



BOARD OF DIRECTORS

MR. C. D. GOPINATH

Chairman

MR. RAVI KUMAR KRISHNAMURTHI

MR. PRAKASH KUMAR VERDIA

MR. ROSHAN LAL NAGAR

MR. JAGDISH DASHORA

MR. ASHOK DOSHI

Managing Director

MR. SUDHIR DOSHI

Whole Time Director

MS. PRIYANKA MANAWAT

Company Secretary

Bankers

State Bank of India
Allahabad Bank

Auditors

Nyati & Associates
Chartered Accountants
Udaipur.

Registered Office

11-A, Charak Marg,
Ambamata Scheme,
Udaipur (Raj.) 313 001

Works

Granite Division

Village Thoppur
Distt. Dharampuri
Tamil Nadu

Wind Mills

SF NO. 405/1 (PART) & 412 (PART)
VILLAGE: Balabathiraramapuram
Dist. Tirunelveli
Tamilnadu



Twenty Third Annual Report 2011 - 2012

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FINANCIAL HIGHLIGHTS

Year ended

(Rupees in millions)

Description	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
For the Year					
Revenue from Operations (Net)	829.57	581.65	636.02	651.88	627.50
Profit Before Finance Costs and Depreciation	151.65	91.53	94.13	61.52	75.76
Profit Before Tax	62.86	14.94	34.38	5.19	25.94
Profit After Tax	57.64	16.29	33.64	10.42	46.10
Profit After Tax excluding Exceptional Item	57.64	16.29	33.64	10.42	15.50
At year End					
Net Fixed Assets	418.18	391.51	364.53	336.82	295.31
Share Capital	89.47	89.47	89.47	89.47	89.47
Reserves and Surplus	837.10	842.76	864.55	864.53	900.24
Miscellaneous Expenditure Written Off	3.07	2.86	2.14	1.43	0.71
Net Worth	923.50	929.37	951.88	952.57	989.00
Total Borrowings	439.17	344.11	211.97	58.40	22.68
Earning Per Share	4.17	1.80	3.60	1.16	5.15
% of Dividend	10	10	10	10	10
Dividend Per Share	1.00	1.00	1.00	1.00	1.00
Book Value Per Share	103.22	103.88	106.39	107.63	110.54
Return on Capital Employed	8.14	3.44	4.16	1.57	3.39





Notice of Annual General Meeting

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of MADHAV MARBLES & GRANITES LIMITED will be held on Saturday, September 22, 2012 at 10.30 a.m. at Hotel Rajdarshan, Udaipur-313001 (Raj.) to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the audited statement of Profit and Loss Account for the year ended March 31, 2012, 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 2011-12.
3. To appoint a director in place of Mr. C.D. Gopinath, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Jagdish Dashora, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Nyati & Associates, Chartered Accountants, Udaipur, as Statutory auditors of the Company and to fix their remuneration.

Special Business:

6. To consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of Section 314(1)(b) and other applicable provisions, if any of the Companies Act, 1956, (including any statutory modification(s), amendments or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act'), approval of the Company be and is hereby accorded to the revision in the remuneration payable to Mr. Madhav Doshi currently holding an office or place of profit in the Company as Manager Exports, Granite Division on the terms and conditions as detailed in the Explanatory Statement hereto

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to promote him to higher cadres and / or to sanction him higher increments, or revise increments or the payment in monthly salary, as and when they deem fit, subject, however, to the rules and regulations of the Company, in force, from time to time, provided that the total monthly remuneration shall not exceed Rs.2,50,000/- or such higher sum as may be prescribed from time to time, except with the prior approval of the Central Government, if required, pursuant to the provisions of Section 314 (1)(b) and other applicable provisions of the Act.”

7. To consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of Section 314(1)(b) and other applicable provisions, if any of the Companies Act, 1956, (including any statutory modification(s), amendments or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act'), approval of the Company be and is hereby accorded to the revision in the remuneration payable to Mrs. Riddhima Doshi currently holding an office or place of profit in the Company as Deputy Manager Finance, Granite Division on the terms and conditions as detailed in the Explanatory Statement hereto

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to promote her to higher cadres and / or to sanction her higher increments, or revise increments or the payment in monthly salary, as and when they deem fit, subject, however, to the rules and regulations of the Company, in force, from time to time, provided that the total monthly remuneration shall not exceed Rs.2,50,000/- or such higher sum as may be prescribed from time to time, except with the prior approval of the Central Government, if required, pursuant to the provisions of Section 314 (1)(b) and other applicable provisions of the Act.”



8 To consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the re-appointment of Mr. Sudhir Doshi as Whole Time director for a further period of five years with effect from July 28, 2012 and the remuneration payable to Mr. Sudhir Doshi, Whole Time director, upon such re-appointment as set out in the agreement dated August 11, 2012 entered into between the Company and Mr. Sudhir Doshi, copy of which is placed before the meeting and initialed by the chairman for the purpose of identification, be and is hereby approved

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, alter and modify the terms and conditions of the appointment including remuneration structure of Mr. Sudhir Doshi, Whole Time Director within the limits prescribed in Schedule XIII of the Companies Act, 1956, or any amendments thereof

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to above resolution.”

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

Priyanka Manawat
Company Secretary

Udaipur, August 11, 2012



EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

The Explanatory Statement for Item No.6 to 8 of the accompanying notice set out hereinabove as under.

Item No 6: Revision in Remuneration payable to Mr. Madhav Doshi, Manager Exports, Granite Division

Mr. Madhav Doshi was appointed as Manager Exports, w.e.f May 01, 2009 and his appointment was approved by the members at the Annual General Meeting held on September 26, 2009.

Considering the progress achieved and development of business of the Company as a result of his efficient Marketing Strategies, the Board of Directors in their meeting held on May 05, 2012, resolved to increase the remuneration of Mr. Madhav Doshi w.e.f. January 01, 2012 as per the details mentioned below

Sl. No.	Particulars	Amount
1.	Basic Salary	Rs.65,000/- p.m. with increment of Rs.15,000 every year.
2.	Perquisites and allowances to the extent of Rs.30,000 p.m. Explanation: He shall be entitled to perquisites and allowances like Leave Travel Allowance, accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses/or allowances for electricity, water, furnishing and repairs, Mobile bills, telecommunication facilities at residence, medical reimbursement incurred for self and him family, medical insurance and such other perquisites and/or allowances, up to the amounts specified above, subject to overall ceiling of remuneration, stipulated in Section 314 of the Companies Act, 1956. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or reenactment. However, Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax Act, gratuity, Bonus payable and encashment of leave at the end of the tenure, as per the rules of the company, shall not be included in the computation of overall ceiling of remuneration or perquisites aforesaid.	

Mr. Madhav Doshi is relative of Mr. Ashok Doshi, Managing Director and Mr. Sudhir Doshi Whole Time Director of the Company.

In view of provisions of Section 314 of the Companies Act, 1956, the increase in remuneration of relative of Director(s) shall be approved by the members in the General Meeting. Therefore, your Directors recommend the resolution for your approval.

None of the Directors except Mr. Ashok Doshi, Managing Director and Mr. Sudhir Doshi Whole Time Director are interested or deemed to be concerned or interested in the resolution.

