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MADHAV MARBLES & GRANITES LIMITED



MADHAV MARBLES & GRANITES LIMITED

BOARD OF DIRECTORS

RAJ SINGH DUNGARPUR

Chairman

C D GOPINATH

ARVIND APTE

AJAY THAKORE

JAGDISH DASHORA

R K KRISHNAMURTHI

LATA MANGESHKAR

VIPIN DOSHI

SURANJAN GUPTA

Wholetime Director

RAJ KUMAR BAPNA

Wholetime Director

ASHOK DOSHI

Managing Director

Manager-Finance

O P JAIN

SS JANAKARAJAN

Company Secretary

R SRIDHAR

Listing of Shares with

Jaipur Stock Exchange Limited

The Stock Exchange, Mumbai

The Stock Exchange, Ahmedabad

Bankers

State Bank of India
Allahabad Bank

Auditors

Nyati & Associates
Chartered Accountants
Udaipur 313 001

Share Transfer Agents

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.) 313 004

Works

Marble Division

Sukher Industrial Area
N.H.8, Udaipur

Granite Division

Village Thopur
Distt. Dharampuri
Salem (Tamil Nadu)

COMMITTEES

Audit Committee

RAJ SINGH DUNGARPUR

ASHOK DOSHI

JAGDISH DASHORA

VIPIN DOSHI

Finance & Administrative Committee

ASHOK DOSHI

RAJ KUMAR BAPNA

VIPIN DOSHI

Share Transfer Committee

ASHOK DOSHI

JAGDISH DASHORA

VIPIN DOSHI

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MADHAV MARBLES & GRANITES LIMITED

FINANCIAL HIGHLIGHTS

(Rupees in lakhs)

Year ended	1996	1997	1998	1999	2000
Profit and Loss Account					
Sales	2190.90	2414.03	3027.71	3645.63	3507.14
Other Income	147.69	135.81	96.65	60.02	151.09
<i>Total Income</i>	<i>2338.59</i>	<i>2549.84</i>	<i>3124.36</i>	<i>3705.65</i>	<i>3658.23</i>
Profit before Interest, Depreciation, and Tax	880.23	775.60	957.55	994.22	1144.37
Depreciation	106.72	191.00	191.30	197.24	210.68
Profit before Interest and Tax	773.51	584.60	766.25	796.98	933.70
Interest	303.00	316.44	269.64	134.53	92.55
Profit before Taxation	470.51	268.16	496.61	662.45	841.15
<i>Profit After Taxation</i>	<i>470.51</i>	<i>268.16</i>	<i>496.61</i>	<i>662.45</i>	<i>838.90</i>
Balance Sheet					
Net Fixed Assets	1725.22	1651.78	1600.47	1467.77	1513.16
Investments	5.00	5.00	5.00	5.00	5.00
Net Current Assets	2309.99	2508.79	2157.27	2102.47	3260.00
<i>Total</i>	<i>4040.21</i>	<i>4165.57</i>	<i>3762.74</i>	<i>3575.24</i>	<i>4778.16</i>
Share Capital	894.70	894.70	894.70	894.70	894.70
Reserves and Surplus	1545.04	1797.13	2289.69	2764.38	3421.25
Miscellaneous expenditure not written off	50.30	38.94	110.51	317.49	232.54
Net Worth	2389.44	2652.89	3073.88	3341.59	4083.41
Total Borrowings	1650.77	1512.68	688.86	233.65	694.75
<i>Total</i>	<i>4040.21</i>	<i>4165.57</i>	<i>3762.74</i>	<i>3575.24</i>	<i>4778.16</i>
Ratios					
Earning Per Share	5.26	3.00	5.55	7.40	9.38
Dividend (%)	--	--	--	20	20
Dividend Per Share	--	--	--	2.00	2.00
Dividend Payout (%)	--	--	--	27.01	21.32
Book Value Per Share	26.71	29.65	34.36	37.35	45.64
Return on Capital Employed (ROCE) (%)	20.35	14.49	21.57	23.16	21.19
Return on Net Worth (RONW) (%)	21.87	10.64	17.34	20.65	22.60
Fixed Assets Turnover (No. of times)	1.24	1.43	1.86	2.38	2.35
Working Capital Turnover (No. of times)	1.13	1.00	1.30	1.71	1.31
Net Profit as % of Total Income	20.12	10.52	15.89	17.88	22.93

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.

