



MADHAV

Leaders in Quality

Twenty Fourth

ANNUAL REPORT
2012-2013

MADHAV MARBLES & GRANITES LIMITED



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FINANCIAL HIGHLIGHTS

(Rupees in millions)

Description	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
For the Year					
Revenue from Operations (Net)	581.65	636.02	651.88	627.50	634.06
Profit Before Finance Costs and Depreciation	91.53	94.13	61.52	75.76	99.58
Profit Before Tax	14.94	34.38	5.19	25.94	50.39
Profit After Tax	16.29	33.64	10.42	46.10	31.30
Profit After Tax excluding Exceptional Item	16.29	33.64	10.42	15.50	50.39
At year End					
Net Fixed Assets	391.51	364.53	336.82	295.31	267.12
Share Capital	89.47	89.47	89.47	89.47	89.47
Reserves and Surplus	842.76	864.55	864.53	900.24	921.07
Miscellaneous Expenditure Written Off	2.86	2.14	1.43	0.71	0.32
Net Worth	929.37	951.88	952.57	989.00	1010.22
Total Borrowings	344.11	211.97	58.40	22.68	0.02
Earning Per Share	1.80	3.60	1.16	5.15	3.50
% of Dividend	10	10	10	10	10
Dividend Per Share	1.00	1.00	1.00	1.00	1.00
Book Value Per Share	103.88	106.39	107.63	110.54	112.91
Return on Capital Employed	3.44	4.16	1.57	3.39	5.13

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CORPORATE INFORMATION

Board of Directors

Mr. Ashok Doshi

Managing Director

Mr. Sudhir Doshi

Whole Time Director

Mr. Ravi Kumar Krishnamurthi

Independent Director

Mr. Roshan Lal Nagar

Independent Director

Mr. Prakash Kumar Verdia

Independent Director

Company Secretary

Priyanka Manawat

REGISTERED OFFICE

11-A, Charak Marg
Ambamata Scheme
Udaipur – 313001
Rajasthan, INDIA

Website: www.madhavmarbles.com

Investor Email I.D.: investormmgl@gmail.com

WORKS

Granite Division
Thoppur, Dharmapuri District, Tamil Nadu

Office: 4/36, Bharathi Street
Swarnapuri, Salem- 636 004, Tamilnadu, INDIA

Wind Mills

SF No. 405/1(PART) & 412 (PART)
Village: Balabathiraramapuram
Dist.: Tirunelveli, Tamilnadu

STATUTORY AUDITORS

M/s Nyati and Associates

Chartered Accountants
87, Chetak Marg
Near Punjab National Bank
Udaipur- 313001, Rajasthan, INDIA

BANKERS

State Bank of India
Allahabad Bank

24TH AGM

Day: Saturday

Date: August 17, 2013

Time: 10:00 a.m.

Venue: Hotel Rajdarshan, Udaipur



Notice of Annual General Meeting

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the members of **MADHAV MARBLES & GRANITES LIMITED** will be held on Saturday, August 17, 2013 at 10:00 a.m. at Hotel Rajdarshan, Udaipur 313 001 Rajasthan INDIA to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the audited statement of Profit and Loss for the year ended March 31, 2013, 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 2012-13.
3. To appoint a director in place of Mr. Ravi Kumar Krishnamurthi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Nyati & Associates, Chartered Accountants, Udaipur, as Statutory auditors and fix their remuneration.

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

Udaipur, May 30, 2013

Priyanka Manawat
Company Secretary

Notes:

- 1 **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE MEMBER OF THE COMPANY.**

The instrument of Proxy in order to be effective should be deposited at the registered office not less than 48 hours before the commencement of the meeting.

- 2 Members are requested to bring their copies of Annual Report to the meeting.
- 3 The Register of Members and the Share transfer books will remain closed from Monday, August 12, 2013 to Saturday, August 17, 2013 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if any.
- 4 The Dividend on Equity Shares for the year ended March 31, 2013, if declared at the Meeting, will be credited/ dispatched on or after August 22, 2013 to the members who are holding their shares in physical form and whose names appear on the Company's Register of Members on August 17, 2013 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 August 12, 2013.



- 5 Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, M/s. Ankit Consultancy P. Ltd. cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / RTA.
- 6 Members who have not encashed their unclaimed/unpaid dividend warrants for the year 2005-2006 or thereafter are requested to write to the Company / Registrar and Share Transfer Agents for issue of fresh demand draft. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 22, 2012 (date of last Annual General Meeting) on the website of the Company www.madhavmarbles.com and also on the Ministry of Corporate Affairs website.
- 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 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 re-appointment at the Annual General Meeting, is separately annexed hereto.
- 10 Shareholders desirous of submitting/changing nomination in respect of their shareholdings in the Company may please write to Company's Registrar and Share Transfer Agents, M/s Ankit Consultancy P. Ltd.

12 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, Statement of Profit & Loss, 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, we propose to send future communications in electronic mode to the email address provided by you to the depositories/Company.

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**. Members who hold shares in dematerialized form are requested to get their details updated with respective depositories. By opting to receive communication through electronic mode you have the benefit of receiving communication promptly.



Annexure to the Notice

Details of director 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. Ravi Kumar Krishnamurthi
Date of Birth	January 17, 1946
Date of Initial Appointment	November 16, 2002
Qualification	B.A., L.L.B
Expertise	Corporate Law.
No. of Shares held in the Company	Nil
Directorships held in other Companies	Emkay Global Financial Services Ltd. Emkay Commotrade Limited Emkay Insurance Brokers Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Remuneration Committee
Chairman/Member of the Committee of the Board of Directors of other Companies	Emkay Global Financial Services Ltd.: 1) Member of Remuneration/Compensation Committee 2) Member of Audit Committee 3) Chairman of Investor Grievance and Share Transfer Committee Emkay Commotrade Limited: 1) Member of Audit Committee



DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the Twenty Fourth Annual Report together with the statement of Audited Financial Statements for the year ended March 31, 2013.

Financial Results

(Rupees in Million)

Details	Year ended 31.03.2013	Year ended 31.03.2012
Net sales and other income	653.31	635.29
Profit before Finance Costs & Depreciation	99.58	75.76
Finance Costs	0.94	7.74
Depreciation	48.25	42.08
Profit before Exceptional Items and Tax	50.39	25.94
Exceptional Items	0.00	30.60
Profit before tax	50.39	56.54
Provision for taxation:		
Current Tax	22.38	5.22
Deferred Tax	(3.29)	5.22
Profit after tax	31.30	46.10
Surplus brought forward from previous year	495.48	469.78
Total	526.78	515.88
Proposed Dividend (10%)	8.95	8.95
Tax on proposed dividend	1.52	1.45
Transfer to general reserve	15.00	10.00
Surplus in Profit & Loss Account	501.31	495.48

Performance Review

We reported revenue from Net sales of Rs. 634.06 million, an increase of marginal 1.05% compared to Net sales for the year 2011-2012. Earning before Exceptional Items and Tax stood at Rs.50.39 million, a substantial increase of two times over last years earning of Rs.25.94 million. This was primarily on account of reduction in Finance costs coupled with increase in Other income.

Dividend

The Company has been paying dividend consistently since financial year 2001-02 and this year also your 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, 2013.

The dividend, if approved by the shareholders, would involve an total outflow of Rs. 10.47 million including dividend tax of Rs.1.52 million. Dividend will be paid to those shareholders whose name appear in the register of members of the Company on August 17, 2013 and to the beneficial holders as on August 12, 2013.

Directors Responsibility Statement

The Directors hereby confirm that:

- in preparation of the Annual accounts for the financial year 2012-13, 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;



- c) 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;
- d) 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 part of this Report and covers, amongst other matters, the performance of the Company during the financial year under review as well as the 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. Ravi Kumar Krishnamurthi, directors retires by rotation and being eligible offers himself for re-appointment. Brief resume of directors seeking re-appointment is annexed with Notice calling this Annual General Meeting.

Mr. C.D. Gopinath and Mr. Jagdish Dashora, directors of the Company had resigned from directorship in the month of January 2013. Board of Directors places on record sincere appreciation for the efficient services, matured guidance, direction and advice received during their tenure as Directors of the Company.

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 re-appointment.

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.

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 continues 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.**

Udaipur, May 30, 2013

Ashok Doshi
Managing Director

Sudhir Doshi
Whole Time Director

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, 2013

A. Conservation of Energy

Your Company continues in 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 plant for processing of granite tiles/slabs. 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 & Outgo and Export Activities

1. Exports

Exports during the year ended March 31, 2013 amounted to Rs. 559.46 million against Rs. 580.84 million for the year ended March 31, 2012, 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. 543.10 million
(previous year Rs. 558.59 million)
Outgo: Rs. 67.44 million
(previous year Rs. 83.13 million)

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

Udaipur, May 30, 2013

Ashok Doshi
Managing Director

Sudhir Doshi
Whole Time Director



Management's Discussion and Analysis Report

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

Company is mainly engaged in the following businesses

- (a) Manufacturing and processing Granite Tiles and Slabs; and
- (b) Generation of power by WTG
- (c) Land Development and Realty Business

Review of Operations

- **Granite Business - Tile and Slab Segment:**

The turnover from the tile business was at Rs.174.26 million as against Rs. 185.32 million in the previous year, a decline of 5.97%. The production during the year was at 139774.58 sq meters as compared to 143668.541sq. meters of previous year.

The turnover from the Slab business was at Rs. 407.89 million as against Rs.412.29 million in the previous year, a slight decline of 1.07%. The production during the year was at 150223.053 sq meters as compared to 162856.433 sq. meters of previous year.

- **Windmills**

The production during the year was 4158301 units as against 4249178 units in the previous year. Out of current years' production 2075829 (previous year 1484742) units were sold to TNEB after utilizing 2082472 (2764436) units by granite division.

- **Realty**

During the year the Company sold the remaining area out of the converted plots. The Company is in the process of getting the balance land of 184885 sq. feet converted and the management is hopeful that it will be completed by September 2013.

