

*ANNUAL  
REPORT  
1998-99*

REPORTJUNCTION.COM

*MADHAV  
MARBLES & GRANITES LIMITED*

## BOARD OF DIRECTORS

Mr RAJ SINGH DUNGARPUR Chairman

Mr C D GOPINATH

Mr ARVIND APTE

Mr AJAY THAKORE

Mr JAGDISH DASHORA

Mr R K KRISHNAMURTHI

Ms LATA MANGESHKAR

Mr VIPIN DOSHI

Mr M J VICHARE IDBI, Nominee

Mr SURANJAN GUPTA Wholētime Director

Mr RAJ KUMAR BAPNA Wholētime Director

Mr ASHOK DOSHI Managing Director

### Bankers

State Bank of India  
Allahabad Bank

### Auditors

Nyati & Associates  
Chartered Accountants

### Share Transfer Agent

Ankit Consultancy (P) Ltd.  
2nd Floor, Alankar Point  
Gita Bhawan Chouraha  
A.B. Road  
Indore (M.P.) 452 001

### Registered Office

N.H. 8, Amberi  
Udaipur (Raj) 313 001

### Works

#### Marble Division

Sukher Industrial Area  
N.H.8, Udaipur

#### Granite Division

Village Thopur  
Distt. Dharampuri  
Salem (Tamil Nadu)

*MADHAV MARBLES AND GRANITES LIMITED*

## NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of **MADHAV MARBLES AND GRANITES LIMITED** will be held as under :

DAY : Monday  
DATE : 26th July 1999  
TIME : 4.15 P.M.  
PLACE : Registered Office, N.H.8, Amberi, Udaipur-313001

to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the Profit & Loss Account for the year ended 31st March, 1999, together with the Report of the Directors' and Auditors' thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Raj Singh Dungarpur who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. R.K. Krishnamurthi who retires by rotation and being eligible offers himself for re- appointment.
5. To appoint a Director in place of Mr. Vipin Doshi who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Udaipur the 1st July, 1999

RAJ SINGH DUNGARPUR  
Chairman

**MADHAV MARBLES AND GRANITES LIMITED**

**Notes :**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. The Register of Member and Share Transfer Books of the Company will be closed from 19th July, 1999 to 26th July, 1999 both days inclusive for the purpose of payment of dividend.
3. The dividend on equity shares, if declared at the meeting will be payable to those member whose name appear on the Register of member of the Company on 26th July, 1999.
4. Member are requested to intimate the change in their addresses, if any, to the Company's Registrar and Share Transfer Agents, Ankit Consultancy Pvt. Ltd., 2nd Floor, Alankar Point, Gita Bhawan Chouraha, A.B. Road, Indore - 452 001 (M.P.)

By Order of the Board of Directors

Udaipur the 1st July, 1999

RAJ SINGH DUNGARPUR  
Chairman



*MADHAV MARBLES AND GRANITES LIMITED***DIRECTORS' REPORT**

To The Members,

The Directors have pleasure in submitting their report for the year ended 31st March 1999.

**FINANCIAL RESULTS**

(Rs in Lacs)

	<u>1998-99</u>	<u>1997-98</u>
Profit before interest and depreciation	994.22	957.55
Interest	134.53	269.64
Depreciation	197.24	191.30
Profit before tax	662.45	496.61
Provision for taxation	—	—
Profit after tax	662.45	496.61
Prior period adjustment	(3.14)	(4.05)
Provision no longer required	12.21	—
Adding thereto balance brought forward from the previous year	269.69	277.13
Transfer to general reserve	500.00	500.00
Proposed dividend	178.94	—
Additional tax on proposed dividend	17.89	—
Leaving a balance to be carried forward	244.38	269.69

**OPERATION**

The Company has been able to record impressive growth by harnessing higher turnover of Rs.3645.63 lacs as against the turnover of Rs.3027.72 during 1997-98 registering a growth of 20.41%.