MADHAV MARBLES & GRANITES LIMITED**Notice to the Shareholders**

NOTICE is hereby given that the Eleventh 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 Friday the 26th May, 2000, 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, 2000 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 8947000 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, 2000 and the same be paid to shareholders whose names appear in the register of members of the Company on 26th May, 2000.

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

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

- 6 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

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

RESOLVED THAT in accordance with the provisions of sections 198, 309, 310 & 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be required, the Directors (other than Managing Director and Whole-time Directors), be paid for a period of five



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financial years commencing from 1st April, 2000, remuneration by way of commission not exceeding 1% of the net profits of the Company, as computed under section 349 of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to decide, from time to time the quantum and manner of distribution to one or more Directors within the limits prescribed.

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.

- 8 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, 2000 and the remuneration payable to Mr Ashok Doshi, Managing Director, upon such re-appointment as set out in the agreement dated 22nd April, 2000 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.

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 per cent of the net profits of the Company in any financial year.

RESOLVED FURTHER THAT the scope and quantum of remuneration specified hereinabove, 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 thereunder and / or such guidelines as may be announced by the Central Government from time to time.

- 9 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 Suranjan Gupta as Whole-time Director for a further period of five years from 1st August, 2000 and the remuneration payable to Mr Suranjan Gupta, Whole-time Director, upon such re-appointment as set out in the agreement dated 22nd April, 2000 entered into between the Company and Mr Suranjan Gupta, copy of which is placed before the meeting and initialed by the chairman for the purpose of identification, be and is hereby approved.

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 Whole-time Director, provided that the total remuneration payable whether by way of salary, perquisites or commission and other allowances, shall not exceed five per cent of the net profits of the Company in any financial year.

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

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Companies Act, 1956 / Income Tax Act, 1961 and / or the rules and regulations made thereunder and / or such guidelines as may be announced by the Central Government from time to time.

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

RESOLVED THAT pursuant to section 31 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be required, the regulations contained in the printed document submitted

to the meeting and signed by the Chairman for the purpose of identification thereof be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company thereof.

By Order of the Board

Mumbai
25th April, 2000

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 NOTARIALY 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.7 – 10 as set out above is annexed hereto.
- 3 The Register of Directors' Shareholdings, maintained under section 307 of the Companies Act, 1956, is 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 16th May, 2000 to 26th May, 2000, 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 26th May, 2000 to those shareholders (or their mandatees) whose names appear in the register of members of the Company on 26th May, 2000.
- 6 The dividend is exempt from tax under section 10(33) of the Income Tax Act, 1961, in the hands of the shareholders.
- 7 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 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.
- 8 Members who have not encashed their dividend warrants in respect of the above period are requested to make their claim to the Company by surrendering the unencashed warrants immediately.
- 9 Members are requested to intimate, to the Company's Share Transfer Agents, atleast 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.
- 10 Members are requested to notify immediately any change in their addresses, to the Company's Share Transfer Agents.
- 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.
- 12 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.



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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 25th April, 2000 and shall be taken as forming part of the notice.

Item No.7

At the Sixth Annual General Meeting of the Company held on 30th November, 1995, the shareholders approved the payment to Directors (other than Managing Director and Whole-time Directors) remuneration by way of commission not exceeding 1% of the net profits of the Company for a period of five financial years commencing from 1st April, 1995. Under sub-section (7) of section 309 of the Act, a special resolution passed by a Company under sub-section (4) of section 309 does not remain in force for a period of more than five years at a time.

In view of the expansion taken up by the Company, frequent Board Meetings are called for and the Directors have to devote more time in discussions, drawing up on their vast experiences, review of projects implementation. Their contribution is also available outside the meetings of the Board and Committees which are of great advantage to the Company.

The turnover of the Company has increased from Rs.2190.90 lakhs as on 31st March, 1996 to Rs.3507.14 lakhs as on 31st March, 2000, showing an increase of 60%. This has been due to the contributions made by the Directors, who have to devote much of their time.