Outlook

- **Granite Business**

The major problem being faced is shortage of rough granite blocks due to closure of large number of quarries by the Tamilnadu State Government. The Company was importing rough granite blocks but due to steep decline in Rupee it is not viable to import further. However the management is confident that the State Government will take initiative to revamp the closed mines.

Other areas of concern are power shortage, high dependence on diesel and paucity of skilled labour that directly or indirectly impact profitability and performance of the Company.

- **Realty Business**

Global economic uncertainties have affected India's economy, including the real estate market. "Macroeconomic indicators are not healthy. Fiscal deficit and interest rates are high while the rupee is depreciating. All this does not bode well for any industry, especially real estate. Slow sales and a glut of properties are set to hamper the residential real estate market.



The Company had identified its parcel of land for residential segment under a joint development agreement with land owners, however the land falls in peripheral belt wherein stay has been granted for conversion by the Hon'ble Rajasthan High Court. The state government is in process of getting the stay vacated.

Financial Performance Review & Analysis:**(Rupees in Millions)**

Details	Year ended		% of Change
	2013	2012	
Total Income	653.31	635.29	2.84
Total Expenditure	553.73	559.53	(1.04)
Profit Before Finance Costs & Depreciation	99.58	75.76	31.44
Finance Costs	0.93	7.74	(87.98)
Depreciation	48.26	42.08	14.69
Profit Before Exceptional Item & Tax	50.39	25.94	94.26
Exceptional Item	0.00	30.60	–
Profit before Tax	50.39	56.54	10.88
Tax Expense	19.09	10.44	82.85
Profit After Tax	31.30	46.10	(32.10)

- Turnover achieved by the Company for the Year ended 31.03.2013 is Rs.634.06 million compared to the previous year turnover of Rs.627.50 million, a marginal increase of 1.05%.
- Total Turnover includes 91.42% contribution from Granite Business.
- Company has achieved Operating Profit at 15.40% of total sales as a result of better operating efficiencies.
- Finance Costs declined by 87.98% due to repayment of Loan and non-availment of working capital limit by the Company.
- Profit before finance costs and depreciation grew to Rs. 99.58 million as against Rs. 75.76 million in 11-12.
- Earning Per Share was Rs.3.50 for the year under review against Rs.5.15 in the corresponding previous year.
- The Company has an adequate system of internal controls implemented by the Management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws.
- The Company continues to maintain cordial relation with all its employees

Conclusion

Performance of the Company was consistent and satisfactory during the year under review. Efforts towards higher operational efficiencies shall continue and management is confident and striving to deliver more good results with the support and trust of all the stakeholders.



Report on Corporate Governance

Corporate Governance provides the framework for attaining Company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure. Corporate governance essentially involves balancing the interests of all the stakeholders in a company - these include its shareholders, management, customers, suppliers, financiers, government and the community.

Madhav Marbles and Granites Limited believes in the concept of good Corporate Governance involving integrity, transparency, accountability and compliance with laws in all dealings with Government, Customers, Suppliers, Employees and other Stake-holders. It should be followed by all the directors, management and employees of the Company to evolve into a responsible business enterprise and should endeavor to improve on these aspects.

In accordance with clause 49 of the Listing agreement with the Stock Exchanges and the best practices followed, on Corporate Governance, the details of Compliances by the Company are as under.

Board of Directors

As on March 31, 2013, Company's Board comprises of five directors, two of whom are executive and three Non-executive Independent Directors. None of the Directors on the Board are members of more than ten Committees or Chairman of more than five Committees across all the Companies in which they are Directors.

The Board of Directors met four times during the year 2012-13 with a clearly defined agenda for each meeting. The dates on which the four board meetings were held are as follows: May 05, 2012, August 11, 2012, November 10, 2012 and January 28, 2013

Information regarding attendance at the Board Meetings, Last AGM, Outside directorships/ Committee memberships held by the Directors is tabulated hereunder:

Director	Board meetings attended	Attendance at the last AGM	No. of other Directorship(s)	Chairmanship(s)/ Membership(s) Committees of others Companies	
				As Chairman	As Member
Mr. Ashok Doshi <i>Managing Director</i>	3	Yes	8	–	–
Mr. Sudhir Doshi <i>Whole Time Director</i>	3	Yes	2	–	2
Mr. C.D. Gopinath* <i>Independent Director</i>	1	No	1	1	–
Mr. Ravi K. Krishnamurthi <i>Independent Director</i>	4	No	3	1	3
Mr. Prakash Kumar Verdia <i>Independent Director</i>	4	Yes	–	–	–
Mr. Roshan Lal Nagar <i>Independent Director</i>	3	Yes	1	–	–
Mr. Jagdish Dashora# <i>Non-Executive Director</i>	–	No	8	–	–

*. Ceased to be Director and Chairman w.e.f. January 16, 2013

#. Ceased to be Director w.e.f. January 25, 2013

No Director is related to any other Director on the Board, except Mr. Ashok Doshi and Mr. Sudhir Doshi, who are related to each other as brothers.



Information supplied to the Board

The Board is presented with all the relevant information of the Company in form of agenda papers and other additional details are tabled in the course of Board Meetings.

The following information is regularly supplied to the Board along with the specific item agenda –

1. Quarterly/Half yearly/Annual results of the company and its units or business segments
2. Operating Plans, Long Term Plans, Business Initiatives and other related matters
3. Minutes of meetings of Committees of the Board
4. Status Report on Investor Requests/grievances
5. Related Party Transactions
6. Sale of material nature of investment, subsidiaries, assets, which is not in normal course of business
7. Other matters as set out in the Listing agreement

Committees of the Board

a) Audit Committee

◆ Functions/Role of Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors, Tax Auditors and Internal Auditors of the Company and the fixation of their audit fees.
3. Reviewing, with the Management, the Quarterly/Half-Yearly/annual financial statements before submission to the Board for approval
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.
 - Qualifications in draft audit report.
5. Reviewing the adequacy of Internal Audit plan
6. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
7. Discussion with Statutory Auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
8. Carrying out any other function, as is mentioned in the terms of reference of the Audit Committee



◆ **Composition, Meetings and Attendance Record**

As on March 31, 2013 the committee comprises of three Directors, two Non-Executive Independent Directors and one Executive Director having accounting or related financial expertise. The Company Secretary is the Secretary to the Committee.

The Committee met four times during the year under review on May 05, 2012, August 11, 2012, November 10, 2012 and January 28, 2013

The presence of the Members at the aforesaid Audit Committee Meetings is as under:

Name	Position	No. of Meetings	
		Held	Attended
Mr. Roshan Lal Nagar	Chairman	4	3
Mr. Prakash Kumar Verdia	Member	4	4
Mr. Sudhir Doshi	Member	4	4
Mr. Jagdish Dashora*	Member	3	-

* Ceased to be member w.e.f. January 25, 2013

b) Share Holders Transfer/Grievance Committee

The committee reviews in consultation with our Registrar and Share Transfer Agents Ankit Consultancy P. Ltd., matters related to Transfer/Transmission/Issue of Duplicate Shares, Non – Receipt of Annual Report, Dividend and related matters. The Company Secretary acts as the Secretary to the Committee.

To expedite the share transfer work in the physical segment, necessary authority has been delegated to Registrar and Share Transfer Agents to approve transfers. Details of share transfers / transmissions / Issue of Duplicate shares effected / approved are placed regularly both at Committee and Board meetings.

All share transfer and other communications regarding share certificates, change of address, dividends, etc should be addressed to Registrar and Transfer Agents.

◆ **Composition, Meetings and Attendance Record**

The Committee met five times during the year under review on April 14, 2012, August 10, 2012, November 09, 2012, January 23, 2013 and March 09, 2013.

The presence of the Members at the aforesaid Shareholders Transfer/Grievance Committee Meetings is as under:

Name	Position	No. of Meetings	
		Held	Attended
Mr. Prakash Kumar Verdia	Chairman	5	5
Mr. Roshan Lal Nagar	Member	5	4
Mr. Sudhir Doshi	Member	5	5
Mr. Jagdish Dashora*	Member	4	-

* Ceased to be member w.e.f. January 25, 2013

◆ **Investors' Grievances received during the year and attended to:**

Nature of Grievances	2012-2013	
	Received	Disposed
Relating to Transfer, Transmission, Dividend etc.	7	7

**c) Remuneration Committee****◆ Terms of reference/objectives**

1. To make recommendation to the Board on the Company's framework of managerial personnel remuneration and to determine on behalf of board specific remuneration package
2. To review the ongoing appropriateness and relevance of the remuneration policy
3. To make recommendations to the Board on an annual basis as to whether the circumstances are such that shareholders should be invited to approve the policy set out in the Board's remuneration report at the Company's Annual General Meeting.
4. To determine the terms of any compensation package in the event of early termination of the contract of any executive director.
5. To recommend Commission payable, if, any to non-executive directors

The committee comprises of independent directors. During the year one Committee Meeting was held which was attended by all the members.

Remuneration to Directors during the year 2012-2013**◆ Executive Directors**

Name of the Director	Salary and Bonus (Rs.)	Contribution to Provident Fund (Rs.)	Perquisites / other benefits (Rs.)	Commission Payable (Rs.)	Total (Rs.)
Mr. Ashok Doshi Managing Director	39,00,000	3,60,000	1,81,733	–	44,41,733
Mr. Sudhir Doshi Whole Time Director	13,65,125	1,54,219	56,105	–	15,75,449

◆ Non- Executive Directors

Name of the Director	Sitting Fees (Rs.)	Commission Payable (Rs.)	Total (Rs.)
Mr. C.D. Gopinath	20000	–	20000
Mr. Ravi Kumar Krishnamurthi	70000	–	70000
Mr. Prakash Kumar Verdia	35000	–	35000
Mr. Roshan Lal Nagar	30000	–	30000
Mr. Jagdish Dashora	–	–	–

Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management Personnel of your Company. All Board Members and Senior Management Personnel have confirmed compliance with the code. A declaration signed by the Managing Director is given below:

Declaration

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2013.