Item No 7: Revision in Remuneration payable to Mrs. Riddhima Doshi, Deputy Manager Finance, Granite Division

Mrs. Riddhima Doshi was appointed as Deputy Manager Finance, w.e.f June 18, 2010. Her appointment was approved by the members at the Annual General Meeting held on September 25, 2010.

Taking into consideration the duties assigned and the valuable contributions made by Mrs. Riddhima Doshi as Deputy Manager Finance, the Board of Directors in their meeting held on May 05, 2012, resolved to increase her remuneration w.e.f. January 01, 2012 as per the details mentioned below

Sl. No.	Particulars	Amount
1.	Basic Salary	Rs.65,000/- p.m. with increment of Rs.15,000 every year.
2.	Perquisites and allowances to the extent of Rs.20,000 p.m. Explanation: She shall be entitled to perquisites and allowances like Leave Travel Allowance, telecommunication facilities at residence, Reimbursement of Mobile bills, medical reimbursement incurred for self and her family, medical insurance and such other perquisites and/or allowances, up to the amounts	



specified above, subject to overall ceiling of remuneration, stipulated in Section 314 of the Companies Act, 1956.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or reenactment. However, Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax Act, gratuity, Bonus payable and encashment of leave at the end of the tenure, as per the rules of the company, shall not be included in the computation of overall ceiling of remuneration or perquisites aforesaid.

Mrs. Riddhima Doshi is relative of Mr. Ashok Doshi, Managing Director and Mr. Sudhir Doshi Whole Time Director of the Company.

In view of provisions of Section 314 of the Companies Act, 1956, the increase in remuneration of relative of Director(s) shall be approved by the members in the General Meeting. Therefore, your Directors recommend the resolution for your approval.

None of the Directors except Mr. Ashok Doshi, Managing Director and Mr. Sudhir Doshi Whole Time Director are interested or deemed to be concerned or interested in the resolution.

Item No 8: Re-appointment of Mr. Sudhir Doshi as Whole Time Director of the Company

Mr. Sudhir Doshi was appointed as Whole time Director of the Company at the Annual General Meeting of the members held on September 22, 2007 for a period of five years with effect from July 28, 2007. Based on the recommendations of Remuneration Committee, the Board has at its meeting held on August 11, 2012 re-appointed him as the Whole Time Director for a further period of five years with effect from July 28, 2012.

Mr. Sudhir Doshi, specializes in processing and mining business of Marble and Granites and prior to his appointment as Whole Time Director in 2007 he was associated with the Company as an Export Manager for last fifteen years. Looking to the involvement of work in the Company and having rich experience in the Market development, it is beneficial for the Company to reappoint him as the Whole Time Director on the terms and conditions as mentioned in the resolution. Hence the resolution is proposed before you for your approval.

This explanatory note together with the accompanying notice should be treated as the abstract u/s. 302 of the Companies Act, 1956.

The material terms and conditions related to re-appointment of Mr. Sudhir Doshi and remuneration payable to him as Whole Time Director are as follows:

Period of Agreement	July 28, 2012 to July 27, 2017
Remuneration	Description
Salary	Rs.1,20,000/- p.m. in the range of Rs.1,20,000/- to Rs.240000/- p.m. The increments will be decided by the Board of Directors.
Bonus	Bonus will be paid as per the rules of the Company.
Perquisites & Allowances:	
a) Club Fees:	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
b) Personal Accident Insurance:	Premium not to exceed Rs.8000/- per annum
c) Reimbursement of Medical Expenses	Equivalent of Half month's salary a year
d) Contribution towards Provident Fund & Superannuation Fund	As per the rules of the Company



e) Gratuity:	Gratuity payable will not exceed half a month's salary for each completed year of service.
f) Leave Travel Concession	For Mr. Sudhir Doshi and his family subject to ceiling of Rs.1,00,000 per annum.

Terms and Conditions

1. The Whole Time Director shall, subject to superintendence, control and direction of the Board of Directors carry out such duties and exercise such powers as may be entrusted and delegated to him by the Board.
2. In the event of loss or inadequacy of profits in any financial year(s), the Board of Directors shall revise the remuneration payable to Whole Time Director, during such financial year, in such manner as agreed to between the Board of Directors and the Whole Time Director and within the limits prescribed in this behalf under Schedule XIII to the Companies Act, 1956.
3. No sitting fees shall be paid to the Whole Time Director for attending the meetings of the Board or any Committee meeting.
4. Perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.
5. If at any time the Whole Time Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Whole Time Director.

The agreement entered into between the Company and Mr. Sudhir Doshi, Whole Time Director containing the terms of the appointment and remuneration payable is available for inspection by the members at the registered office of the Company between 2.00 p.m. to 4.00 p.m. on any working day upto the date of Annual General Meeting.

The Board recommends the Special Resolution at Item No. 8, for the approval of the members.

None of the directors is interested in the resolution except Mr. Sudhir Doshi, himself and Mr. Ashok Doshi, Managing Director who may be deemed to be concerned or interested in the proposed resolution.



Notes

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE MEMBER OF THE COMPANY. PROXY/PROXIES TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.
- 2 The Register of Members and the Share transfer books will remain closed from September 16, 2012 to September 22, 2012 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if any.
- 3 The Dividend for the year ended March 31, 2012, as recommended by the Board, if declared at the Annual General Meeting, will be paid on or after September 29, 2012 to the members who are holding their shares in physical form and whose names appear on the Company's Register of Members on September 22, 2012 and in respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the Depositories for this purpose as on September 16, 2012.
- 4 Pursuant to the provisions of Section 205 A(5) and 205 C of the Companies Act, 1956, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF). established by the Central Government. Members who have not encashed their unclaimed/unpaid dividend warrants for the year 2004-2005 or thereafter are requested to write to the Company / Registrar and Share Transfer Agents for payment in lieu thereof.
- 5 **Office of our Registrar and Share Transfer Agents M/s Ankit Consultancy Pvt. Ltd, has been shifted to Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452 010. The new Contact details are as follows:**
Tel No.: (0731) 3198601-02, 2551745-46
Fax No.: 0731-4065798
Email I.D.: ankit_4321@yahoo.com
- 6 Members holding shares in physical form are requested to notify change in address, bank mandate and bank particulars, if any, under their signature to the Company's Registrar and Share Transfer agents M/s Ankit Consultancy Pvt. Limited, Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452 010. Members holding shares in electronic form may update such details with their respective Depository Participant (DP). These changes will get automatically reflected in Company's records
- 7 Non-resident Indian Shareholders are requested to inform us immediately, the change in their Residential Status on return to India for permanent settlement and the particulars of NRE Account, if not furnished earlier.
- 8 Members are requested to bring their copies of Annual Report to the meeting.
- 9 A member desirous of getting any further information on the accounts or operations of the Company, is requested to forward his / her queries to the Company at least five working days prior to the meeting, so that the required information will be made available at the meeting.
- 10 Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of directors seeking re-appointment at the Annual General Meeting, is separately annexed hereto.
- 11 **GREEN INITIATIVE:**

The Ministry of Corporate affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011 has allowed Companies to send Annual Report comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report and Explanatory Statement etc. through electronic mode to the registered email address of the members. Keeping in view the underlying theme and the circulars issued by MCA, 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 directors seeking re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to clause 49 of the listing agreement with the Stock exchanges)