Improved performance of the business together with the reduction in interest charges resulted in substantial increase in profit after tax of Rs.662.45 lacs against the profit after tax of Rs.496.61 lacs during 1997-98.

The Company could achieve growth in operation due to relentless pursuit towards maintaining highest quality standards of its products.

In spite of adverse environment the Company produced good results. Our operating margins are amongst the best in the industry segment.

**DIVIDEND**

The Board is pleased to reward its shareholders with a Maiden Dividend of 20%. This was made possible due to repayment of all term liabilities of the Financial Institutions. The dividend, if approved by the shareholders, will be paid to those shareholders whose name appear in the books of the Company on 26th July, 1999. In terms of the provisions of the Finance Act, 1997, the amount of dividend paid will not be taxable in the hands of the Shareholders. However, the Company will be liable for tax on distribution of the dividend at the rate of 10%. The total outgo on account of dividend and dividend tax will be Rs.196.83 lacs for the year.

*MADHAV MARBLES AND GRANITES LIMITED***MARBLE DIVISION**

The sales value of marble product was Rs. 1129.98 lacs as against Rs.1054.35 lacs in the previous year. The production of marble tiles and slabs during the year under review was 80400.07 sq.mts. as against 83628.87 sq.mts. in the previous year.

The growth in marble division was comparatively lower than the corresponding percentage growth in revenue during 1997-98 due to stagnant prices on one hand and increase in the cost of major inputs on the other.

The Company continued its efforts for cost reduction. The key to the profitability of Stone Industries lies in the ability to go in for its own mining. The mineral must be raised in economical and scientific manner. The rough blocks must be raised at the Mines on regular basis of desired specification and quality. The higher the production at mines, the greater the savings in raw material costs which enables to compete in the international market.

The Company has identified Marble Mining as a thrust area and is geared to undertake development of mines in a big way. As reported last year, the Company had undertaken mining operations and had spent substantial funds towards the development of mines. The major expenses comprises towards removal of overburden approach roads, excavation of the marble bands for working in future. Besides the rough marble blocks raised during development stage are not economically viable for processing because of inherent defects/cracks. As per the policy of the Company the expenses incurred towards development are shown as Deferred Revenue Expenditure under the head Miscellaneous expenses and are written off over a period of 5 years.

The Directors are determined that the present development at mines will be maintained, which would greatly enhance the production of rough

marble blocks in coming years and significant increase in profits.

**GRANITE DIVISION**

The granite division maintained its leading position in the market due to its consistently better quality. The quality of granite tiles is considered to be excellent and is well accepted in the international market.

The sales during the year under review was Rs.2515.65 lacs as against Rs.1973.37 lacs in the previous year showed an increase of 27.48% over the previous year.

The granite division continued to contribute higher business volume and significantly to the Company's profitability not only did the production increase to 162390.92 sq.mts. during the year against 140625.69 sq.mts. in the previous year but the emphasise on value addition has led to increase in profitability.

The major increase in the capacity and production has been possible without new investment because of technological innovation which the division has been undertaking.

**DEBT FREE COMPANY**

The Company has paid all the long term debts borrowed from the Indian Financial Institutions and the Company has become debt free.

**AWARDS**

Your Company had received Capexil award for the highest exports for the year 1997-98 of the processed granite. You may be aware that your Company has been awarded Capexil award consecutively for the last six years for outstanding export performance and the Directors are hopeful of receiving the same for the year under review.

*MADHAV MARBLES AND GRANITES LIMITED***Y2K COMPLIANCE**

Your Company has taken appropriate steps to mitigate year 2000 (Y2K) problems. Necessary expenditure amounting to Rs. 4.5 lacs has been estimated and is being incurred as required to make the Company's hardware, software and operating systems Y2K compliant by August, 1999.

Your Company is also taking all possible steps including contingency plan to protect business continuity and to reduce the risk from any outside agency.