Udaipur, May 30, 2013

Ashok Doshi
Managing Director



General Body Meetings

(i) Annual General Meetings

The Annual General Meetings of the Company during the preceding three years were held at Hotel Rajdarshan, Pannadhay Marg, Udaipur.

The date and time of the Annual General Meetings held during the preceding three years and the special resolution(s) passed thereat are as follows:

Year	Date & Time	Special Resolution Passed
2011-12	22.09.12 & 10.30 a.m.	No Special Resolution was passed
2010-11	28.09.11 & 5.00 p.m.	No Special Resolution was passed
2009-10	25.09.10 & 4.15 p.m.	1. Re-appointment of Mr. Ashok Doshi as Managing Director 2. Appointment of Mrs. Ridhimma Doshi as Deputy Manager Finance

(ii) Special Resolution passed through Postal Ballot

No special resolution was passed through Postal Ballot during the Financial Year 2012-13. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

Means of Communication

- The quarterly / half-yearly / annual financial results of the Company are published in Financial Express and Jai Rajasthan. These results are not distributed / sent individually to the shareholders.
- The financial results are also uploaded on Company's website www.madhavmarbles.com.
- All periodical compliance filings like shareholding pattern, corporate governance report, Outcome of Meetings etc. are also filed electronically on the BSE Corporate Compliance & Listing Centre and also on NSE Electronic Application Processing System..
- The Management Discussion and Analysis Report forms part of the Annual Report.

CEO / CFO Certification

The Managing Director of the Company has certified in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the year ended March 31, 2013.

Disclosure on Related Party Transactions

The materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the directors of the management, their subsidiaries or relatives, key managerial personnel, etc., are disclosed in Notes to the Accounts.

General Shareholder Information

1. Company Registration Details

The Company is registered in the State of Rajasthan, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L14101RJ1989LPLC004903

2. Annual General Meeting

The Twenty Fourth General Meeting will be held as per the following schedule:

Day	Saturday
Date	August 17, 2013
Time	10.00 a.m.
Venue	Hotel Rajdarshan, Pannadhay Marg, Udaipur - 313001



3. Book closure

The dates of Book Closure are from the 12th day of August, 2013 to the 17th day of August, 2013, both days inclusive.

4. Dividend Payment Date

Dividend if declared at the Annual General Meeting is proposed to be credited/dispatched on or after August 22, 2013

Securities and Exchange Board of India (SEBI) vide its circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 has stipulated that all listed companies shall use approved electronic mode of payment viz., ECS, NECS, NEFT etc. for the purpose of making payments to the shareholders. **All the shareholders are requested to immediately update their Bank Account No. with 9-digit MICR Code (either Bank Account No. or 5-digit MICR No. or both) if the same has not been updated.**

5. Financial Calendar(Tentative)

First Quarter : August 2013
Second Quarter & Half-Yearly : November 2013
Third Quarter : February 2014
Fourth Quarter & Annual : May 2014

6. Listing on Stock Exchanges

At present, the equity shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE), and the National Stock Exchange of India Ltd. (NSE). The annual listing fees for the financial year 2013-2014 to NSE and BSE has been paid.

Company ISIN No.: INE925C01016

Name of the Stock Exchange	Stock Code
The Bombay Stock Exchange (BSE), 1 st floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Phone: 022-2272 1233 / 34 Fax: 022-2272 1919; Web: www.bseindia.com	515093
The National Stock Exchange (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 Phone: 022-2659 8100 - 8114 Fax: 022-2659 8120; Web: www.nseindia.com	MADHAV

7. Dematerialization of Shares

The Company's shares are available for trading with both the depositories i.e. CDSL and NSDL. As on 31st March 2013, 83,79,990 equity shares forming 93.66% of the share capital of the Company stand dematerialized.

Depositories

1. The National Securities Depository Limited (NSDL)
4th Floor, 'A' Wing, Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai 400 013
Phone: 022-2499 4200 Fax: 022-2497 6351; Web: www.nsd.co.in



2. The Central Depository Services (India) Limited (CDSL)
17th Floor, P J Towers, Dalal Street, Mumbai 400 001
Phone: 022-2272 3333 Fax: 022-2272 3199
Web: www.cdslindia.com

8. Registrar of Companies

The Registrar of Companies, Rajasthan
Corporate Bhawan, G/6-7, Second Floor,
Residency Area, Civil Lines, Jaipur-302 001

9. Plant Location

Granite Division

Village Thoppur, Dist. Dharampuri
Tamilnadu, INDIA

Wind Mills

SF No. 405/1(PART) & 412 (PART)
Village: Balabathiraramapuram, Dist.: Tirunelveli
Tamilnadu, INDIA

10. Address for Correspondence

1. Registered Office

Ms. Priyanka Manawat,
Company Secretary & Compliance Officer
11-A , Charak Marg, Ambamata Scheme, Udaipur – 313001 (Raj.)
Phone: (0294) 2430200, Fax: (0294) 2430400
e-mail: madhavfact@gmail.com; investormmgl@gmail.com;
website: www.madhavmarbles.com

2. Registrar and Share Transfer Agents

M/s Ankit Consultancy Pvt. Limited,
Plot No. 60, Electronic Complex, Pardeshipura,
Indore (M.P.) – 452 010
Phone: (0731) 3198601-02, (0731) 2551745-46
Fax: (0731) 4065798; E-mail: ankit_4321@yahoo.com

11. Distribution of Shareholding across categories as on March 31, 2013

Category of Shareholder	Number of Shareholders	Number of Shares	Percentage of Shares
A. Promoter & Promoter Group			
Indian	23	3531070	39.47
Foreign	–	–	–
B. Public Shareholding			
Mutual Funds/UTI	4	9500	0.11
Financial Institutions / Banks	–	–	–
Insurance Companies	1	360425	4.03
Foreign Institutional Investors	1	100	0.00
Bodies Corporate	186	388919	4.35
Individual Shareholders	8406	4392971	49.09
NRIs & OCBs	310	261840	2.93
Clearing Member	10	2175	0.02
Total	8941	8947000	100.00

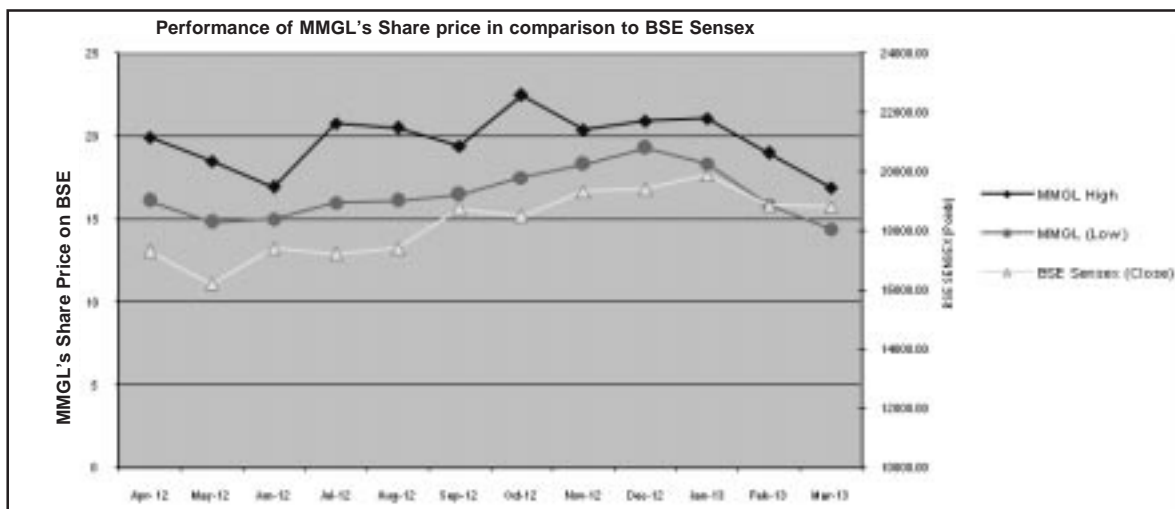


12. Distribution of Shareholding according to size class as on March 31, 2013

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
0-100	5286	59.12	448532	5.01
101-200	1140	12.75	214557	2.40
201-300	468	5.23	131187	1.47
301-400	237	2.65	91189	1.01
401-500	697	7.79	345577	3.86
501-1000	530	5.93	437213	4.89
1001-2000	253	2.83	387225	4.33
2001-3000	101	1.13	256838	2.87
3001-4000	53	0.59	188101	2.10
4001-5000	37	0.41	175074	1.96
5001-10000	64	0.72	463909	5.19
10001 above	75	0.84	5807598	64.91
Total	8941	100.00	8947000	100.00

13. High, Lows and Volume of Company's shares for 2012-13 at BSE and NSE

Months	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume of shares traded	High (Rs.)	Low (Rs.)	Volume of shares traded
April-12	19.95	16.10	37601	19.80	15.65	12517
May-12	18.50	14.80	35348	17.35	15.00	20267
June-12	16.95	15.00	26553	17.80	15.00	13776
July-12	20.80	16.00	27259	21.00	16.00	14528
August-12	20.50	16.10	72308	21.90	16.00	48551
September-12	19.40	16.50	50194	18.95	16.25	35817
October-12	22.50	17.50	95982	22.50	17.70	88705
November-12	20.40	18.30	44082	22.50	18.05	37567
December-12	20.95	19.30	56446	21.00	19.00	42712
January-13	21.10	18.35	41892	22.40	18.25	27094
February-13	19.00	15.85	29627	19.50	15.45	9595
March-13	16.90	14.40	33427	17.00	14.30	9535



**14. Unclaimed Dividends**

The shareholders are requested to write to the Company or its RTA in respect of non-receipt / unclaimed / un-encashed dividend.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 22, 2012 (date of last Annual General Meeting) on the website of the Company and also on the Ministry of Corporate Affairs website.

