



BOARD OF DIRECTORS

C. D. GOPINATH

Chairman

RAVI KUMAR KRISHNAMURTHI

PRAKASH KUMAR VERDIA

ROSHAN LAL NAGAR

JAGDISH DASHORA

ASHOK DOSHI

Managing Director

SUDHIR DOSHI

Whole Time 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

11-A, Charak Marg, Ambamata
Scheme, Udaipur (Raj.) 313 004

Works

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



Twenty Second Annual Report 2010 - 2011

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**FINANCIAL HIGHLIGHTS**

(Rupees in Millions)

Year ended	2007	2008	2009	2010	2011
Profit and Loss Account					
Sales	887.55	829.57	581.65	636.02	651.64
Other Income	12.46	29.63	11.11	9.76	7.32
<i>Total Income</i>	900.01	859.20	592.76	645.78	658.96
Profit before Interest, Depreciation and Tax	212.90	151.65	91.53	94.13	61.24
Depreciation	37.38	41.85	47.87	46.19	45.35
Profit before Interest and Tax	175.52	109.80	43.66	47.94	15.89
Interest	24.28	46.94	28.72	13.56	10.98
Profit before Tax	151.24	62.86	14.94	34.38	4.91
<i>Profit after Tax and Prior period adj.</i>	136.10	37.27	16.12	32.23	10.42
Balance Sheet					
Net Fixed Assets	455.05	418.18	391.51	364.53	336.82
Investments	0.00	5.00	5.00	0.00	0.00
Net Current Assets	891.66	1002.36	936.47	853.72	722.41
<i>Total</i>	1346.73	1425.54	1332.98	1218.25	1059.23
Share Capital	89.47	89.47	89.47	89.47	89.47
Reserves and Surplus	810.30	837.10	842.76	864.55	864.53
Miscellaneous expenditure not written off	3.07	3.07	2.86	2.14	1.43
Net Worth	896.70	923.50	929.37	951.88	952.57
Total Borrowings	386.30	439.17	344.11	211.97	58.40
Deferred Tax Liability	63.73	62.87	59.50	54.40	48.26
<i>Total</i>	1346.73	1425.54	1332.98	1218.25	1059.23
Ratios					
Earning Per Share (Rs.)	15.21	4.17	1.80	3.60	1.16
Dividend (%)	20	10	10	10	10
Dividend Per Share (Rs.)	2.00	1.00	1.00	1.00	1.00
Dividend Payout (%)	13.15	24.01	55.50	27.76	85.86
Book Value Per Share (Rs.)	100.22	103.22	103.88	106.39	107.63
Return on Capital Employed (ROCE) (%)	14.37	8.14	3.44	4.16	1.56
Return on Net Worth (RONW) (%)	16.29	4.10	1.74	3.44	1.06
Fixed Assets Turnover (No. of times)	2.09	1.90	1.44	1.68	1.85
Working Capital Turnover (No. of times)	1.19	0.88	0.60	0.71	0.82
Net Profit as % of Total Income	15.12	4.34	2.72	5.00	1.58
Market Capitalisation	764.52	382.93	109.15	247.38	160.99

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 Twenty Second Annual General Meeting of the Members of **MADHAV MARBLES & GRANITES LIMITED** will be held on Wednesday, September 28, 2011 at 5.00 p.m. at Hotel Rajdarshan, Pannadhy Marg, Udaipur - 313001, (Raj.) to transact the following business:-

Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2011 and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the year 2010-11.
3. To appoint a Director in place of Mr. Prakash Kumar Verdia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Roshan Lal Nagar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Nyati & Associates, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.

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

Udaipur, August 06, 2011

Priyanka Manawat
Company Secretary

GREEN INITIATIVE:

The Ministry of Corporate affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011 has allowed Companies to send Annual Report comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report and Explanatory Statement etc. through electronic mode to the registered email address of the members. Keeping in view the underlying theme and the circulars issued by MCA, Company proposes to henceforth effect electronic delivery of future communications to the members, who have provided their email address to their Depository Participant (DP) / Company as the case may be.