Name of Director	Mr. C.D. Gopinath	Mr. Jagdish Dashora	Mr. Sudhir Doshi
Date of Birth	March 01, 1930	July 18, 1948	December 22, 1952.
Date of Initial Appointment	November 16, 1992	October 01, 1990	July 28, 2007
Qualification	B.Sc., M.A.	B.Sc., M.Com.	M.B.B.S.
Expertise	Having Extensive Knowledge and experience in Business and Corporate Management.	Expertise in Infrastructure development, Management and Corporate Affairs	Specialises in processing and mining business and Market Development
No. of Shares held in the Company	Nil	500	90501
Directorships held in other Companies	DFC Services P. Ltd.	- Alliance Infrastructure Ltd. - Ascent Leasing & Finance Co. Ltd. - Ethos Developers P. Ltd. - Milestone Entertainment & Developers P. Ltd. - Neuland Infrastructure P. Ltd. - Astrum Entertainment & Services P. Ltd. - Amulet Educational Training Services Ltd. - Sumal Finance & Investments P. Ltd	Mumal Granites Ltd Rajdarshan Ind. Ltd. Sumal Finance and Investments Pvt. Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	–	Audit Committee -Member Shareholders Transfer/ Grievance Committee - Member	Audit Committee - Member Shareholders Transfer/ Grievance Committee- Member
Chairman/Member of the Committee of the Board of Directors of other Companies	DFC Services P. Ltd.	–	Rajdarshan Industries Ltd: Audit Committee- Chairman Shareholders/Investors Grievance Committee- Member



DIRECTORS' REPORT

The Directors have great pleasure in presenting the Twenty Third Annual Report together with the statement of Audited Accounts for the year ended March 31, 2012.

Financial Results

(Rupees in Million)

Details	Year ended 31.03.2012	Year ended 31.03.2011
Net sales and other income	635.29	659.26
Profit before Finance Costs & Depreciation	75.76	61.52
Finance Costs	7.74	10.98
Depreciation	42.08	45.35
Profit before Exceptional Items and Tax	25.94	5.19
Exceptional Items	30.60	0.00
Profit before tax	56.54	5.19
Provision for taxation:		
Current Tax	5.22	0.91
Deferred Tax	5.22	(6.14)
Profit after tax	46.10	10.42
Surplus brought forward from previous year	469.78	469.80
Total	515.88	480.22
Proposed Dividend (10%)	8.95	8.95
Tax on proposed dividend	1.45	1.49
Transfer to general reserve	10.00	0.00
Surplus in Profit & Loss Account	495.48	469.78

Performance Review

Net sales for the year 2011-2012 decreased marginally by around 3.74 % to Rs.627.50 million from Rs.651.88 million in the previous year. Profit before Exceptional Items and Tax stood at Rs.25.94 million as against Rs.5.19 in 10-11, thus substantial increase of four times over last year. Net Profit after Tax of Rs.46.10 million includes exceptional Items amounting to Rs.30.60 million.

Dividend

The Board of Directors have pleasure in recommending a dividend of Re. 1 per share on 8947000 Equity Shares of Rs.10 each for the year ended March 31, 2012. The dividend, if approved by the shareholders, would involve an total outflow of Rs. 10.40 million including dividend tax of Rs.1.45 million. Dividend will be paid to those shareholders whose name appear in the register of members of the Company on September 22, 2012 and to the beneficial holders as on September 16, 2012.

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

Finance

The Company has not availed any additional Loan during the year under review,

Directors Responsibility Statement

The Directors hereby confirm that:

- in preparation of the Annual accounts for the financial year 2011-12, applicable accounting standards have been followed and that there are no material departures;



- b) 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 a 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. C.D. Gopinath and Mr. Jagdish Dashora, directors retire by rotation and being eligible offers themselves for re-appointment.

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

Auditors

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

Energy, Technology and Foreign Exchange

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

Particulars of Employees

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

The Company 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, August 11, 2012

C.D. Gopinath
Chairman

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, 2012

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 tiling plant. In addition to this the company is making continuous efforts to develop and absorb latest manufacturing and quality control facilities for maintaining high quality standards and consistency in its products to confirm with international specifications.

C Foreign Exchange Earning & Outgo and Export Activities

1. Exports

Exports during the year ended March 31, 2012 amounted to Rs.580.84 million against Rs.550.81 million for the year ended March 31, 2011, 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.558.59 million
(previous year Rs.507.02 million)
Outgo: Rs. 83.13 million
(previous year Rs.117.86 million)

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

Udaipur, August 11, 2012

C.D. Gopinath
Chairman



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.185.32 million as against Rs.203.67 million in the previous year, a decline of 9.00 %. The production during the year was at 143668.541 sq meters as compared to 216349.499 sq. meters of previous year.

The turnover from the Slab business was at Rs.412.29 million as against Rs.383.65 million in the previous year, an increase of 7.47 %. The production during the year was at 162856.433 sq meters as compared to 202782.668 sq. meters of previous year.

- **Windmills**

The production during the year was 4249178 units as against 4098902 units in the previous year. Out of current years' production 1484742 (previous year 1355219) units were sold to TNEB after utilizing 2764436 (2743683) units by granite division.

- **Realty**

During the year, the Company completed first phase of Udaipur Project which is covering 291282 sq. feet of the saleable area. Out of this 106397 sq. ft. area is already converted and remaining will be converted soon.

Outlook

- **Granite Business**

The main problem faced by the Company and Granite industry is availability of premium quality blocks. Main reason being that export of good quality granite block is increasing due to fall in value of Indian rupees and we could get mostly second choice blocks resulting into low realization. There is also steep increase of raw material prices due to the shortage of good material.

The Company is continuing to import rough granite blocks from Africa and Norway to meet its requirement of the supply of raw materials which is resulting in high cost incurred for procuring raw material.

The company will also have to bear high cost of power as there is a shortage of power in Tamil Nadu which will enhance the use of generators.

- **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 glut is likely to extend into 2013 as steady streams of new developments are launched on the market.

The Company has identified its parcel of land for residential segment at Udaipur and Jaipur which will be carried out under a joint development agreement with the land owners. The master planning for the project



is complete. The management is of the opinion that looking to the slowdown in construction activity for the time being the company will initiate design development and approvals in the current financial year and will launch when the market improves.