Unclaimed/Unpaid dividend for the year ended March 31, 2006 is due for transfer to IEPF in the month of October 2013. No claim will lie against the Company or the IEPF in respect of the unclaimed / unpaid dividend amounts once it is transferred to the IEPF.

15. Statutory Compliance

The Company ensures compliance of various statutory requirements by all its Business Segments and quarterly reports / certificates obtained are placed before the Board and recorded on quarterly basis.

16. Reconciliation of Share Capital Audit

D.K. Jain & Associates, Practicing Company Secretary Firm carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the reconciliation of total issued and listed Capital with that of total share capital admitted / held in dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges and is also placed before Board.

17. Non-mandatory Disclosure

- (a) Chairman's office: The Company does not maintain the office of the Non-Executive Chairman, but provides for reimbursement of expenses incurred in performance of his duties.
- (b) Communication of Shareholders: The quarterly/annual financial results are published in the newspapers and also displayed on the web site of the Company.
- (c) Remuneration committee: The Company has constituted a remuneration committee. The remuneration payable to Executive Directors is fixed by the Board on recommendation of Remuneration Committee and approved by the shareholders.



Auditors' Certificate regarding Compliance on Corporate Governance

To
The Members
Madhav Marbles and Granites Limited

We have examined the compliance of conditions of Corporate Governance by Madhav Marbles and Granites Limited for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **NYATI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 002327C

Udaipur, May 30, 2013

Suresh Nyati
Partner
Membership No. 70742



Independent Auditors' Report

To
The Members of
Madhav Marbles and Granites Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Madhav Marbles and Granites Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit/ loss of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by section 227(3) of the Act, we report that:
- a) 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;
 - b) 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 those books
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, together with the early adoption by the Company of Accounting Standard (AS) 30 Financial Instruments, Recognition and Measurement effective April 1, 2007, and the consequential limited revisions as have been announced by the Institute of Chartered Accountants of India to certain Accounting Standards, as stated in Note 2(a) and 38.
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **NYATI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 002327C

(Suresh Nyati)
Partner
Membership No. 70742

Udaipur, May 30, 2013

**Annexure to the Auditors' Report**

- (I) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) During the year, the Company has carried out physical verification of the fixed assets and no material discrepancies were noticed in such verification.
- (c) In our opinion and according to the information and explanation given to us, a substantial part of the fixed assets has not been disposed off by the Company during the year.
- (II) (a) As explained to us, inventories have been physically verified by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion the Company has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
- (III) The Company has not granted/taken any loans, secured or unsecured, to/from Companies, firms or other parties listed in register maintained under Section 301 of the Companies Act, 1956, accordingly clause 4 (iii)(b), (c), (d), (f), (g) of the said order are not applicable to the Company.
- (IV) In our opinion and according to the information and explanations provided to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed or reported.
- (V) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Act have been properly entered in the said register.
- (b) As per records of the Company there were no transactions exceeding during the year by Rs. Five lakh in respect of each party made in pursuance of contracts, or arrangements required to be entered in the registers maintained under Section 301 of the Act.
- (VI) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made there under. Hence, the Clause (vi) of the Order is not applicable.
- (VII) The Company has a system of internal audit, which, in our opinion, is commensurate with its size, and nature of its business.
- (VIII) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the rules prescribed by the central government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of generation of electricity through wind power and are of the opinion that prima-facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- (IX) (a) According to the records, information and explanation provided to us, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of Wealth Tax, Sales Tax, Service Tax and Customs duty which have not been deposited on account of any dispute, and the particulars of dues of Income tax, and excise duty as at March 31, 2013 which have not been deposited on account of a dispute, are as follows:



Name of the statute	Nature of the disputed dues	Amount Rs. Lacs	Period to which the amount relates	Forum where are pending disputes
Income Tax Act, 1961	Disallowance of additional depreciation	11.92	2006-07	Commissioner of Income Tax
Income Tax Act, 1961	Disallowance of deduction u/s 80IA and reducing profit under EOU	39.24	2009-10	Commissioner of Income Tax

- (X) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (XI) According to the records examined by us and the information and explanations given by the management, the Company has not defaulted in repayment of dues to any financial institution or bank.
- (XII) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (XIII) The provisions of any special statute applicable to chit/nidhi/mutual benefit fund/society are not applicable to the Company.
- (XIV) In our Opinion, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (XV) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (XVI) The Company did not have any term loan outstanding during the year.
- (XVII) On the basis of our examination of the books of accounts and the information and explanation given to us, and in our opinion, the funds raised on short-term basis have not been used for long-term investment and vice-versa.
- (XVIII) The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Act during the year.
- (XIX) The Company has not raised any debentures during the year and does not have any outstanding debentures as at the year end.
- (XX) The Company has not raised any money by public issues during the year.
- (XXI) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For NYATI & ASSOCIATES
Chartered Accountants
Firm Registration. No. 002327C

Udaipur, May 30, 2013

Suresh Nyati
Partner
Membership No. 70742



BALANCE SHEET AS AT MARCH 31, 2013

(Rupees)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	'3'	89470000	89470000
b) Reserves and Surplus	'4'	921072677	900236957
		<u>1010542677</u>	<u>989706957</u>
2. Non-Current Liabilities			
a) Long Term Borrowings	'5'	—	10000000
b) Deferred Tax Liabilities (Net)	'6'	46607358	53472855
c) Other Long Term Liabilities	'7'	20577662	28866534
d) Long-Term Provisions	'8'	3566207	5359808
		<u>70751227</u>	<u>97699197</u>
3 Current Liabilities			
a) Short Term Borrowings	'9'	1985	12677500
b) Trade Payables	'10'	59304763	41845626
c) Other Current Liabilities	'11'	13542429	12231565
d) Short Term Provisions	'12'	37558672	18935691
		<u>110407849</u>	<u>85690382</u>
Total		<u>1191701753</u>	<u>1173096536</u>
II ASSETS			
1. Non Current Assets			
a) Fixed Assets	'13'		
i) Tangible Assets		265667915	295008923
ii) Intangible Assets		—	—
iii) Capital Work in Progress		1455466	305170
iv) Intangible Assets under Development		—	—
b) Non-Current Investments		—	—
c) Long Term Loans and Advances	'14'	176802921	244343136
d) Other Non Current Assets	'15'	14199936	5858663
		<u>458126238</u>	<u>545515892</u>
2. Current Assets			
a) Current Investments		—	—
b) Inventories	'16'	274211870	246714619
c) Trade Receivables	'17'	328106979	261129196
d) Cash and Cash Equivalents	'18'	79449336	91240208
e) Short Term Loans and Advances	'19'	51489060	27357926
f) Other Current Assets	'20'	318270	1138695
		<u>733575515</u>	<u>627580644</u>
Total		<u>1191701753</u>	<u>1173096536</u>

Significant Accounting Policies '2'

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For and on behalf of the Board of Directors

For NYATI & ASSOCIATES

Chartered Accountants

Firm Registration No. 002327C

Suresh Nyati

Partner, Membership No. 70742

Udaipur, May 30, 2013

Ashok Doshi
Managing DirectorSudhir Doshi
Whole Time DirectorPriyanka Manawat
Company Secretary



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Rupees)

Particulars	Note No.	For the Year ended	
		31.03.2013	31.03.2012
I Revenue from operations(Gross)	'21'	636515126	628730217
Less: Excise Duty		2455819	1229512
Revenue from Operations (Net)		634059307	627500705
II Other Income	'22'	19250142	7788347
III Total Revenue (I + II)		653309449	635289052
IV Expenses			
Cost of materials consumed	'23'	266926746	266309713
Purchase of stock in trade	'24'	9106916	7590131
Changes in inventories of Finished goods, Work in Progress & Stock in trade	'25'	4168295	20840959
Cost of Sales (Realty)	'26'	219093	3513287
Employee Benefits Expenses	'27'	51291058	40550998
Finance Costs	'28'	938962	7747124
Depreciation	'13'	48255677	42079383
Other Expenses	'29'	222014046	220725615
Total Expenses		602920793	609357210
V Profit/(Loss) before exceptional items & taxes (III-IV)		50388656	25931842
VI Exceptional Items	'30'	-	30604872
VII Profit/(Loss) before Taxes (V-VI)		50388656	56536714
VIII Tax expenses			
(a) Current Tax for current year		19555614	9153170
(b) Less: MAT Credit Entitlement (Pertaining to Previous Year)		-	3908923
(c) Less: Provision no longer required		-	26494
(d) Current Tax Expenses relating to Previous Year		2823134	-
(e) Net Current Tax Expense		22378748	5217753
(f) Deferred Tax		3293355	5217887
		19085393	10435640
IX Profit/(Loss) for the year from (VII-VIII)		31303263	46101074
X Earnings per equity share (Face Value of Rs. 10 per share)			
(1) Basic		3.50	5.15
(2) Diluted		3.50	5.15

Significant Accounting Policies '2'