Members who hold shares in dematerialized form are requested to get their details updated with respective depositories. Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to provide their details (Name, Folio No. and Email I.D) on the Company's email address viz. investormmgl@gmail.com. By opting to receive communication through electronic mode members have the benefit of receiving communication promptly and avoiding loss in postal transit.

**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. A PROXY NEED NOT BE MEMBER OF THE COMPANY. PROXY/PROXIES TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- 2 The Register of Members and the Share Transfer Books will remain closed from September 22, 2011 to September 28, 2011 (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, 2011, as recommended by the Board, if declared at the Annual General Meeting, will be paid on or after October 5, 2011, to the members who are holding their shares in physical form and whose names appear on the Company's Register of Members on September 28, 2011 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 22, 2011.
- 4 Pursuant to the provisions of Section 205 A(5) and 205 C of the Companies Act, 1956, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members who have not encashed their dividend warrants for the year 2003-2004 or thereafter are requested to write to the Company / Registrar and Share Transfer Agents for payment in lieu thereof.
- 5 Office of our Registrar and Share Transfer Agents M/s Ankit Consultancy Pvt. Ltd, has been shifted to Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) – 452 010. The new contact details are as follows:

Tel No.: (0731) 3198601-02, 2551745-46
Fax No.: 0731-4065798
Email I.D.: ankit_4321@yahoo.com
- 6 Members holding shares in physical form are requested to notify change in address, bank mandate and bank particulars, if any, under their signature to the Company's Registrar and Share Transfer agents M/s Ankit Consultancy Pvt. Limited, Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452 010. Members holding shares in electronic form may update such details with their respective Depository Participant (DP). These changes will get automatically reflected in Company's records.
- 7 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.
- 8 Members are requested to kindly bring their copies of Annual Report to the meeting.
- 9 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.
- 10 Details under Clause 49 of the Listing agreement with the Stock Exchanges in respect of Directors seeking re-appointment at the Annual General Meeting, is separately annexed hereto.



Annexure to the Notice

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

Name of Director	Mr. Prakash Kumar Verdia	Mr. Roshan Lal Nagar
Date of Birth	August 06, 1945	January 04, 1940
Date of Initial Appointment	October 31, 2008	October 31, 2008
Qualification	M.Sc. (Tech.)	M.Com.
Expertise	Eminent Geologist and Social Activist	Banking and Finance
No. of Shares held in the Company	500	Nil
Directorships held in other Companies	Nil	The Udaipur Urban Co. Op. Bank Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Audit Committee – Member Shareholders Transfer / Grievance Committee – Chairman Remuneration Committee – Member	Audit Committee – Chairman Shareholders Transfer / Grievance Committee – Member Remuneration Committee – Member
Chairman/Member of the Committee of the Board of Directors of other Companies	Nil	Nil



DIRECTORS' REPORT

The Directors have great pleasure in presenting the Twenty Second Annual Report and the Audited Accounts for the year ended March 31, 2011.

FINANCIAL HIGHLIGHTS

	(Rupees in Millions)	
Details	Year ended 31.03.2011	Year ended 31.03.2010
Net sales and other income	658.96	645.78
Profit before interest and depreciation	61.24	94.13
Interest	10.98	13.56
Depreciation	45.35	46.19
Profit before tax	4.91	34.38
Provision for taxation		
Current tax	0.91	5.84
Deferred tax	(6.14)	(5.10)
Profit after tax	10.14	33.64
Add / (Less) Provision no longer required	0.00	0.00
Prior period adjustment	0.28	(1.41)
Surplus brought forward from previous year	469.80	463.00
Total	480.22	495.23
Proposed dividend (10%)	8.95	8.95
Tax on proposed dividend	1.49	1.48
Transfer to general reserve	0.00	15.00
Surplus in Profit & Loss Account	469.78	469.80

Performance Review

Performance of the Company has gone down during the year 2010-11 with Net Profit after tax for the year at Rs. 10.14 million as compared to 33.64 million in the previous year, showing a decline of 69.86%. Net sales increased by nominal 2.46% to Rs.651.64 million from Rs.636.02 in the previous year.