**EXPORTS**

Your Company continues to lay stress on increasing its presence in the international market. Inspite of the International trade slowing down your Company recorded an increase in export turnover from Rs.2740.97 lacs in 1997-98 to Rs.3321.97 lacs in 1998-99 including export through third party.

**DIRECTORS**

In accordance with the provision of the Companies Act, 1956 and the Company's Articles of Association, Mr. Raj Singh Dungarpur, Mr. Ravi Krishnamurthy and Mr. Vipin Doshi retire by rotation and being eligible offer themselves for reappointment.

**AUDITORS**

The Auditors, M/s Nyati & Associates, hold office until the conclusion of the ensuing AGM and are recommended for reappointment. Certificate from the Auditors has been received to the effect that their reappointment, if made, would be within the prescribed limit under Section 224(1) of the Companies Act, 1956.

**AUDITORS REPORT**

The notes referred to by the Auditors in their Report are self explanatory and hence do not require any further explanation.

**DISCLOSURE OF PARTICULARS**

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure 'A' forming part of this report.

**PERSONNEL**

The Board of Directors wishes to express its appreciation to all the employees of the Company for their outstanding contribution during the year to the operations of the Company.

Particulars regarding employees of the Company, as required under Section 217 (2A) of the Companies (Particulars of Employees) Rules, 1975, is annexed hereto as Annexure 'B' which forms part of this report.

**ACKNOWLEDGEMENT**

Your Directors acknowledge the continued trust and confidence you have reposed in the Company and we would look forward to a continued support in future as well.

Your Directors take this opportunity to offer their sincere thanks to the financial institutions, bankers, government departments etc. for their valuable support and encouragement of the Company.

By Order of the Board of Directors

Udaipur the 1st July,1999

RAJ SINGH DUNGARPUR  
Chairman



**MADHAV MARBLES AND GRANITES LIMITED****ANNEXURE 'A' TO THE DIRECTORS REPORT****A. CONSERVATION OF ENERGY**

Conservation of energy is very high priority area for the Company. 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 plant which are equipped with energy efficient equipments.

**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, Adoption 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**

Foreign exchange earnings and outgo during the year on FOB basis has been as follows:

Earning : Rs. 3036.36 lacs (previous year Rs. 2632.27 lacs)

Outgo : Rs. 492.75 lacs (previous year Rs. 450.19 lacs)

**ANNEXURE 'B' TO THE DIRECTORS REPORT**

Particulars of Employees in terms of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

S.No.	Name, designation and age	Gross remuneration (in lacs)	Qualification	Last employment and total experience in years	Commencement of employment	Nature of employment
1.	Mr. Ashok Doshi Managing Director 49 years	26.33	B.Sc.	A.R. Enterprises Ltd 20 years	1-5-1995	Contractual
2.	Mr. Suranjan Gupta Wholetime Director 54 years	28.50	B.E (Mining)	Atlas Copco Ltd. 22 years	30-7-1990	Contractual



*MADHAV MARBLES AND GRANITES LIMITED*

## **AUDITORS' REPORT**

To The Members of Madhav Marbles and Granites Limited

We have audited the attached Balance Sheet of the **MADHAV MARBLES AND GRANITES LIMITED** as at 31st March, 1999 and also the annexed Profit & Loss Account for the year ended on that date and we report that :

1. 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.
2. 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 the books.
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account of the Company.
4. In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
5. 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 :
  - (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1999 and
  - (b) in the case of the Profit and Loss Account of the profit for the year ended on that date.
6. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we further report that:
  - (i) The fixed assets records showing full particulars including quantitative details and situation of fixed assets are under preparation. As explained to us all the fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies were noticed on such verification.
  - (ii) None of the Fixed Assets have been revalued during the year.
  - (iii) As explained to us the stocks of finished goods, stores, spare parts and raw materials have been physically verified by the Management during the year. In our opinion the frequency of such verification is reasonable. In case of stocks lying with third parties, these have been confirmed by them.
  - (iv) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business .