



MAADHAV GRANITE & REALTY LIMITED

(Formerly Known as Madhav Marbles & Granites Limited)

MAADHAV GRANITE & REALTY LIMITED
(FORMERLY KNOWN AS MADHAV MARBLES & GRANITES LIMITED)



Seventeenth Annual Report 2005 - 2006

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MAADHAV GRANITE & REALTY LIMITED
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BOARD OF DIRECTORS

RAJ SINGH DUNGARPUR

Chairman

C D GOPINATH

ARVIND LAXMAN APTE

AJAY INDRAJIT THAKORE

JAGDISH DASHORA

RAVI K. KRISHNAMURTHI

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

visit us at : www.madhavmarbles.com



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FINANCIAL HIGHLIGHTS

(Rupees in Millions)

Year ended	2002	2003	2004	2005	2006
Profit and Loss Account					
Sales	418.20	542.92	618.40	718.82	737.44
Other Income	16.59	14.50	5.65	9.81	26.58
Total Income	434.79	557.42	624.05	728.63	764.02
Profit before Interest Depreciation, and Tax	101.14	123.56	143.65	182.58	220.25
Depreciation	30.56	29.46	29.60	26.65	32.18
Profit before Interest and Tax	70.58	94.10	114.05	155.93	188.07
Interest	22.14	19.34	11.70	12.25	11.69
Profit before Tax and extra ordinary item	48.44	74.76	102.35	143.68	176.38
Profit after Tax, extra ordinary item and prior period Adj	40.82	72.9	105.30	117.53	152.96

Balance Sheet

Net Fixed Assets	223.32	225.94	220.84	325.93	396.00
Investments	5.23	9.40	0.00	0.00	0.00
Net Current Assets	392.21	414.63	501.25	444.29	598.59
Total	620.76	649.97	722.09	770.22	994.59
Share Capital	89.47	89.47	89.47	89.47	89.47
Reserves and Surplus	400.75	453.46	538.24	542.11	684.86
Miscellaneous expenditure not written off	(7.43)	(1.28)	(0.56)	(0.23)	0.00
Net Worth	482.79	541.65	627.15	631.35	774.33
Total Borrowings	103.63	80.01	69.70	87.90	155.83
Deferred Tax Liability	34.34	28.31	25.24	50.97	64.33
Total	620.76	649.97	722.09	770.22	994.59

Ratios

Earning Per Share (Rs)	4.56	8.14	11.76	13.13	17.10
Dividend (%)	20	20	20	30	10
Dividend Per Share (Rs)	2.00	2.00	2.00	3.00	1.00
Dividend Payout (%)	43.52	24.00	16.97	22.76	6.08
Book Value Per Share (Rs)	53.96	60.54	70.10	70.56	86.55
Return on Capital Employed (ROCE) (%)	12.08	15.89	17.44	21.74	21.90
Return on Net Worth (RONW) (%)	8.56	14.56	18.04	18.74	20.93
Fixed Assets Turnover (No. of times)	1.77	2.42	2.77	2.63	2.00
Working Capital Turnover (No. of times)	1.16	1.35	1.35	1.52	1.44
Net Profit as % of Total Income	9.46	13.38	16.89	16.19	18.87
Market Capitalisation	58.16	114.97	210.70	562.32	912.15

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

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Notice to the Shareholders

NOTICE is hereby given that the Seventeenth Annual General Meeting of Members of **MAADHAV GRANITE & REALTY LIMITED** will be held at the Registered office of the Company at N.H. 8, Amberi, Udaipur – 313 004, Rajasthan, on Saturday, the 23rd day of September, 2006 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 2006 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. 1.00 per share absorbing a sum of Rs. 8.95 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 2006 and the same be paid to shareholders whose names appear in the register of members of the Company on 23rd September 2006 and to the beneficial holders on 18th September 2006.

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

“RESOLVED THAT Mr. Ajay Indrajit Thakore, 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. 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”.