The accompanying notes are an intergral part of the financial statements

In terms of our report of even date

For and on behalf of the Board of Directors

For **NYATI & ASSOCIATES**

Chartered Accountants

Firm Registration No. 002327C

Suresh Nyati

Partner, Membership No. 70742

Udaipur, May 30, 2013

Ashok Doshi
Managing Director

Sudhir Doshi
Whole Time Director

Priyanka Manawat
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	(Rupees)	
	As at 31.03.2013	As at 31.03.2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / Loss Before Tax after Exceptional Items adjusted for	50388656	56536714
Depreciation	48255677	42079383
(Profit) / Loss on sale of Fixed Assets	343369	(30475862)
Interest Paid	938962	7747124
Bad Debts written off	21522986	32149340
Provision no longer required written back	(3594423)	-
Provision for gratuity	1800822	698407
Deferred revenue Expenditure	820425	820425
Interest Income	(6813598)	(4313359)
Unrealised Foreign Exchange Loss/(gain) (Net)	(812304)	(997738)
Operating Profit Before Working Capital Changes	112850572	104244434
Adjustments for (Increase)/ Decrease in Operating Assets:		
Inventories	(27497251)	29152062
Trade & other Receivables*	(44279384)	(1643248)
Trade payables*	10481129	(78722787)
Cash Generated from Operation	51555066	53030461
Direct Taxes Paid / Tax Deducted at Source	(7397021)	(5677813)
Net Cash Flow From Operating Activities (A)	44158045	47352648
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & Capital W.I.P.	(21656194)	(12412120)
Deposit with Companies and others	-	-
Proceeds from Sale of Fixed Assets	1247856	42319048
Interest Income	6813598	4313359
Net Cash Used in Investing Activities (B)	(13594740)	34220287
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings / Repayments	(10000000)	(57928664)
Repayment to / Proceeds from Banks	(12675515)	22207500
Interest Paid	(938962)	(7747124)
Dividend Payout	(8947000)	(8947000)
Tax on Dividend	(1451427)	(1485985)
Net Cash Flow from/ (Used) in Financing Activities (C)	(34012904)	(53901273)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(3449599)	27671662
CASH AND CASH EQUIVALENTS - OPENING BALANCE	97098871	69427210
CASH AND CASH EQUIVALENTS - CLOSING BALANCE**	93649272	97098871

*Includes current and non-current



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Notes :

1. Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements" as specified in the Companies (Accounting Standard) Rules, 2006.
2. Purchase of Fixed Assets includes movement of capital work-in-progress during the year.
3. For Cash and Cash equivalents not available for immediate use as on the Balance Sheet date, see note no.15 of notes forming part of the financial statements.
4. Cash and Cash equivalent are reflected in the Balance Sheet as follows:

	For the Year ended 31.03.2013	For theYear ended 31.03.2012
a) Cash and Cash Equivalents disclosed under current assets [Note No.18]	79449336	91240208
b) Cash and Cash Equivalents disclosed under non-current assets [Note No.15]	14199936	5858663
**Total cash and cash equivalents as per cash flow statement	93649272	97098871

5. Previous year figures have been regrouped / reclassified wherever applicable.

As per our report of even date attached

For NYATI & ASSOCIATES

Chartered Accountants

Firm Registration No. 002327C

For and on behalf of the Board of Directors

Suresh Nyati

Partner, Membership No. 70742

Ashok Doshi
Managing Director

Sudhir Doshi
Whole Time Director

Udaipur, May 30, 2013

Priyanka Manawat
Company Secretary

**NOTES forming part of the financial statements for the year ended March 31, 2013****NOTE 1 COMPANY OVERVIEW**

Madhav Marbles & Granites Limited (the Company) is a public limited Company and listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is engaged in manufacturing, processing and trading of granite slabs / tiles, marble slabs / tiles and reality business. The Granite division is situated in Tamil Nadu and Marble / Reality business is carried at Udaipur.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.2 System of accounting

- 1) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.
- 2) Financial Statements are prepared under the Historical cost convention. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.
- 3) Estimates and Assumptions used in the preparation of the financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

2.3 Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which the results are known/materialize.

2.4 Fixed Assets

Fixed Assets are stated at their original cost including incidental expenditure related to acquisition and installation less accumulated depreciation. The original cost of the fixed assets acquired by utilising loans, repayable in foreign currency, any loss or gain on conversion of foreign currency liabilities are added to or deducted from the cost of the assets.

Indirect expenditure incurred during the construction period related to mines and other fixed assets not yet put to use remain pending for allocation in capital work-in-progress.

2.5 Depreciation

Depreciation is provided on straight line method in accordance with the provisions of section 205(2) (b) and at the rates and in the manner prescribed in Schedule XIV to the Companies Act 1956.

Depreciation on fixed assets has been calculated on pro-rata basis with reference to the month in which the assets are put to use. No write off has been made in respect of Leasehold land.



NOTES forming part of the financial statements for the year ended March 31, 2013

2.6 Borrowing Cost

Borrowing costs that are directly attributable to long-term project management and development activities are capitalized as part of project cost. Other borrowing costs are recognized as expense in the period in which they are incurred. Borrowing costs are suspended from capitalization on the project when development work on the project is interrupted for extended period.

Borrowing costs that are attributable to the acquisition / construction of qualifying assets are capitalized as part of cost of such asset till such time as the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred

2.7 Inventories

- 1) Finished goods, rejects and waste are valued at cost or net realizable value whichever is lower. Raw material, stores and spares and packing material are valued at cost. Provision is made in respect of non- standard and non-moving items.
- 2) Cost of Work-in-Progress is ascertained at material cost and an appropriate share of production overheads.
- 3) Cost of Finished goods is ascertained at material cost and an appropriate share of production overheads and excise duty where paid/payable.
- 4) Cost of rejects and waste is determined considering cost of material, labour, and related overheads including depreciation.
- 5) Property Development Land is valued at lower of Cost or Net Realizable Value.

2.8 Revenue Recognition

- 1) Sales of goods are recognized on dispatch and in accordance with the terms and conditions of the sale. Sale includes excise duties and processing done for third parties.
- 2) Sale from Property Development Activity is recognized when all significant risks and rewards of ownership in the land and / or building are transferred to the customer and a reasonable expectation of collection of the sale consideration from the customer exists.
- 3) The estimates of saleable area and cost are revised periodically by the management. The effect of such changes to estimates is recognized in the period such changes are determined.

2.9 Investments

Investments are classified as long term and current investments. Long Term Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost or fair value.

2.10 Impairment of Assets

Carrying amount of cash generating units/assets is reviewed for impairment. Impairment, if any, is recognized where the carrying amount exceeds the recoverable amounts being the higher of net realizable price and value in use. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**NOTES forming part of the financial statements for the year ended March 31, 2013****2.11 Tax on Income**

Income tax expense for the year comprises of current tax and deferred tax. Current tax provision has been determined on the basis of relief, deductions etc. available under the Income Tax Act 1961 and Deferred Tax is accounted for by computing the tax effect of timing differences which originate in one period and are capable of reversal in subsequent periods. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.12 Foreign Currency Transactions

- 1) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.
- 2) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on year end date.
- 3) Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction and carried at cost.
- 4) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.
- 5) In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortised as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognised as income or expense along with the exchange differences on the underlying assets/liabilities. Profit or loss on cancellation/renewals of forward contracts is recognised during the year.

2.13 Provision, Contingent Liabilities and Contingent Assets

Provisions are recognized in terms of Accounting Standard (AS-29) –Provisions, Contingent Liabilities and Contingent Assets notified pursuant to Companies (Accounting Standards) Rules, 2006, when there is present legal or statutory obligation as result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are recognized only when there is obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation can not be measured in terms of future outflow of resources or where a realizable estimate of the obligation cannot be made. Obligations are assessed on an on going basis and only those having largely probable outflow of resources are provided for.

2.14 Employee Benefits**(a) Short term Employee benefits:**

All employee benefits falling due wholly within two months of rendering the services are classified as short-term employee benefits. The benefits like salaries, wages, and short term compensated absences etc. and the expected cost of bonus; ex-gratia is recognized in the period in which the employee renders the related service.

(b) Post employment benefits:**(i) Defined Contribution Plan**

The Company has Defined Contribution plan for post employment benefit namely provident fund, which is recognised by the income tax authorities and administered through appropriate authorities.



NOTES forming part of the financial statements for the year ended March 31, 2013

The Company contributes to a Government administered provident Fund and has no further obligation beyond making its contribution.

(ii) Defined Benefit Plans

The employees gratuity fund scheme managed by life insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method.

Actuarial gains and losses are recognised immediately in the Statement of profit and Loss as income or expense.

(c) Leave encashment

The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at period end. The value of such leave balance eligible for carry forward, is determined by actuarial valuation and charged to Profit & Loss account in the period determined.

(d) Termination benefits are recognized as an expense as and when incurred.

2.15 Segment Accounting

Segment accounting policies are in line with the accounting policies of the Company. However, the following specific accounting policies have been followed for segment reporting.

- 1) Segment Revenue includes Sales and other income directly identifiable with/ allocable to the segment including inter segment revenue.
- 2) Expenses that are directly identifiable with/ allocable to segment are considered for determining the Segment Result. The expenses, which relate to the Company as a whole and not allocable to segments, are included under "Other Unallocable Expenditure".
- 3) Income, which relates to the Company, as a whole and not allocable to segments is included in "Unallocable Corporate Income".
- 4) Segment assets and Segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. Assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

2.16 Earnings Per Share

The earnings considered in ascertaining the Company's Earnings per share ('EPS') comprise the Net Profit after Tax. The number of shares used in computing the Basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as Basic EPS.

2.17 Discontinued Operations

Assets and Liabilities of discontinued operations are assessed at each Balance Sheet date. Impacts of any impairments and write backs are dealt with in the Statement of Profit and Loss.

Impacts of discontinued operations are distinguished from the ongoing operations of the Company, so that their impact on the Statement of Profit and Loss for the year can be perceived.

2.18 Miscellaneous Expenditure

Deferred revenue expenditure is written off over a period of 5 years.