Dividend

The Board of Directors have pleasure in recommending a dividend of Re. 1 per share on 8947000 Equity Shares of Rs.10 each for the year ended March 31, 2011. The dividend, if approved by the shareholders, would involve an

total outflow of Rs. 10.44 million including dividend tax of Rs.1.49 million. Dividend will be paid to those shareholders whose name appear in the register of members of the Company on September 28, 2011 and to the beneficial holders on September 22, 2011.

The Company has been paying dividend consistently since financial year 1998-99 except year 2000-01 (the year in which Unit II, Granite Slab Unit was started at Salem, Tamilnadu)

Finance

During the year under review, the Company has availed unsecured Loan amounting to Rs.1.15 Crores. Company has also made repayment of Term Loan to the extent of Rs.113.57 million.

Directors Responsibility Statement

The Directors hereby confirm that:

- in preparation of the Annual accounts for the financial year 2010-11, applicable accounting standards have been followed and that there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit of the Company for that period;
- they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the Annual accounts of the Company on a "going concern" basis.

Management Discussion and Analysis Report

The annexed Management Discussion and Analysis forms a part of this Report and covers, amongst other matters, the performance of the



Company during the financial year under review as well as future prospects.

Corporate Governance

A report on Corporate Governance along with a certificate from the auditors of the company regarding the compliance of conditions stipulated under Clause 49 of the Listing agreement is annexed hereto.

Fixed Deposits

Your Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Directors

Mr. Prakash Kumar Verdia and Mr. Roshan Lal Nagar, directors retire by rotation and being eligible offers themselves for re-appointment.

Brief resume of directors seeking re-appointment is annexed with Notice calling this Annual General Meeting.

Auditors

The Auditors, M/s Nyati & Associates, Chartered Accountants, Udaipur, retire in accordance with the provisions of the Companies Act, 1956, at the ensuing Annual General meeting and being eligible offer themselves for reappointment.

Auditors' Report

As regards the Auditors Report, the points raised therein have been explained in the Notes to the Accounts and elsewhere in the Annual Report, as such Directors have no further comments to offer.

Other Mandatory Requirements

Pursuant to the requirements of the Listing agreement with the Stock Exchanges and the Accounting Standards in terms of Section 211 (3A) of the Companies Act, 1956 details of Segment-wise revenue, results and capital

employed (AS-17), Related Party Transactions (AS-18), Deferred Taxation (AS-22) and Impairment of Assets (AS-28) have been incorporated in and / or annexed with these Accounts.

Energy, Technology and Foreign Exchange

As per the requirements of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo are given in Annexure-I forming part of this report.

Particulars of Employees

During the year no employee was getting remuneration beyond the limit fixed for which the particulars are required pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

The Company continued to maintain good cordial relations with its employees.

Acknowledgement

Your Directors express their sincere thanks to the Bankers, Financial Institutions, Customers, Government Departments and Suppliers for their continued co-operation. The directors also place on record their deep appreciation for the valuable contribution of its employees at all levels.

Your Directors also thanks the shareholders and other stakeholders for their continued support and patronage during the year under review.

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

Ashok Doshi Sudhir Doshi
Managing Director Whole Time Director

Udaipur, August 06, 2011



Annexure I to the Directors' Report.

Information pursuant to the Section 217 (1) (e) of the Companies Act, 1956 and the rules made therein and forming part of Directors' Report for the year ended March 31, 2011

A. Conservation of Energy

Your Company continues its mission of Conservation of Energy. 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 plants, which are equipped with energy efficient equipments.

