.93	109.15

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 Twentieth Annual General Meeting of the Company will be held on Saturday, the 26th day of September, 2009 at 4.15 p.m. at the Registered Office of the Company at N.H.8, Amberi, Post Bhuwana, Udaipur-313004, Rajasthan to transact the following business:-

Ordinary Business

1. To consider and adopt the Audited Profit and Loss Account for the Financial Year ended 31st March, 2009, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year 2008-09.
3. To appoint a Director in place of Mr. Jagdish Dashora, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. C.D. Gopinath, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Nyati & Associates, Chartered Accountants, Udaipur, as Statutory Auditors of the Company, and to fix their remuneration.

Special Business

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

“RESOLVED THAT Mr. Prakash Kumar Verdia ,who was appointed by the Board of Directors as an Additional Director of the Company with effect from 31st October,2008 and who holds office upto the date of this Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956(“The Act”) and in respect of whom the Company has received a notice in writing from a member under section 257 of the Act proposing his candidature for the office of the director of the Company ,be and is hereby appointed as a Director of the Company pursuant to section 255 and other applicable provisions of the Companies Act, 1956 whose period of office shall be liable to retire by rotation.”

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

“RESOLVED THAT Mr. Roshan Lal Nagar ,who was appointed by the Board of Directors as an Additional Director of the Company with effect from 31st October,2008 and who holds office upto the date of this Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956(“The Act”) and in respect of whom the Company has received a notice in writing from a member under section 257 of the Act proposing his candidature for the office of the director of the Company ,be and is hereby appointed as a Director of the Company pursuant to section 255 and other applicable provisions of the Companies Act, 1956 whose period of office shall be liable to retire by rotation.”

8. 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



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shareholders be and is hereby accorded to the appointment of Mr. Madhav Doshi, son of Mr. Ashok Doshi, Managing Director of the company to hold an Office or Place of profit in the company as Manager- Exports on a gross monthly remuneration of Rs. 44907/- p.m. (Rupees Forty Four Thousand Nine Hundred Seven Only) w.e.f. from 01st May, 2009 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 him to higher cadres and / or to sanction him 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 (1B) and other applicable provisions of the Act."

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

"RESOLVED THAT pursuant to provisions of sections 198,309,310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Dr. Sudhir Doshi, Whole Time Director of the Company be and is hereby revised w.e.f from 01st August, 2009 for the remaining period of his tenure i.e. upto 27th July, 2012, on the remuneration mentioned in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

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

Place: Udaipur
Date: August 20, 2009

Priyanka Manawat
Company Secretary



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 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 NOTARIAL CERTIFIED COPY OF THAT POWER OR AUTHORITY SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME FOR THE MEETING.
- 2 The Register of Members and the Share Transfer Books of the Company will remain closed from September 21, 2009 to September 26, 2009 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if any.
- 3 The Dividend for the year ended March 31, 2009, as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after October 01, 2009, to the members who are holding their shares in physical form and whose names appear on the Company's Register of Members on September 26, 2009 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 21, 2009.
- 4 Members who have not encashed their dividend warrant(s) for the year 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-2008 so far, if any, are requested to make their claims to the Company. No claim shall lie against the Company or the said fund in respect of the amounts remaining unclaimed once the unclaimed dividend is transferred to the Investor Education and Protection Fund (IEPF) of the Central Government in terms of the provisions of section 205A of the Companies Act, 1956.
- 5 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 automatically be 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's Registrar and Share Transfer agent M/s Ankit Consultancy Pvt. Limited, 2nd Floor, Alankar Point, 4A A. B. Road, Gita Bhawan Square, Indore – 452 001 (M.P)
- 6 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.
- 7 Members are requested to bring their copies of Annual Report to the meeting.
- 8 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.
- 9 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.



MADHAV MARBLES & GRANITES LIMITED

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

The Explanatory Statement for Item No.6 to 9 of the accompanying notice set out hereinabove is as under.

Item no. 6

Mr. Prakash Kumar Verdia was appointed as Additional Director by the Board of Directors at its meeting held on 31st October, 2008 and in terms of provisions of Section 260 of the Companies Act, 1956, will hold office upto the date of this Annual General Meeting. A notice under Section 257 of the Companies Act has been received from a member signifying his intention to propose the name of Mr. Prakash Kumar Verdia for appointment as a Director of the company. Mr. Prakash Kumar Verdia holds a M.Sc. Degree in Geology. He retired as Former Director, Mines & Geology Department, Government of Rajasthan. He actively participates in various Social and Welfare activities organized by the Society.