NOTES forming part of the financial statements for the year ended March 31, 2013

	(Rupees)	
	As at 31.03.2013	As at 31.03.2012
3 SHARE CAPITAL		
(a) Authorised :		
90,00,000 (Previous Year 90,00,000) Equity Shares of Rs.10/- each	90000000	90000000
75,000 (Previous Year 75,000) Cumulative Convertible Preference Shares of Rs.100/- each	7500000	7500000
	<u>97500000</u>	<u>97500000</u>
(b) Issued, Subscribed and Paid Up:		
89,47,000 (Previous Year 89,47,000) Equity Shares of Rs.10/- each fully paid up	89470000	89470000
	<u>89470000</u>	<u>89470000</u>
(c) Reconciliation of number of Shares outstanding at the beginning and end of the year :		
Equity Shares :		
Outstanding at the beginning of the year	8947000	8947000
Issued during the year	-	-
Outstanding at the end of the year	<u>8947000</u>	<u>8947000</u>

(d) Rights, Preferences and restrictions attached to Equity Shares :

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to shareholder approval in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

(e) Shares in the Company held by each shareholder holding more than 5% Shares:

Name of Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of Shares held in the Company	% of Shares Held	No. of Shares held in the Company	% of Shares Held
Mumal Finance (P) Ltd.	782600	8.75	782600	8.75
Aruna Doshi	586452	6.55	586452	6.55
Ashok Doshi	578900	6.47	578900	6.47



NOTES forming part of the financial statements for the year ended March 31, 2013

	(Rupees)	
	As at 31.03.2013	As at 31.03.2012
4. RESERVES & SURPLUS		
(a) Genral Reserve :		
Opening Balance	404755297	394755297
Add: Transferred from Surplus in Statement of Profit & Loss	<u>15000000</u>	<u>10000000</u>
Closing Balance (i)	<u>419755297</u>	<u>404755297</u>
(b) Surplus in Statement of Profit and Loss		
Opening Balance	495481660	469779012
Add: Net Profit for the year	<u>31303263</u>	<u>46101074</u>
	526784923	515880087
Less: Proposed Dividend	8947000	8947000
Dividend Distribution Tax	1520543	1451427
Transfer to General Reserve	<u>15000000</u>	<u>10000000</u>
	<u>25467543</u>	<u>20398427</u>
Closing Balance (ii)	<u>501317380</u>	<u>495481660</u>
Total (i + ii)	<u>921072677</u>	<u>900236957</u>
5. LONG TERM BORROWINGS:		
(a) Term Loan		
Secured		
From Banks		
Rupee Term Loan	-	-
Foreign Currency Loan	-	-
(b) Loans and advances from related parties		
Unsecured	-	10000000
	<u>-</u>	<u>10000000</u>
6. DEFERRED TAX LIABILITIES (NET):		
Deferred Tax Liabilities		
On account of timing difference in:		
Depreciation	51675137	48495856
Profit on sale of asset /mutual Fund	-	10416802
Other	<u>301738</u>	<u>-</u>
Gross Deferred Tax Liability	<u>51976875</u>	<u>58912658</u>



NOTES forming part of the financial statements for the year ended March 31, 2013

	(Rupees)	
	As at	As at
	31.03.2013	31.03.2012
Deferred Tax Asset		
On account of timing difference in:		
Depreciation	4846040	–
Provision for Gratuity & Leave Encashment	370197	4367320
Others	153280	1072483
Gross Deferred Tax Assets	<u>5369517</u>	<u>5439803</u>
Net Deferred Tax (Assets)/Liabilities	<u>46607358</u>	<u>53472855</u>
7. OTHER LONG TERM LIABILITIES:		
Trade Payables	4076814	5440869
Advance from Customers	7148848	8063665
Other Payables	9352000	15362000
	<u>20577662</u>	<u>28866534</u>
8. LONG TERM PROVISIONS:		
Provisions for employee benefits		
Provision for Leave encashment	–	3594423
Provision for Gratuity	3566207	1765385
	<u>3566207</u>	<u>5359808</u>
9. SHORT TERM BORROWINGS:		
From Bank		
Secured		
Working Capital Loan*	1985	12677500
Foreign currency Loan	–	–
	<u>1985</u>	<u>12677500</u>
10. TRADE PAYABLES:		
Due to Micro and Small Enterprises*	–	594676
Other than dues to Micro and Small Enterprises #	52543961	33865879
Acceptances	6760802	7385071
	<u>59304763</u>	<u>41845626</u>

*The Working Capital loans from State Bank of India and Allahabad Bank is secured by hypothecation of entire Current assets comprising of stocks and book debts, present and first charge on all Fixed Assets of the Company and it is also secured by personal guarantee of Mr. Ashok Doshi, Managing Director.

*Considering the Company has been extended credit period upto 45 days by its vendors and payments being released on a timely basis, there is no liability towards interest on delayed payments under "The Micro, Small and Medium Enterprises Development Act, 2006" during the year.

There is also no amount of outstanding interest in this regard, brought forward from previous years. The above information is on the basis of intimation received, on request made by the Company, with regards to vendors registration under the said act.

#Trade Payables includes emoluments payable to employees for services rendered.



NOTES forming part of the financial statements for the year ended March 31, 2013

(Rupees)

	As at 31.03.2013	As at 31.03.2012
11. OTHER CURRENT LIABILITIES:		
Unclaimed Dividend	3606343	4042035
Other Payables		
Advance From Customers	7074892	5829398
Statutory dues including PF & TDS	809529	1385690
Bonus Payable	945589	974442
Other Payable	1106076	-
	<u>13542429</u>	<u>12231565</u>
12. SHORT TERM PROVISIONS:		
Provision- Others:		
Provision for taxation	27091129	8537264
Provision for proposed dividend	8947000	8947000
Provision for dividend tax	1520543	1451427
	<u>37558672</u>	<u>18935691</u>

13. FIXED ASSETS

Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1/4/2012	Addition	Deduction/ Adjustment	As at 31/03/2013	As at 1/04/2012	For the Year	Deduction Adjustment	As at 31/03/2013	As at 31/03/2013	As at 31/03/2012
TANGIBLE ASSETS:										
Free hold land	7596721	1094865	-	8691586	-	-	-	-	8691586	7596721
Building	114253160	541887	-	114795047	34886252	3824335	-	38710587	76084460	79366908
Plant & Machinery	383221189	8032138	-	391253327	280198591	34183781	-	314382372	76870955	103022598
Electrical Installation	35547366	4126415	6380052	33293729	17207682	1696325	4810762	14093245	19200484	18339684
Office Equipment	5227958	217795	-	5445753	3502645	335869	-	3838514	1607239	1725313
Furniture & Fittings	4752442	31522	-	4783964	3122995	302072	-	3425067	1358897	1629447
Vehicles	8963437	6461275	521304	14903408	4777430	1071686	499366	5349750	9553658	4186007
Miscellaneous Fixed Assets	13098178	-	-	13098178	4838322	629088	-	5467410	7630768	8259856
Computer	2060661	-	-	2060661	1029272	334033	-	1363305	697356	1031389
Site development	2882280	-	-	2882280	258396	46981	-	305377	2576903	2623884
Wind Mill	110445212	-	-	110445212	43218096	5831507	-	49049603	61395609	67227116
Total Tangible - Assets	688048604	20505897	6901356	701653145	393039681	48255677	5310128	435985230	265667915	295008923
Previous Year Total	802783403	12847196	127581995	688048604	466702768	42079383	115742470	393039681	295008923	

Deductions include cost of assets scrap/ sold/ surrendered during the year.



NOTES forming part of the financial statements for the year ended March 31, 2013

	(Rupees)	
	As at	As at
	31.03.2013	31.03.2012
14. LONG TERM LOANS AND ADVANCES:		
(Unsecured , Considered Good Unless Otherwise Stated):		
(a) Loans and advances to corporate	10033288	-
(b) Security Deposits	5453263	10027760
(c) Other Loans & Advances		
Other Advances	6457047	15457047
Advance Tax & Tax deducted at source	11275420	9775420
Advance to suppliers	15465618	43464624
Project advances	128118285	165618285
	<u>176802921</u>	<u>244343136</u>
15. OTHER NON- CURRENT ASSETS:		
Balances with banks		
In Term Deposit	3792395	2259164
In Margin Money	10407541	3599499
	<u>14199936</u>	<u>5858663</u>
16. INVENTORIES :		
(At lower of cost and net realisable value)		
Raw Material	93148956	71019888
Work-in-progress	13182413	12855195
Finished Goods	81376348	82695460
Stock in Trade		
Real Estate	40878456	37067192
Goods	773042	3949443
Stores & Spares	42147440	36286408
Packing Material	2705215	2841033
	<u>274211870</u>	<u>246714619</u>
17. TRADE RECEIVABLES:		
(Unsecured)		
Outstanding for a period exceeding six months from the date they were due for payment		
Considered good	94677365	102000460
Other Debts		
Considered good	233429614	159128736
	<u>328106979</u>	<u>261129196</u>
18. CASH AND BANK BALANCES :		
(a) Cash and Cash Equivalents :		
Cash on hand	1515296	557681
Balances with banks:		
In Current accounts	25764395	19836120
In EEFC account	1315392	3145238
Stamps on hand	12900	12900
Total (a)	<u>28607983</u>	<u>23551939</u>



NOTES forming part of the financial statements for the year ended March 31, 2013

	(Rupees)	
	As at 31.03.2013	As at 31.03.2012
(b) Other Bank Balances:		
Term Deposit with original maturity more than 3 months but less than 12 months	47224264	63634888
Earmarked balances with banks-Unpaid Dividend	3617089	4053381
Total (b)	<u>50841353</u>	<u>67688269</u>
Total (a+b)	<u>79449336</u>	<u>91240208</u>
19. SHORT TERM LOANS AND ADVANCES :		
(Unsecured , Considered Good Unless Otherwise Stated):		
Loans and advances to corporates	49234	49234
Loans and advances to employees	309783	117520
Prepaid Expenses	2912403	3630919
Balances with government authorities		
VAT/ CST Receivable	4609735	3359267
Service Tax credit receivable	1361541	1150587
CENVAT Credit Receivable	434680	134081
Excise Duty Refundable	2424785	444955
Others :		
Advance Tax & Tax deducted at source	9510976	1627208
Advance to suppliers	29586139	15420176
Other Advances	289784	753618
Minimum Alternative Tax credit entitlement	-	670361
	<u>51489060</u>	<u>27357926</u>
20. OTHER CURRENT ASSETS:		
Share issue expenses	-	714335
Tamilnadu state electricity board development charges (To the extent not written off or adjusted)	318270	424360
	<u>318270</u>	<u>1138695</u>
	For the Year ended 31.03.2013	For the Year ended 31.03.2012
21. REVENUE FROM OPERATIONS:		
Sale of Products (Refer Note No. 42)	647968722	638749863
Less:- Inter divisional transfers	<u>11453596</u>	<u>10978632</u>
	636515126	627771231
Other operating revenues	-	958986
	<u>636515126</u>	<u>628730217</u>
Less: Excise Duty	2455819	1229512
	<u>634059307</u>	<u>627500705</u>