Financial Performance Review & Analysis:

(Rupees in Millions)

Details	Year ended		% of Change
	2012	2011	
Total Income	635.29	659.26	(3.64)
Total Expenditure	559.53	597.74	(6.39)
Profit Before Finance Costs & Depreciation	75.76	61.52	23.15
Finance Costs	7.74	10.98	(29.45)
Depreciation	42.08	45.35	(7.21)
Profit Before Exceptional Item & Tax	25.94	5.19	399.81
Exceptional Item	30.60	0.00	–
Profit before Tax	56.54	5.19	989.41
Tax Expense	10.44	(5.23)	99.62
Profit After Tax	46.10	10.42	342.42

- Turnover achieved by the Company for the Year ended 31.03.2012 is Rs.627.50 million compared to the previous year turnover of Rs.651.88 million, a marginal decrease of 3.74%.
- Total Turnover includes 95.05% contribution from Granite Business.
- Company has achieved Operating Profit at 11.86% of total sales as a result of better operating efficiencies and cost cutting measures adopted.
- Finance Costs declined by 29.45% due to repayment of Loan by the Company amounting to Rs.1.35 million
- Net Profit after Tax grew to Rs.46.10 million as against Rs.10.42 million in 10-11
- Exceptional Items include sale on account of Fixed Assets of Marble Division amounting to Rs.306.05 Lacs
- Earning Per Share was Rs.5.15 for the year under review against Rs.1.16 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 has improved substantially as compared to previous year. 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

The Company 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 Stakeholders. 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

The Company's Board of Directors headed by its Non executive Independent Chairman Mr. C.D. Gopinath comprises of six other directors, out of which two are executive, one non executive and three Non- executive Independent Directors.

Directors on the Board are accomplished professionals in Corporate Management, Taxation, Finance, Legal and other academic fields.

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 Five times during the year 2011-12 with a clearly defined agenda for each meeting.

The dates on which the five board meetings were held are :May 13, 2011, August 06, 2011, September 28, 2011 November 15, 2011, February 11, 2012.

Information regarding Composition, Attendance at the Board Meetings and the last Annual General Meeting, Outside directorships / Committee memberships held by the Directors of the Company is tabulated hereunder:

Name of the Director	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM	Directorship(s) in other Companies	Chairmanship(s)/ Memberships Committees of others Companies	
					As Chairman	As Member
Mr. C. D. Gopinath	Non-executive Independent	2	Yes	1	1	–
Mr. Ashok Doshi	Managing Director	4	Yes	6	–	–
Mr. Sudhir Doshi	Whole Time Director	5	Yes	3	–	2
Mr. Ravi Kumar Krishnamurthi	Non-Executive Independent	4	No	3	1	3
Mr. Prakash Kumar Verdia	Non-Executive Independent	4	Yes	–	–	–
Mr. Roshan Lal Nagar	Non-Executive Independant	4	Yes	1	–	–
Mr. Jagdish Dashora	Non - Executive	–	No	8	–	–

Mr. Ashok Doshi and Mr. Sudhir Doshi are relatives within the meaning of Section 6(c) of the Companies Act, 1956.



Availability of information to the members of the Board

Board reviews Company's performance, operating plans, long-term plans, business initiatives and other related matters.

Further the information periodically placed before the Board whenever applicable and materially significant includes;

- (a) Quarterly / Half yearly Annual results of the Company.
- (b) Minutes of meetings of Committees of the Board.
- (c) Details of Investor grievances received and resolved.
- (d) Transactions with related parties.
- (e) Sale of material nature, of investment, subsidiaries, assets, which is not in normal course of business.
- (f) Other matters as set out in the Listing agreement.

Committees of the Board

a) Audit Committee

i) Composition , Meeting and Attendance

The committee comprises of Non- Executive and Independent Directors having expertise in the field of Finance and accounts. Audit Committee met four times during the year under review on May 13, 2011, August 06, 2011, November 14, 2011 and February 11, 2012

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	4
Mr. Prakash Kumar Verdia	Member	4	4
Mr. Jagdish Dashora	Member	4	-
Mr. Sudhir Doshi	Member	4	4

ii) Terms of reference to the audit committee are as follows

- (a) 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.
- (b) Recommending the appointment, reappointment and if, required, replacement or removal of the statutory auditors, tax auditors and internal auditors of the Company and fixation of audit fees.
- (c) Reviewing, with the management, the annual / half yearly / quarterly financial statements before submission to the board for approval.
- (d) Reviewing the internal audit reports and follow up thereon.
- (e) Discussion with Statutory auditors about the nature and scope of audit as well post-audit discussion to ascertain any are of concern
- (f) Other matters as set out in the Listing agreement

b) Share Holders Transfer/ Grievance Committee

i) Composition, Meeting & Attendance

The Board of Directors of the Company has constituted Share Holders Transfer/Grievance Committee which reviews in consultation with our Registrar and Share Transfer Agents Ankit Consultancy P. Ltd., matters related to Transfer of 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.



The Committee met five times during the year under review on April 30, 2011, July 30, 2011, September 14, 2011, October 15, 2011 and January 23, 2012

The presence of the Members at the aforesaid 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	5
Mr. Jagdish Dashora	Member	5	5
Mr. Sudhir Doshi	Member	5	5

REMUNERATION COMMITTEE

In compliance with the non-mandatory requirement of Clause 49 of the listing agreement and pursuant to the provisions of Schedule XII of the Companies Act, 1956, the Company constituted a Remuneration committee. The committee comprises of independent directors.

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

During the year one Committee Meeting was held which was attended by all the members

Agreements with Directors

An agreement was entered into with Mr. Ashok Doshi as Managing Director for a period from 01st May 2010 valid till 30th April 2015. The shareholders at the Twenty First Annual General Meeting held on 25th September, 2010 approved the re-appointment of Mr. Ashok Doshi.

Mr. Sudhir Doshi, was appointed as Whole Time Director of the Company for a period of five years w.e.f July 28, 2007, and his appointment as Whole Time Director was approved by shareholders at the Annual General Meeting held on September 22, 2007. Resolution and Explanatory Statement seeking members approval for reappointment of Mr. Sudhir Doshi for a further period for five years w.e.f. July 28, 2012 forms part of notice of this Annual General Meeting.

Mr. Ashok Doshi, Managing Director and Mr. Sudhir Doshi, Whole Time Director are being paid remuneration within the limits stipulated by Schedule XIII to the Companies Act, 1956.

Details of remuneration to Managing Director and Whole Time Director

Name of the Director	Salary and Bonus (Rs.)	Contribution to Provident Fund (Rs.)	Perquisites / other benefits (Rs.)	Commission Payable (Rs.)	Total (Rs.)
Ashok Doshi	2808000	259200	167512	–	3234712
Sudhir Doshi	1039968	115200	–	–	1155168



Remuneration to Non- Executive Directors

Detail of Sitting Fees paid to Non-Executive directors during the year 2011-12 is given below:

Name of the Director	Sitting Fees (Rs.)	Commission Payable (Rs.)	Total (Rs.)
Mr. C.D. Gopinath	20000	–	20000
Mr. Ravi Kumar Krishnamurthi	40000	–	40000
Mr. Prakash Kumar Verdia	20000	–	20000
Mr. Roshan Lal Nagar	20000	–	20000
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 attached and forms part of the Annual Report.

Details of last three Annual General Meetings

Year	Date & Time	Venue
2010-11	28.09.11 & 5.00 p.m.	Hotel Rajdarshan, Pannadhay Marg, Udaipur 313 004
2009-10	25.09.10 & 4.15 p.m.	Hotel Rajdarshan, Pannadhay Marg, Udaipur 313 004
2008-09	26.09.09 & 4.15 p.m.	At old Regd. Office located at NH. 8, Amberi, Udaipur 313 004

Special Resolutions passed in the last three AGMs.