- 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 and 311 and other applicable provisions, if any, of the Companies Act, 1956, the re-appointment of Mr Raj Kumar Bapna as whole-time director for a further period of five years with retrospective effect from March 01, 2006 and the remuneration payable to Mr Raj Kumar Bapna, whole-time director, upon such re-appointment as set out in the agreement dated 29th July, 2006 entered into between the Company and Mr Raj Kumar Bapna, 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 remuneration payable to Mr Raj Kumar Bapna, provided that the total remuneration payable whether by way of salary, bonus or perquisites, shall not exceed the maximum amount prescribed under the provisions of the Companies Act, 1956, 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

By Order of the Board

Place Udaipur

Date July 29, 2006

ASHOK DOSHI

Managing Director



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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 September 2006 to 23rd September 2006 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 23rd September 2006 to those shareholders (or their mandates) whose names appear in the Register of Members of the Company on 23rd September 2006, in the physical form or in the Register of Beneficial Owners maintained by Depositories as on 18th September 2006, 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 31st March 2005 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, on due dates as mentioned under the head share holders information at S. no. 23. 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.

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 July 29, 2006 and shall be taken as forming part of the notice.

Item No.5

Mr Raj Kumar Bapna, was re-appointed as whole-time director from March 01, 2001 by the shareholders at the Twelfth annual general meeting held on October 20, 2001. The present term of appointment of Mr Raj Kumar Bapna as whole-time director expired on February 28, 2006, and he continued as director of the Company.

Mr Raj Kumar Bapna, is one of the co-promoter of the Company and in-charge of the Marble Unit of the Company at Rajasthan. From March 1991 to February 2006 he served as whole-time director of the Company. During his tenure he has significantly contributed to the overall growth of the Company especially the Marble Division.

Mr Raj Kumar Bapna is a qualified geologist and has got M Tech. (Applied Geology) from Roorkee University. He has vast experience in the field of mining, engineering besides experience in corporate management. Mr Raj Kumar Bapna had attended 2 out of 6 meetings of the Board of Directors during the year.

In terms of article 143 of the articles of association of the Company, Mr Raj Kumar Bapna was re-appointed by the board of directors as whole-time director for a further period of five years from March 01, 2006.

The Company had executed necessary agreement with Mr Raj Kumar Bapna giving effect to the abovesaid proposal. Details of the remuneration as contained in the agreement dated July 29, 2006 entered with him are as under:

Salary:

Rs.40,000/- per month in the range of Rs.40,000/- – Rs.50,000/-. The increments will be decided by "The Board of Directors".

Bonus:

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

Perquisites:

In addition to salary and bonus, the following perquisites shall be paid, which are as follows:

(a) Club Fees:

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

(b) Personal Accident Insurance:

Premium not to exceed Rs.4,000/- per annum.

(c) Company's Contribution towards Provident Fund Superannuation Fund:

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Company's Contribution towards Provident Fund and Superannuation Fund 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

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

- 4 The Whole-time 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 Whole-time Director, during such financial year, in such manner as agreed to between the Board of Directors and the Whole-time 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 Whole-time 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 and 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 Raj Kumar Bapna, whole-time 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 Raj Kumar Bapna, whole-time director pursuant to section 302 of the Companies Act, 1956

Inspection of documents

The terms of appointment of Mr Raj Kumar Bapna, whole-time director as approved by the Board at its meeting held on July 29, 2006 and the other 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

Place Udaipur
Date 29th July 2006

ASHOK DOSHI
Managing Director



ADDITIONAL INFORMATION

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

Mr. Ajay Indrajit Thakore has served as an independent and non-executive director of the Company since October 1992. In his current position as director, he is responsible for the technical matters presented to the Board, besides he brings in his vast experience in the conduct of the proceedings of the Company. He is B.Com., F.C.A., LL.B. He is practicing Advocate, and has vast experience in the field of Corporate Law and Taxation besides Finance, Management and Corporate Affairs.

Mr. Ajay Indrajit Thakore is the director in the following Companies, viz., M/s Chandramouli Holding and Leasing Private Limited (Chairman), M/s TTK Maersk Medical Limited and M/s TTK Prestige Limited.

Mr. Jagdish Dashora is a co-promoter of the Company and has served as a Director since October 1989. From March 1991 to April 1995 he served as Managing Director of the Company. During his tenure Company has successfully come out with public issue for funding the Marble & Granite Plants. He received B.Sc. and M.Com. (Business Admin.) Degree from Mohanlal Sukhadia University, Udaipur and has vast experience in the field of infrastructure Development, Management and Corporate Affairs.

Mr. Jagdish Dashora is the director in the following Companies viz., M/s Ascent Computers Private Limited, M/s Alliance Infrastructure Limited, M/s Ascent Leasing & Finance Company Limited and M/s Accretion Financial Services Limited.