NOTES forming part of the financial statements for the year ended March 31, 2013

(Rupees)

	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
22. OTHER INCOME:		
Interest income	6813598	2871403
Net Gain on Foreign Currency Transactions & Translations (Other than considered as finance cost)	8671885	3340767
Provision no longer Required written back	3594423	-
Other non-operating income	170236	1425951
Prior Period Items (Net) (Refer Note No. 33)	-	150226
	<u>19250142</u>	<u>7788347</u>
23. COST OF MATERIAL CONSUMED :		
Raw Material Consumed:		
Opening Stock	71019888	90065163
Purchases & expenses	271151180	226690667
	<u>342171068</u>	<u>316755830</u>
Less : Closing Stock	93148956	71019888
	<u>249022112</u>	<u>245735942</u>
Packing Material Consumed	17904634	20573771
	<u>266926746</u>	<u>266309713</u>
24. PURCHASE OF TRADED GOODS :		
Marble- Tiles/Slabs	5062902	242496
Granite -Tiles/Slabs	4044014	7347635
	<u>9106916</u>	<u>7590131</u>
25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE:		
<u>Inventories at the end of the year:</u>		
Finished Goods	81376348	82695460
Work-in-progress	13182413	12855195
Goods for Trade	773042	3949443
	<u>95331803</u>	<u>99500098</u>
<u>Inventories at the beginning of the year:</u>		
Finished Goods	82695460	105756968
Work-in-progress	12855195	12595041
Goods for Trade	3949443	1989048
	<u>99500098</u>	<u>120341057</u>
Net (Increase)/Decrease	<u>4168295</u>	<u>20840959</u>
26. COST OF SALES (REALTY)		
Purchases Land Value	-	-
Add : Cost of conversion, labour, material and other charges	4030357	3774273
Total Cost	<u>4030357</u>	<u>3774273</u>
Add : Opening Work in progress	37067192	36806206
Less: Closing Work in progress	40878456	37067192
Cost of sales	<u>219093</u>	<u>3513287</u>



NOTES forming part of the financial statements for the year ended March 31, 2013

	(Rupees)	
	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
27. EMPLOYEES BENEFIT EXPENSES:		
Salary, Wages & Allowances	41210850	33151972
Staff welfare expenses	3870426	2531745
Contributions to provident and other funds	3562170	2883476
Gratuity	2647612	1983805
	<u>51291058</u>	<u>40550998</u>
28. FINANCE COSTS:		
Interest expenses on :		
(i) Borrowings		
Term Loan	-	22007
Working Capital	543872	6840481
(ii) Others	395090	884636
	<u>938962</u>	<u>7747124</u>
29. OTHER EXPENSES:		
Stores & Spares Consumed	75870096	70744759
Power & Fuel	39779835	33013717
Repairs & Maintenance		
Building	2157674	1156720
Plant & Machinery	18819826	16077156
Other Manufacturing Expenses	7005669	7027089
Printing & Stationary	509294	469647
Postage, Telegram, Telephone	1463647	1294887
Conveyance & vehicle running and maintenance	1728555	1708866
Travelling	5207582	3589990
Legal, Professional & Consultancy	606870	1447987
Remuneration to Directors	5593595	4136811
Auditors Remuneration	190000	232000
Deferred Revenue Expenditure written off	820425	820425
General Insurance	296380	293451
Selling expenses	33325325	40249369
Financial charges	3497462	3613213
Security expenses	423400	514740
Repairs & Maintenance (others)	31676	9375
Office Maintenance	137351	110965
Bad debts written off (net)	21522986	32151119
Rates & taxes	496015	647107
Miscellaneous expenses	2144424	1287212
Loss on Sale of assets	343369	129010
Net Loss on Foreign Currency Transactions & Translations (Other than considered as finance cost)	-	-
Prior period expenses (Net) (Refer Note No. 33)	42590	-
	<u>222014046</u>	<u>220725615</u>
30. Exceptional Items		
Profit on sale of fixed assets	-	30604872
	-	<u>30604872</u>



NOTES forming part of the financial statements for the year ended March 31, 2013

31. Contingent liabilities not provided for in respect of

(Rs. in lacs)

Sr.No.	Particulars	As at	
		31.3.2013	31.3.2012
1.	Bills discounted with Bankers	Nil	196.61
2.	Bank Guarantee/ Letter of Credit issued by bank	93.47	40.75
3.	Income Tax Liability (including penalty) that may arise in respect of matters which are pending in appeal	51.16	69.11
4.	Bond executed in favour of customs, excise and DGFT authorities	815.00	815.00

32. Auditors' remuneration:

(Rupees)

Sr.No.	Particulars	For the Year Ended	
		31.3.2013	31.3.2012
1.	As Auditors- Statutory Audit	118000	160000
2.	For Taxation matters	30000	20000
3.	Other matters/ certification	42000	52000
4.	Reimbursement of out-of-pocket expenses	–	60146
	Total	190000	292146

33. Prior Period adjustment represent:

Sr.No.	Particulars	For the Year Ended	
		31.3.2013	31.3.2012
1.	Debits relating to earlier year	(42590)	(163008)
2.	Credits relating to earlier year	–	313234
	Total	(42590)	150226

34. Earning per Share:

Particulars	For the Year Ended	
	31.3.2013	31.3.2012
Net profit for the year after tax	31303263	46101074
Weighted average number of Equity Shares outstanding	8947000	8947000
Nominal value of the shares (Rs.)	10.00	10.00
Basic & Diluted Earning per share (Rs.)	3.50	5.15

35. Disclosures of Derivatives

(a) The particulars of derivative contracts entered into for hedging purposes outstanding as at March 31, 2013 are as under:

Foreign Currency	31.3.2013	31.3.2013
	Forward USD	Forward EURO
For hedging commitments outstanding:		
Receivables	200000 (700000)	– 200000



NOTES forming part of the financial statements for the year ended March 31, 2013

(b) Un-hedged foreign currency exposures as at March 31, 2013 are as under:

Foreign Currency	31.3.2013 Forward USD	31.3.2013 Forward EURO	31.3.2013 Forward CAD	31.3.2013 Forward SGD
For Uncovered Risks				
Receivables	2762009 (2034696)	1053202 (918379)	56341 (19211)	– (93356)

Note: Previous year figures are given in brackets

36. Value of Imported / Indigenous Materials Consumed:

(Rupees)

Particulars	For the year ended 31.3.2013		For the year ended 31.3.2012	
	%	Amount	%	Amount
Raw Materials - Imported	8.01	19949275	16.97	41701390
- Indigenous	91.99	229072836	83.03	204034552
	100.00	249022111	100.00	245735942
Stores & Spares - Imported	59.20	44913228	49.99	35365983
- Indigenous	40.80	30956869	50.01	35378776
	100.00	75870097	100.00	70744759

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
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37. Value of Import on CIF basis:

Raw Material	11203573	20995071
Stores & Spares	48426204	51226516
Capital Goods	–	1494920
Traded Goods	–	–
Total	59629777	73716507

38. Expenditure in Foreign Currency:

Travelling	1879744	876794
Selling commission	1029580	7577179
Other matters :	4897601	963642
Total	7806925	9417615

39. Earning in Foreign exchange:

On account of export calculated at FOB value (including third party exports Rs. 16365565/- previous year Rs. 22244569/-)	559468635	580839171
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40. Remittance of Foreign Currency on account of dividends:

No. of Share Holders	84	84
No of Shares	35400	35400
Gross Amount Rs.	35400	35400
Related To Year	2011-2012	2010-2011



NOTES forming part of the financial statements for the year ended March 31, 2013

(Rupees)

41. Particulars in respect of Loans & Advances in the Nature of Loans as required by the Listing Agreement:

Name of the Company	Balance as on 31.3.2013	Maximum outstanding during the year
Loans & Advances in the Nature of Loans where repayment schedule is not specified	49,234	49,234

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
-------------	----------------------------------	----------------------------------

42. Sales (Including Exports), Net of Excise Duty:

Sale of Product Comprises:		
Marble	48210849	17804045
Granite	579697478	596379501
Power	5550980	4490173
Property Development	600000	7868000
Total (A)	634059307	626541719
Other Operating Revenue Comprises:		
Export Incentive	–	17784
Sale of Scrap	–	941202
Total (B)	–	958986
Total (A+B)	634059307	627500705

43. Closing Inventory

(i) Finished Goods -Own Production:

Marble Tiles	21448647	–
Granite Tiles	59927701	21453901
Granite Slabs	–	61241559
Power Generation	–	–
Total	81376348	82695460

(ii) Traded Goods:

Marble Tiles / Slabs	–	–
Granite Tiles / Slabs	421929	1907383
Others*	351113	134677
Total	773042	2042060

* Others include diamond segments, sandstone and marble crazy etc.

(iii) Work in Progress:

Marble Tiles / Slabs	–	Nil
Granite Tiles	4633786	4381860
Granite Slabs	8548627	8473335
Total	13182413	12855195

44. Raw Material Consumed:

Marble Blocks	35207410	17926545
Granite Blocks	213814702	227809397
Total	249022112	245735942

**NOTES forming part of the financial statements for the year ended March 31, 2013****45. Related Party Disclosures:**

Related party disclosures, as required by Accounting Standard (AS) 18- "Related Party Disclosure" issued by the ICAI are given below:

The Company has identified all the related parties having transactions during the year, as per details given below:

(i) List of Related Parties

(a) Individual exercising control or significant influence.