2010-11

None

2009-10

Re-appointment of Mr. Ashok Doshi as Managing Director

Appointment of Mrs. Riddhima Doshi as Deputy Manager Finance

2008-09

Appointment of Mr. Madhav Doshi as Manager Exports

Code for prevention of Insider Trading Practices

The Company has also adopted a code of internal procedure and conduct for prevention of insider trading in the shares of the Company, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2002.

Postal Ballot

No resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.

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, 2012.

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.
- The Management Discussion and Analysis Report forms part of the Annual Report



General Shareholder Information

1. Annual General Meeting

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

Day	Saturday
Date	September, 22, 2012
Time	10.30 a.m.
Venue	Hotel Rajdarshan, Pannadhay Marg, Udaipur - 313001

2. Book closure

The dates of Book Closure are from the 16th day of September, 2012 to the 22nd day of September, 2012, inclusive of both days.

3. Dividend Payment Date

Dividend if declared at the Annual General Meeting is proposed to be paid on or after September 29, 2012

4. Dividend declared in earlier years

2004 - 2005	:	30% Rs.3.00 per share
2005 - 2006	:	10% Rs.1.00 per share
2006 - 2007	:	20% Rs.2.00 per share
2007 - 2008	:	10% Rs.1.00 per share
2008 - 2009	:	10% Rs.1.00 per share
2009 - 2010	:	10% Rs.1.00 per share
2010 - 2011	:	10% Rs.1.00 per share

5. Financial Calendar

Quarter ended	:	Reported on
30th June 2012	:	11th August, 2012
Quarter ending	:	On or before
30th Sept. 2012	:	15th November, 2012
Quarter ending	:	On or before
31st Dec. 2012	:	15th February, 2013
Quarter ending	:	On or before
31st March 2013	:	15th May, 2013, or on or before 30th June 2013

6. Registered Office

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

7. Factory Location

Granite Division

Village Thoppur, Distt. Dharmapuri (TN).

8. Listing and Stock Code

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 2012-2013 to NSE and BSE has been paid.

ISIN No	INE925C01016
Stock Exchange	Code
Bombay Stock Exchange Code	515093
National Stock Exchange Code	MADHAV



9. Addresses of Stock Exchanges

1. Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai 400001
Phone: 022-2272 1233 / 34 Fax: 022-2272 2061.
Web: www.bseindia.com
2. National Stock Exchange of India Limited (NSE)
"Exchange Plaza", Plot No. C/1, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Phone: 022-2659 8100 - 8114 Fax: 022-2659 8237.
Web: www.nseindia.com

10. Depositories

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.nsdl.co.in

The Central Depository Services (India) Limited (CDSL)
17th Floor, P J Towers, Dalal Street
Mumbai 400 001
Phone: 022-2272 3333 Fax: 022-2272 2072 / 3199
Web: www.cdslindia.com

11. Address of Registrar of Companies

The Registrar of Companies, Rajasthan
Near 22 Godam Over Bridge
6-7, Corporate Bhawan
Residency Area, J.L. Bajaj Marg
Jaipur

12. Share Transfer Agent & Depository Registrar

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

13. Compliance Officer

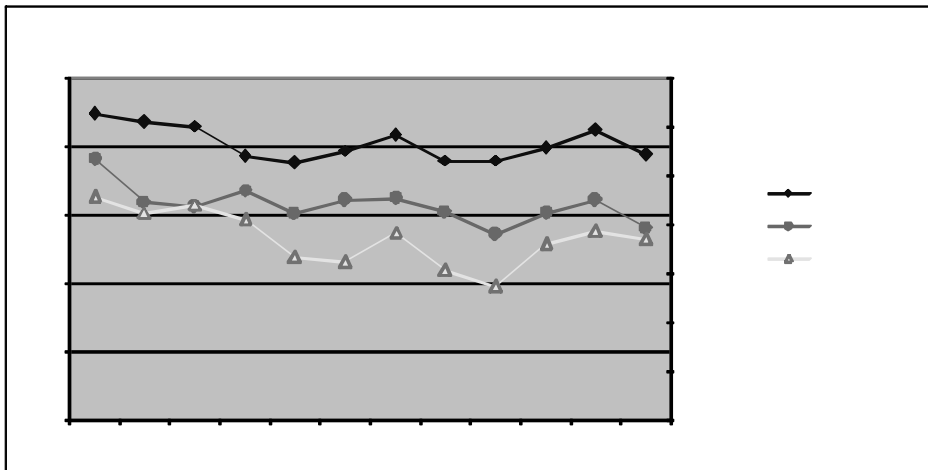
Ms. Priyanka Manawat, Company Secretary
11-A , Charak Marg, Ambamata Scheme, Udaipur – 313001 (Raj.)
Phone: (0294) 2430200, Fax: (0294) 2430400



14. Share Price Data:

The monthly high and low quotations and volume of shares traded on Bombay Stock Exchange Ltd (BSE), and National Stock Exchange of India (NSE) during the year 2011-12, is given below along with graph showing share price movement with BSE Sensex.

Months	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume of shares traded	High (Rs.)	Low (Rs.)	Volume of shares traded
Apr-11	22.35	19.05	51511	22.75	19.15	26765
May-11	21.75	16.00	56819	21.60	16.90	50669
Jun-11	21.50	15.60	67002	19.50	16.00	80659
Jul-11	19.30	16.85	49681	19.50	16.00	49811
Aug-11	18.80	15.20	46652	18.90	15.90	49243
Sep-11	19.70	16.10	27226	19.60	16.10	26503
Oct-11	20.85	16.20	36593	19.95	16.00	18099
Nov-11	19.00	15.30	39248	21.90	15.10	23660
Dec-11	19.00	13.55	151727	17.75	14.30	8430
Jan-12	19.90	15.10	25874	19.70	15.35	16748
Feb-12	21.15	16.10	66964	21.90	16.60	50464
Mar-12	19.40	14.10	124034	19.40	15.25	17409



15. Share Transfer System

All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under clause 47(c) of the listing agreement, and files a copy of the same with the Stock Exchanges.

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

16. Dematerialization of Shares

The Company's shares are available for Demat trading with both the depositories i.e. CDSL and NSDL. As on March 31, 2012, 93.55% equity shares of the Company stood dematerialized.

17. Consolidation of folios

Shareholders holding shares in their individual name or jointly with other person(s) in more than one folio may please write to the Share Transfer Agents to consolidate under one folio. Consolidation helps the shareholders to monitor holdings effectively.

**18. Nomination facility**

Shareholders desirous of submitting/ changing nomination in respect of their shareholdings in the Company may please write Company's Registrar and Share Transfer Agents.

19. Unpaid / 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 Companies Act, 1956, the Company is required to transfer the unpaid dividend, remaining unclaimed and unpaid for a period of 7 years' from the date of transfer to the unpaid dividend account, to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Unclaimed/Unpaid dividend for the year ended March 31, 2005 is due for transfer to IEPF in the month of December 2012. 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.