In order to stop wastage of energy, the Company has taken various steps to reduce consumption of energy. The water recycling plants are in operation since the beginning of the units.

Studies are also being conducted for more efficient use of other utilities like diesel, water, power etc.

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, Adaptation 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 and Export Activities

1 Exports

Exports during the year ended March 31, 2011 amounted to Rs.550.81million against Rs. 582.66 million for the year ended March 31, 2010, which is inclusive of third party exports.

2 Export Activities

Increasing the penetration through an optimal mix of pricing and promotions in the international market.

3 Foreign Exchange Earnings and Outgo

Earning : Rs. 507.02million
(previous year Rs. 535.27 million)

Outgo : Rs. 117.86 million
(previous year Rs.88.14 million)

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

Ashok Doshi
Managing Director

Sudhir Doshi
Whole Time Director

Udaipur, August 06, 2011



Management Discussion and Analysis Report

The Management of MMGL is pleased to present its analysis report covering business wise performance and outlook. This report contains certain forward-looking statements, which are subject to certain future events and uncertainties that could cause actual results to differ materially.

Business

MMGL is mainly engaged in the following business

- Manufacturing and processing of Granite Tiles and Slabs; and
- Trading activities related to Marble and Granite.
- Generation of power by WTG
- Land Development and Realty Business

Review of Operations:

Granite Tile Unit

The turnover from the tile business was at Rs. 203.67 million as against Rs. 243.24 million in the previous year, showing a decline of 16.27%.

The production during the year was at 216349.499 sq.meters as compared to 238534.69 sq. meters of previous year, showing a negative growth of 9.30%

Marble tiles and slab Unit

The turnover from marble business was at Rs.65.60 million as against Rs.59.27 million in previous year registering an increase of 10.68%

Production activities at Marble Division were suspended with effect from June 18, 2010. Further members of the Company gave their consent by way of Postal Ballot to sell, lease or otherwise transfer the major capital assets comprising of Land, Building and Plant & Machinery and related Spare parts and Stores of Marble division, situated at Udaipur, Rajasthan.

The Board of directors had approved the terms and conditions for the sale of the major capital assets of Marble division situated at Udaipur, Rajasthan and had entered into agreement with M/s Mahatama Marble & Granites Pvt. Ltd. on October 21, 2010 at a consideration of Rs. 421 Lacs. The agreement is subject to necessary approval from statutory authorities.

Trading activities of Marble Tiles and Slabs were however continued during the year 2010-11.

Granite Slab Unit

The turnover from the slab business was Rs.383.65 million as against Rs.329.86 in the previous year showing an increase of 16.31%.

The production quantity was 202782.668 sq. meters and the sale quantity was at 201450.23 sq. meters as against 172824.925 sq. meters and the sale quantity at 168603.21 sq. meters respectively in the previous year.

Power Generation

The production during the year was 4098902 units as against 4792887 units in the previous year registered a decline of 693985 units. Out of current years' production 1355219(previous year 2198109) units were sold to TNEB after utilizing 2743683 (2594778) units by granite division.

Outlook:

The Management expects to maintain its level of performance during the current financial year. Company is also expanding its Customer base in both Granite Tiles and Slab sectors by enlarging the scope of supply to more European countries and thereby attempting to increase the growth percentage of sales significantly.

Financial Review and Analysis

(Rs. in Millions)

Details	Year ended		% of change
	2011	2010	
Net Sales and Other Income	658.96	645.78	2.04
Total Expenditure	597.72	551.65	8.35
Profit Before Interest and Depreciation	61.24	94.13	(34.94)
Interest	10.98	13.56	(19.03)
Depreciation	45.35	46.19	(1.82)
Profit Before Tax and Extra-ordinary Item	4.91	34.38	(85.72)
Provision for Taxation			
Current Tax	0.91	5.84	(84.42)
Deferred Tax	(6.14)	(5.10)	20.39
Profit After Tax	10.14	33.64	(69.86)