Directors

Mr. Ravi Kumar Krishnamurthi

Mr. Prakash Kumar Verdia

Mr. Roshan Lal Nagar

Managing Director

Mr. Ashok Doshi

Mrs. Aruna Doshi, Wife

Mr. Madhav Doshi, Son

Mrs. Riddhima Doshi, Daughter-in-Law

Mrs. Mumal Doshi, (Kanthed) Daughter

Whole-time Directors

Mr. Sudhir Doshi

Mrs. Prema Doshi, Wife

(ii) In respect of the outstanding balance recoverable as at 31st March 2013, no provision for doubtful debts is required to be made. During the year, there were no amounts written off or written back from such related parties.

(iii) Transactions, etc. with Related Parties

(Amount in Rs.)

Sr.No.	Name of the transacting related party	Nature of Relationship	Nature of Transaction	Volume of Transaction (Rupees)	Amount outstanding as on 31.03.2013
1.	Ashok Doshi	Managing Director	Remuneration	4441733 (3234712)	Nil
2.	Sudhir Doshi	Whole Time Director	Remuneration	1575449 (1155168)	Nil
3.	Madhav Doshi	Son of Mr. Ashok Doshi	Salary	1727997 (752598)	Nil
4.	Ridhimma Doshi	Daughter-in-law of Mr. Ashok Doshi	Salary	1022100 (643520)	Nil
5.	Mumal Doshi	Daughter of Mr. Ashok Doshi	Unsecured Loan taken	NIL	1500000
			Interest	116261	Nil

Note: Previous year figures are given in bracket



NOTES forming part of the financial statements for the year ended March 31, 2013

46. Segment reporting for the year ended 31.3.2013:

(a) Information about Primary Business Segments

Particulars	Wind Mill	Granite & Stone	Realty	Total
(i) Revenue				
Sales to external customers	5550980	618910550	600000	625061530
Inter-segment revenue	11453596	0	0	11453596
Total Revenue	17004576	618910550	600000	636515126
(ii) Result				
Segment result				
Profit/ (Loss) before	7917873	36215240	380907	44514019
Tax and Interest				
Add: Un-allocated income Net off Un-allocated Expenditure				
Operating Profit / (Loss)				–
Finance Costs				(938962)
Interest Income				6813598
Profit before Exceptional items and Tax				50388655
Exceptional items				–
Taxation for the year (including adjustment of Previous Years)				
Current Tax				(22378748)
Provision no longer required				–
Deferred Tax				3293355
Profit/(Loss) after tax				31303262
(iii) Other Information				
Segment Assets	71986188	1258232294	128118284.6	1458336766
Un-allocated Corporate Assets	–	–	–	49234
Total Assets	71986188	1258232294	128118285	1458386000
Segment Liabilities	32679747	326401901	–	359081647
Un-allocated Corporate Liabilities	–	–	–	–
Total Liabilities	32679747	326401901	–	359081647
Capital expenditure	–	20505897	–	20505897
Depreciation	5878489	48255677	–	54134166
Amortization & other non cash expenditure	–	22343411	–	22343411



NOTES forming part of the financial statements for the year ended March 31, 2013

(b) Information about Secondary Business Segments

Particulars	Wind Mill	Granite & Stone	Realty	Total
Revenue by Geographical Segment				
(i) Segment-wise revenue				
Revenue from customers				
Outside India	–	569890372	–	569890372
Revenue from customers				
Within India	17004576	49020178	600000	66624754
Total Revenue	17004576	618910550	600000	636515126

- (ii) All the assets of the Company are situated / registered in India accordingly the total cost incurred during the year, geographical segment-wise is not applicable

Segment Reporting for the year ended 31.03.2012

(a) Information about Primary Business Segments

Particulars	Wind Mill	Granite & Stone	Realty	Total
(i) Revenue				
Sales to external customers	4490173	611952247	7868000	624310420
Inter-segment revenue	10978632	–	–	10978632
Total Revenue	15468805	611952247	7868000	635289052

(ii) Result

Segment result				
Profit/ (Loss) before tax and Interest	6633987	24173576	–	30807563
Add: Un-allocated Income Net off Un-allocated Expenditure				–
Operating Profit / (Loss)				30807563
Finance Costs				(7747124)
Interest Income				2871403
Profit before Exceptional Items and tax				25931842
Exceptional Items				30604872
Taxation for the year (Including adjustments of Previous Years)				
Current Tax				(5217753)
Provision no longer required				26494
Deferred Tax				(5217887)
Profit/(Loss) after tax				46101074



NOTES forming part of the financial statements for the year ended March 31, 2013

(iii) Other Information

Segment Assets	76232446	1176659350	202685477	1455577273
Un-allocated Corporate assets				49234
Total Assets				1455626507
Segment Liabilities	44843875	339233415	–	384077290
Un-allocated Corporate Liabilities				12677500
Total Liabilities				396754790
Capital expenditure	–	12847296	–	12847296
Depreciation	5878488	36200894	–	42079383
Amortization & other non cash expenditure	–	1138695	–	1138695

(b) Information about Secondary Business Segments

Particulars	Wind Mill	Granite & Stone	Realty	Total
Revenue by Geographical Segment				
(i) Segment-wise revenue				
Revenue from customers				
Outside India	–	583633210	–	583633210
Revenue from customers				
Within India	15468805	28319037	7868000	51655842
Total Revenue	15468805	611952247	7868000	635289052

(ii) All the assets of the Company are situated/ registered in India accordingly the total cost incurred during the year, geographical segment-wise is not applicable.

(c) Notes

- Management has identified three reportable business segments, namely.
 - Realty Segment- Comprising of Realty Business.
 - Granite & Stone Segment- Comprising of Granite & Marble tiles, Slabs, Blocks and other related stones.
 - Windmill Segment- Comprising of generation of power.
- The Segment Revenue in the Geographical segments considered for disclosures are as follows:
 - Domestic- Comprising of sales to customers located within India and earnings in India.
 - International- Comprising of sales to customers located outside India and third party exports.
- Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts on a reasonable basis.



NOTES forming part of the financial statements for the year ended March 31, 2013

47 Employee Benefits:

a) Defined benefit plan-As per Actuarial Valuation on 31st March, 2013

Particulars	31.3.2013	31.3.2012
I Amount recognized in the Profit and Loss Account		
Current Service Cost	598496	431143
Interest Cost	546659	575957
Expected Return on Plan Assets	(714426)	(716049)
Actuarial (gain)/Loss on Obligation	221734	171839
Expense/ (Income) recognized in Profit and Loss A/c	1004129	462890
II Actual return on plan assets		
Expected Return on Plan Assets	714426	716049
Actuarial gain/ (loss) on Obligation	(221734)	(171839)
Actual Return on plan assets	492692	544210
III Amount recognized in the Balance Sheet		
Present value of Funded Obligation	10036155	7687197
Fair value of Plan Assets	9045201	9186552
Net Asset/ (Liability) recognized in Balance Sheet (Included under provision for employee benefits Refer Note '8')	990954	(1499355)
IV Change in the present value of obligation		
Opening balance of present value of obligation	9979065	7199463
Interest cost	798325	575957
Current Service Cost	698446	431143
Benefits Paid	(1661465)	(691205)
Actuarial (gain)/ loss on Obligation	221734	171839
Closing Balance of present value of obligation	10036105	7687197
V Change in fair value of plan assets		
Opening balance of fair value of plan assets	9186552	8266441
Expected return on plan assets	714426	716049
Contributions	805688	895267
Benefits Paid	(1661465)	(691205)
Actuarial Gain/ (Loss) on plan assets	NIL	NIL
Closing balance of fair value of plan assets	9045201	9186552



b) Actuarial Assumptions

Particulars	% per annum	
	31.03.2013	31.03.2012
Discount Rate	8%	8%
Salary Escalation	7-8%	7-8%
Rate of return on plan assets	8.25%	8.25%

c) The liability for leave encashment and compensated absences as at year end is Rs. 3529205/-

d) Gratuity is administered through Group Gratuity Scheme with Life Insurance Corporation of India.

48. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

49. Previous year figures has been regrouped wherever necessary.

50. Figures have been rounded off to nearest Rupees.

SIGNATURES TO THE NOTES '1' TO '50'

For and on behalf of the Board of Directors

For **NYATI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 002327C

Suresh Nyati
Partner, Membership No. 70742

Ashok Doshi
Managing Director

Sudhir Doshi
Whole Time Director

Udaipur, May 30, 2013

Priyanka Manawat
Company Secretary



FORM OF ATTENDANCE SLIP AND PROXY

Madhav Marbles and Granites Ltd.

Regd. Office: 11-A, Charak Marg, Ambamata Scheme, Udaipur – 313 001 (Raj.)

ATTENDANCE SLIP

I hereby record my presence at the Twenty Fourth Annual General Meeting of the Members of the Company to be held on Saturday, August 17, 2013 at 10.00 a.m. at Hotel Rajdarshan, Pannadhay Marg, Udaipur- 313001, (Raj.)

Full name of the Shareholder (in Block Letters) _____

Folio No.	
DP ID No.	
Client ID No.	
No. of Shares held	

Signature of Member / Proxy

Madhav Marbles and Granites Ltd.

Regd. Office: 11-A, Charak Marg, Ambamata Scheme, Udaipur – 313 001 (Raj.)

PROXY FORM

I/We _____ of _____ in the district of _____ being a Member/Members of the above named Company hereby appoint Mr./Ms. _____ of _____ in the district of _____ my/our proxy to vote for me/us on my/our behalf the Twenty Fourth Annual General Meeting of the Company to be held on Saturday, August 17 2013 at 10.00 a.m. or any adjournment thereof.

Signed this _____ day of _____ 2013

Affix
Re.1
Revenue
Stamp

Folio No.	
DP ID No.	
Client ID No.	

Signature of shareholder _____

Note : This Proxy Form, in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.