20. Investors' Grievances received during the year and attended to:

Nature of Grievances	2011- 2012	
	Received	Cleared
Relating to Transfer, Transmission, Dividend, etc.	15	15

21. Distribution of Shareholding as on March 31, 2012.

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
0-100	5456	58.84	463149	5.17
101-2000	1203	12.97	225896	2.52
201-3000	496	5.35	138650	1.55
301-4000	249	2.68	95349	1.07
401-5000	721	7.77	357442	4.00
501-10000	550	5.93	449641	5.03
1001-2000	263	2.84	395485	4.42
2001-3000	106	1.14	268615	3.00
3001-4000	54	0.58	192175	2.15
4001-5000	42	0.45	198896	2.22
5001-10000	61	0.66	458258	5.12
10001 above	73	0.79	5703444	63.75
Total	9274	100	8947000	100.00

22. Shareholding Pattern as on March 31, 2012

Category of Shareholder	Number of Shareholders	Number of Shares	Percentage of Shares
A. Promoter & Promoter Group			
Indian	25	3565071	39.85
Foreign	-	-	-
B. Public Shareholding			
Mutual Funds/UTI	4	9500	0.11
Financial Institutions / Banks	1	500	0.01
Insurance Companies	1	360425	4.03
Foreign Institutional Investors	2	2300	0.02
Bodies Corporate	210	428757	4.78
Individual Shareholders	8696	4301300	48.08
NRIs & OCBs	324	278008	3.11
Clearing Member	11	1139	0.01
Total	9274	8947000	100.00



23. 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.

24. Reconciliation of Share Capital Audit

Jain Gupta & Co. Practicing Company Secretaries, 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.

25. 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) Shareholders Right: The quarterly financial results are published in the newspapers, and also displayed on the web site of the Company.
- (c) Remuneration committee: The Company has duly constituted a remuneration committee. The remuneration payable to Mr. Ashok Doshi, Managing Director and Mr. Sudhir Doshi, Whole Time Director is fixed by the Board on recommendation of Remuneration Committee and approved by the shareholders.

Other Matters

No loans are advanced to any of the Directors of the Company.

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.

The Company has not defaulted on any loan re-payment, interest payment and statutory tax or levy.

**Code of Conduct
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, 2012.

Udaipur, August 11, 2012

Ashok Doshi
Managing Director



General Guidelines to Members / Investors

- 1 Please buy or sell the shares through an authorised broker registered with SEBI. His stamp with SEBI registration no. must appear on the reverse of the Transfer Deed.
- 2 The transfer deed must be filled in legibly and completely, preferably in block letters. The address should contain PIN Code No.
- 3 Please always hold the shares jointly and convert single holding to joint holding or file nomination.
- 4 If you have shareholding in the Company in more than one folio in the same name and order, please write to us along with your share certificate(s) to consolidate such holding in a single folio to avoid multiple communications from the Company and to reduce the risk of loss / fraudulent interception of share certificates / dividend warrants and other documents.
- 5 You may preserve photocopies of all documents, correspondences lodged with the Company, including share certificates, transfer deeds, etc.
- 6 Buyer of the shares should furnish a copy of their PAN Card to the Company/RTA'S for registration of transfer of shares in physical form.
- 7 Your Signature on the transfer deed, as a seller should match with the Specimen Signature registered with the Company.
- 8 If there is change of name please write to the Company with a copy of the Marriage Certificate or a copy of the Gazette Notification with new signatures, duly attested by a Notary.
- 9 Please sign the transfer deeds only at the time of selling and after the deed(s) is / are filled in with necessary details.
- 10 In case of share certificates lost / stolen / misplaced / mutilated / torn / destroyed by natural effects, intimate the Company immediately along with necessary proof, for necessary action.
- 11 To prevent fraudulent encashment of Dividend Warrant(s), please give your bank account details for incorporation in the Dividend Warrant(s).
- 12 Always quote your Folio No. in all your correspondence and also in legible form, relating to your holdings.
- 13 Whenever there is a change in address or change in Bank details, please write to the Company giving complete address with PIN Code No. (Applicable only for Shares held in physical form). For shares held in dematerialized form, get the information updated with Depository Participant (DP).
- 14 SEBI has made trading in the shares of the Company compulsory in dematerialized form for all investors with effect from 2nd April 2001. Shareholders are requested to open an account with Depository Participants and get their shares demated, if not done so far.
- 15 Investors holding shares in electronic form are requested to deal only with their depository participants in respect of change of address, nomination facility and furnishing bank account number, etc.
- 16 The Officials of the Share Transfer Agents may be contacted on Telephone Nos. 0731-3198601-02, 2551745-46 and Fax No. 0731-4065798 with all matters related to shares of the Company.
- 17 The Compliance Officer may be contacted on Telephone Nos. 0294-2430200 and Fax No. 0294-2430400, with details of queries/ requests, if any.



Auditors' Certificate regarding Compliance on Corporate Governance

To
The Members of
Madhav Marbles and Granites Limited
Udaipur

We have examined the compliance of conditions of Corporate Governance by Madhav Marbles and Granites Limited, ("the Company") for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing agreement of the said Company with Stock Exchanges (hereinafter referred to as 'the agreement').

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 statement 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 in all material aspects.

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

SURESH NYATI
Partner
Membership No. 70742

Udaipur, August 11, 2012



Auditors' Report

To
The Members of
Madhav Marbles and Granites Limited

1. We have audited the attached Balance Sheet of MADHAV MARBLES AND GRANITES LIMITED as at March 31, 2012 and the related Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standard in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004, together the Order issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 of the Company;
 - 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 sub-section (3C) of section 211 of the Act;
 - e) On the basis of the written representations received from the directors as on March 31, 2012, and taken on record by the Board of directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Clause (g) of sub-section (1) of section 274 of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statement together with the notes thereon and attached thereto give in the prescribed information required by the Act and give a true and fair view in conformity with accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2012;
 - ii) in the case of the Statement of Profit and Loss of the profit of the company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

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

(SURESH NYATI)
PARTNER
Membership No. 70742

Udaipur, August 11, 2012



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 explanations given to us the fixed assets disposed off during the year do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (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) (a) The Company has not granted any loans to the Companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956, accordingly clause (iii)b, (iii)c (iii)c and (iii)d of the order is not applicable.
- (b) The Company has taken unsecured loans from two Companies and one other party covered in the register maintained under Section 301 of the Act, aggregating to Rs. 95 lacs at beginning of the year. Fresh loans taken and repaid during the year Rs. NIL, and the balance at the end of the year aggregating to Rs.95 lacs..
- (c) In our opinion and according to the information and explanations provided to us the rate of interest and other terms and conditions of the said loans are not, prima facie, prejudicial to the interest of the Company.
- (d) In respect of the aforesaid loans, the company is regular in paying interest. The loans taken are repayable on demand. As informed, the lenders have not demanded repayment of any such loan during the year, thus there is no default on the part of 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 account 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 explanations provided to us, the Company is generally regular in depositing with appropriate authorities undisputed amount of 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.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Wealth-tax, Sales tax, Service tax & 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, 2012 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 Reversal of Impairment of Assets	69.11	2005-06	Commissioner of Income Tax
Central Excise Tax, 1944	Central Excise Duty Payable	0.50	2003-04	Custom Excise Service Tax Appellate Tribunal

- (X) The Company has no accumulated losses at the end of the 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/societies 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 loans 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