The Board considers it desirable that the Company should receive the benefit of his valuable experience and recommend the Ordinary resolution at Item No. 6 for the approval of members.

None of the directors, except Mr. Prakash Kumar Verdia himself, is concerned or interested in the proposed resolution.

Item no. 7

Mr. Roshan Lal Nagar was appointed as Additional Director by the Board of Directors at its meeting held on 31st October, 2008 and in terms of provisions of Section 260 of the Companies Act, 1956, will hold office upto the date of this Annual General Meeting. A notice under Section 257 of the Companies Act has been received from a member signifying his intention to propose the name of Mr. Roshan Lal Nagar for appointment as a Director of the company. Mr. Roshan Lal Nagar holds B.Com and M.Com Degree and has vast experience in the field of Banking and Finance. Presently he is working as Advisor & Professional Director of The Udaipur Urban Co-Operative Bank Ltd.

The Board considers it desirable that the Company should receive the benefit of his valuable experience and recommend the Ordinary resolution at Item No. 7 for the approval of members.

None of the directors, except Mr. Roshan Lal Nagar himself, is concerned or interested in the proposed resolution.

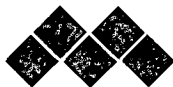
Item no. 8

The Board of Directors at their meeting held on 31st July, 2009 approved the appointment of Mr. Madhav Doshi, son of Mr. Ashok Doshi, Managing Director of the company as Manager-Exports of the Company with effect from 01st May, 2009 on a gross monthly remuneration of Rs. 44907/- p.m. as per the rules of the company.

As the total gross monthly remuneration to Mr. Madhav Doshi is Rs. 44907/- p.m., approval of shareholders 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 Mr. Madhav Doshi has been kept for inspection of the members between 2.00 p.m. to 4.00 p.m. on any working day at the registered office of the company.

The Board recommends the Special resolution set out in Item No. 8, for the approval of the members.



MADHAV MARBLES & GRANITES LIMITED

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

Item no. 9

Dr. Sudhir Doshi was appointed as Whole Time Director of the Company with effect from 28th July, 2007 for a period of five years and his appointment was approved by the members in the Annual General Meeting held on 22nd September 2007. The Board in their meeting held on 20th August, 2009 has proposed the revision in his remuneration w.e.f. from 01st August, 2009 for the remaining period of his tenure i.e. 27th July, 2012, to bring in his remuneration in commensuration of the services and guidance provided by him.

The remuneration payable to Dr. Sudhir Doshi has been revised as under:-

Gross Salary: Rs. 80000/- per month.

Bonus: Bonus will be paid as per the rules of the Company.

Perquisites: The following perquisites will be paid

- (a) Club Fees : Fees for two clubs excluding admission and life membership fees.
- (b) Personal Accident Insurance: Premium not to exceed Rs.10000/- per annum.
- (c) Contribution towards Provident Fund, Superannuation Fund:
Contribution will be as per the rules of the Company
- (d) Gratuity: Gratuity payable will not exceed half a month's salary for each completed year of service.

For the purpose of the foregoing, perquisites shall be valued as per the Income Tax Rules 1962.

In the absence of any such rule, perquisite shall be evaluated at actual cost.

The aggregate remuneration, considering the proposed increase shall always be subject to the overall ceilings laid down by the applicable provisions of the Companies Act, 1956 and by Central Government from time to time.

Where in any financial year during the tenure of Dr. Sudhir Doshi, the company incurs a loss or its profits are inadequate the company shall pay to Dr. Sudhir Doshi, the above remuneration by way of salary and other allowances as a minimum remuneration subject to limits specified under section II of part II of Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the government from time to time as minimum remuneration.

The contents of this explanatory statement may be treated as an abstract of variation in terms of appointment pursuant to provisions of section 302 of the Companies Act, 1956.

The Board recommends the Ordinary resolution set out in Item No. 9, for the approval of the members

None of the directors is interested in the resolution except Dr. Sudhir Doshi, himself, and Mr. Ashok Doshi, elder brother of Dr. Sudhir 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 20, 2009

Priyanka Manawat
Company Secretary