It is therefore considered proper to pay them in the light of the above background, a remuneration by way of commission on the net profits commensurate with the advice, guidance and service given / provided by them from time to time which contribute to the efficient management of the Company. Hence it is proposed to pay to Non-Executive / Non-Wholetime Directors, remuneration by way of commission not exceeding 1% of the net profits of the Company for

a period of five financial years commencing from 1st April, 2000 in the manner as stated in the resolution. The proposed payment of remuneration by way of commission to Non-Executive / Non-Wholetime Directors, 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.7 of the Notice submitted to the Meeting.

All the Directors (other than Mr Ashok Doshi, Managing Director and Mr Suranjan Gupta and Mr Raj Kumar Bapna, Whole-time Directors) are deemed to be concerned or interested in the resolution.

Item No.8

Mr Ashok Doshi, was appointed as Managing Director from 1st May, 1995 by the shareholders at the Sixth Annual General Meeting held on 30th November, 1995. The appointment, remuneration and the enhancement in remuneration, payable to Mr Ashok Doshi were approved by the shareholders. The present term of appointment of Mr Ashok Doshi as Managing Director expires on 30th April, 2000.

Mr Ashok Doshi, Managing Director is incharge of the overall management of the affairs of the Company, since 1995. During his tenure the Company has witnessed a significant growth, and has established very good reputation in the International Market.

Mr Ashok Doshi has vast experience in the field of marketing and management besides experience in mining. During the year Mr Ashok Doshi have attended 4 out of 6 meetings of the Board of Directors.

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, 2000.



The Board of Directors has proposed to increase the remuneration payable to Mr Ashok Doshi, on his re-appointment as Managing Director, which is within the limits prescribed under Schedule XIII to the Companies Act, 1956.

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 dated 22nd April, 2000 entered between him and the Company are as under:

1 Salary

Rs.50,000/- per month in the range of Rs.50,000/- – Rs.80,000/-. The increments will be decided by the Board of Directors.

2 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.

3 Perquisites

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

(a) Housing

The Company shall provide furnished accomodation to the Managing Director.

(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 dependent children and dependent parents 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 ceiling 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) Encashment of leave not availed of

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

(i) Provision of Car

Provision of car for use on Company's Business and Telephone at Residence will not be considered as 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.

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.



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- 4 The Managing Director so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board or of any Committee thereof.
- 5 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.
- 6 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.

In compliance with the provisions of sections 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.

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

This may be treated as an abstract of the agreement between the Company and Mr Ashok Doshi, Managing Director pursuant to section 302 of the Companies Act, 1956.

Item No.9

Mr Suranjan Gupta, was re-appointed as Whole-time Director from 1st August, 1995 by the shareholders at the Sixth Annual General Meeting held on 30th November, 1995. The re-appointment, remuneration and the enhancement in remuneration, payable to Mr Suranjan Gupta were approved by the shareholders. The present term of appointment of Mr Suranjan Gupta as Whole-time Director expires on 31st July, 2000.

Mr Suranjan Gupta, Whole-time Director, is incharge of Granite Unit at Thoppur, Tamil Nadu since 1990. During his tenure the Granite Unit which is 100% EOU has grown manifold and has very good reputation in the International Market.

Mr Suranjan Gupta has experience in the field of marketing and management besides experience in mining and engineering. During the year Mr Suranjan Gupta have attended 5 out of 6 meetings of the Board of Directors.

In terms of article 124 of the Articles of Association of the Company, Mr Suranjan Gupta was re-appointed by the Board of Directors as Whole-time Director for a further period of five years from 1st August, 2000.

The Board of Directors has proposed to increase the remuneration payable to Mr Suranjan Gupta on his re-appointment as Whole-time Director, which is within the limits prescribed under Schedule XIII to the Companies Act, 1956.

Necessary agreement was executed by the Company with Mr Suranjan Gupta giving effect to the abovesaid proposal. Details of the remuneration as contained in the agreement dated 22nd April, 2000 entered between him and the Company are as under :

1 Salary

Rs.50,000/- per month in the range of Rs.50,000/- – Rs.80,000/-. The increments will be decided by the Board of Directors.

2 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.