SURESH NYATI
Partner
Membership No. 70742

Udaipur, August 11, 2012



BALANCE SHEET AS AT MARCH 31, 2012

		(Rupees)	
Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	'3'	89470000	89470000
b) Reserves and Surplus	'4'	<u>900236957</u>	<u>864534309</u>
		<u>989706957</u>	<u>954004309</u>
2. Non-Current Liabilities			
a) Long Term Borrowings	'5'	10000000	23513664
b) Deferred Tax Liabilities (Net)	'6'	53472855	48254968
c) Other Long Term Liabilities	'7'	28496084	28967705
d) Long-Term Provisions	'8'	<u>5359808</u>	<u>4596183</u>
		<u>97328747</u>	<u>105332520</u>
3 Current Liabilities			
a) Short Term Borrowings	'9'	12677500	34885000
b) Trade Payables	'10'	41845626	66280250
c) Other Current Liabilities	'11'	12602015	66418557
d) Short Term Provisions	'12'	<u>17028308</u>	<u>19491867</u>
		<u>84153449</u>	<u>187075674</u>
Total		<u>1171189153</u>	<u>1246412503</u>
II ASSETS			
1. Non Current Assets			
a) Fixed Assets	'13'		
i) Tangible Assets		295008923	336080634
ii) Intangible Assets		-	-
iii) Capital Work in Progress		305170	740246
iv) Intangible Assets under Development		-	-
b) Non-Current Investments		-	-
c) Long Term Loans and Advances	'14'	244343136	252697649
d) Other Non Current Assets	'15'	<u>5261953</u>	<u>9703154</u>
		<u>544919182</u>	<u>599221683</u>
2. Current Assets			
a) Current Investments		-	-
b) Inventories	'16'	244807236	275866681
c) Trade Receivables	'17'	261129196	269252388
d) Cash and Cash Equivalents	'18'	91836918	59724056
e) Short Term Loans and Advances	'19'	27357926	40388575
f) Other Current Assets	'20'	<u>1138695</u>	<u>1959120</u>
		<u>626269971</u>	<u>647190820</u>
Total		<u>1171189153</u>	<u>1246412503</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, August 11, 2012

Ashok Doshi
Managing Director

Sudhir Doshi
Whole Time Director

Priyanka Manawat
Company Secretary



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012

		(Rupees)	
Particulars	Note No.	For the Year ended 31.03.2012	For the Year ended 31.03.2011
I Revenue from operations(Gross)	'21'	628730217	656755167
Less: Excise Duty		1229512	4879854
Revenue from Operations (Net)		627500705	651875313
II Other Income	'22'	7788347	7380805
III Total Revenue (I + II)		635289052	659256118
IV Expenses			
Cost of materials consumed	'23'	266309713	303665776
Purchase of stock in trade	'24'	7590131	38537400
Changes in inventories of Finished goods,	'25'	20840959	(4557659)
Work in Progress & Stock in trade			
Cost of Sales (Realty)	'26'	3513287	-
Employee Benefits Expenses	'27'	40550998	51002630
Finance Costs	'28'	7747124	10980497
Depreciation	'13'	42079383	45354087
Other Expenses	'29'	220725615	209087276
Total Expenses		609357210	654070007
V Profit/(Loss) before exceptional items & taxes (III-IV)		25931842	5186111
VI Exceptional Items	'30'	30604872	-
VII Profit/(Loss) before Taxes (V-VI)		56536714	5186111
VIII Tax expenses			
(a) Current Tax		9153170	909622
(b) Less: MAT Credit Entitlement		3908923	-
(c) Less: Provision no longer required		26494	-
Net Current Tax Expense		5217753	909622
(d) Deferred Tax		5217887	(6140180)
		10435640	(5230558)
IX Profit/(Loss) for the year from (VII-VIII)		46101074	10416669
X Earnings per equity share (Face Value of Rs. 10 per share)			
(1) Basic		5.15	1.16
(2) Diluted		5.15	1.16

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, August 11, 2012

Ashok Doshi
Managing DirectorSudhir Doshi
Whole Time DirectorPriyanka Manawat
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	(Rupees)	
	As at 31.03.2012	As at 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / Loss Before Tax and Extra-ordinary items adjusted for	56536714	5186111
Depreciation and amortisation	42079383	45354087
(Profit) / Loss on sale of Fixed Assets	(30475862)	(113491)
Interest Paid	7747124	10980497
Bad Debts written off	32149340	440640
Deferred revenue Expenditure	820425	714335
Other Income	(7654126)	(7480537)
Operating Profit Before Working Capital Changes	101202998	55081642
Adjustments for (Increase)/ Decrease in Operating Assets:		
Inventories	31059445	(31040931)
Trade Receivables & Loans and Advances *	3564451	92814743
Liabilities and Provisions *	(90869423)	78163186
Cash Generated from Operation	44957470	195018640
Direct Taxes Paid / Tax Deducted at Source	(945590)	(4308473)
Cash Flow Before Extra-Ordinary Items	44011880	190710167
Prior Period Adjustment	-	(297767)
Net Cash Flow From Operating Activities (A)	44011880	190412400
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & Capital W.I.P.	(12412120)	(17734057)
Deposit with Companies and others	-	8100805
Sale of Fixed Assets	42319048	495962
Other Income	7654126	7480537
Investment	-	-
Net Cash Used in Investing Activities (B)	37561054	(1656753)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings / Repayments	(57928664)	(107934863)
Repayment to / Proceeds from Banks	22207500	(45638847)
Dividend Payout	(8947000)	(8947000)
Interest Paid	(7747124)	(10980497)
Tax on Dividend	(1485985)	(1485985)
Net Cash Flow from/ (Used) in Financing Activities (C)	(53901273)	(174987192)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	27671661	13768455
CASH AND CASH EQUIVALENTS - OPENING BALANCE	69427210	55658755
CASH AND CASH EQUIVALENTS - CLOSING BALANCE**	97098871	69427210



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

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 31.03.2012	For theYear ended 31.03.2011
a) Cash and Cash Equivalents disclosed under current assets [Note No.18]	91836918	59724056
b) Cash and Cash Equivalents disclosed under non-current assets [Note No.15]	5261953	9703154
Total cash and cash equivalents as per cash flow statement	97098871	69427210

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

SURESH NYATI

Partner, Membership No. 70742

Udaipur, August 11, 2012

For and on behalf of the Board of Directors

Ashok Doshi
Managing Director

Sudhir Doshi
Whole Time Director

Priyanka Manawat
Company Secretary



NOTES forming part of the financial statements for the year ended March 31, 2012

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 realty business. The Granite division is situated in Tamil Nadu and Marble / Realty business is carried at Udaipur.

The company had sold the assets of Marble unit in the Financial year 2010-11 and during the Financial year 2011-12 the possession was handed over and execution of sale deed was done of the Marble unit situated at Udaipur. [Refer note no. 48]

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 realisation 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/materializes.

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.

**NOTES forming part of the financial statements for the year ended March 31, 2012****2.5 Depreciation**

Depreciation is provided on straight line method in accordance with the provisions of sec. 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.

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 realisable 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 Realisable Value.

2.8 Revenue Recognition

- 1) Sales of goods are recognized on despatch 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 Profit and Loss Account 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, 2012

2.11 Taxes 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.

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.

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

**NOTES forming part of the financial statements for the year ended March 31, 2012****(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 profit and Loss Account 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 Profit and Loss Account.

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

2.18 Miscellaneous Expenditure

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



NOTES forming part of the financial statements for the year ended March 31, 2012

	(Rupees)	
	As at 31.03.2012	As at 31.03.2011

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
	97500000	97500000

(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
	89470000	89470000

(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	8947000	8947000

(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 31.03.2012		As at 31.03.2011	
	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	528900	5.91	528900	5.91



NOTES forming part of the financial statements for the year ended March 31, 2012

	(Rupees)	
	As at 31.03.2012	As at 31.03.2011
4. RESERVES & SURPLUS		
(a) Genral Reserve :		
Opening Balance	394755297	394755297
Add: Transferred from Surplus in Statement of Profit & Loss	<u>1000000</u>	—
Closing Balance (i)	<u>404755297</u>	<u>394755297</u>
(b) Surplus in Statement of Profit and Loss		
Opening Balance	469779012	469795328
Add: Net Profit for the year	<u>46101074</u>	<u>10416669</u>
	515880087	480211997
Less: Proposed Dividend	8947000	8947000
Dividend Distribution Tax	1451427	1485985
Transfer to General Reserve	<u>1000000</u>	—
	<u>20398427</u>	<u>10432985</u>
Closing Balance (ii)	<u>495481660</u>	<u>469779012</u>
Total (i) + (ii)	<u>900236957</u>	<u>864534309</u>
5. LONG TERM BORROWINGS:		
(a) Term Loan		
Secured		
From Banks		
Rupee Term Loan	—	8532858
Foreign Currency Loan	—	3480806
(b) Loans and advances from related parties		
Unsecured	<u>1000000</u>	<u>11500000</u>
	<u>1000000</u>	<u>23513664</u>
6. DEFERRED TAX LIABILITIES (NET):		
Deferred Tax Liabilities		
On account of timing difference in:		
Depreciation	48495856	53106285
Profit on sale of asset /mutual Fund	10416802	528909
Gross Deferred Tax Liability	<u>58912658</u>	<u>53635194</u>



NOTES forming part of the financial statements for the year ended March 31, 2012

	(Rupees)	
	As at 31.03.2012	As at 31.03.2011
Deferred Tax Asset		
On account of timing difference in:		
Provision for Gratuity & Leave Encashment	4367320	4307743
Others	1072483	1072483
Gross Deferred Tax Assets	<u>5439803</u>	<u>5380226</u>
Net Deferred Tax (Assets)/Liabilities	<u>53472855</u>	<u>48254968</u>
7. OTHER LONG TERM LIABILITIES:		
Trade Payables	5440869	5238940
Advance from Customers	7693215	7680265
Other Payables	15362000	16048500
	<u>28496084</u>	<u>28967705</u>
8. LONG TERM PROVISIONS:		
Provisions for employee benefits		
Provision for Leave encashment	3529205	3529205
Provision for Gratuity	1830603	1066978
	<u>5359808</u>	<u>4596183</u>
9. SHORT TERM BORROWINGS:		
From Bank		
Secured		
Working Capital Loan*	12677500	11050000
Foreign currency Loan	-	23835000
	<u>12677500</u>	<u>34885000*</u>
10. TRADE PAYABLES:		
Due to Micro and Small Enterprises*	594676	547850
Other than dues to Micro and Small Enterprises #	33865879	57301228
Acceptances	7385071	8431172
	<u>41845626</u>	<u>66280250</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, 2012

(Rupees)

	As at 31.03.2012	As at 31.03.2011
11. OTHER CURRENT LIABILITIES:		
Unclaimed Dividend	4042035	3910467
Other Payables		
Advance From Customers	6199848	59663543
Statutory dues including PF & TDS	1385690	1936714
Bonus Payable	974442	907833
	<u>12602015</u>	<u>66418557</u>
12. SHORT TERM PROVISIONS:		
Provision- Others:		
Provision for taxation	6629881	9058882
Provision for proposed dividend	8947000	8947000
Provision for dividend tax	1451427	1485985
	<u>17028308</u>	<u>19491867</u>

13. FIXED ASSETS

Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1/4/2011	Addition	Deduction/ Adjustment	As at 31/03/2012	As at 1/04/2011	For the Year	Deduction Adjustment	As at 31/03/2012	As at 31/03/2012	As at 31/03/2011
TANGIBLE ASSETS:										
Free hold land	8619425	-	1022704	7596721	-	-	-	-	7596721	8619425
Lease Hold Land	3791632	-	3791632	-	-	-	-	-	-	3791632
Building	126120997	46951	11914788	114253160	36681996	3815856	5611600	34886252	79366908	89439001
Plant & Machinery	473804985	9390059	99973855	383221189	351344816	28507713	99653938	280198591	103022598	122460169
Electrical Installation	42675426	592716	7720776	35547366	23266622	1661836	7720776	17207682	18339684	19408804
Factory Equipment	13148606	1836495	2010805	12974296	6132830	589432	1953120	4769142	8205154	7015776
Office Equipment	5161736	66222	-	5227958	3172102	330543	-	3502645	1725313	1989634
Furniture & Fittings	4642492	109950	-	4752442	2990952	298709	166667	3122995	1629447	1651540
Vehicles	9350159	760713	1147435	8963437	4922356	654451	799377	4777430	4186007	4427803
Miscellaneous Fixed Assets	123882	-	-	123882	56371	12809	-	69180	54702	67511
Computer	2016571	44090	-	2060661	536719	329545	163008	1029272	1031390	1479852
Site development	2882280	-	-	2882280	211415	46981	-	258396	2623884	2670865
Wind Mill	110445212	-	-	110445212	37386589	5831507	-	43218096	67227116	73058623
Total Tangible - Assets	802783403	12847196	127581995	688048604	466702768	42079383	116068485	393039681	295008923	336080634
Previous Year Total	767313143	38254840	2784580	802783403	429927046	45354087	2699876	472581257	336080634	



NOTES forming part of the financial statements for the year ended March 31, 2012

	(Rupees)	
	As at 31.03.2012	As at 31.03.2011
14. LONG TERM LOANS AND ADVANCES:		
(Unsecured , Considered Good Unless Otherwise Stated):		
(a) Security Deposits	10027760	8784989
(b) Other Loans & Advances		
Other Advances	15457047	16182048
Advance Tax & Tax deducted at source	9775420	14721268
Advance to suppliers	43464624	46011628
Project advances	165618285	166997716
	<u>244343136</u>	<u>252697649</u>
15. OTHER NON- CURRENT ASSETS:		
Balances with banks		
In Term Deposit	1662454	-
In Margin Money	3599499	9703154
	<u>5261953</u>	<u>9703154</u>
16. INVENTORIES :		
(At lower of cost and net realisable value)		
Raw Material	71019888	90065163
Work-in-progress	12855195	12595041
Finished Goods	82695460	103849585
Stock in Trade		
Real Estate	37067192	36806206
Goods	2042060	1989048
Stores & Spares	36286408	28483195
Packing Material	2841033	2078443
	<u>244807236</u>	<u>275866681</u>
17. TRADE RECEIVABLES:		
(Unsecured)		
Outstanding for a period exceeding six months from the date they were due for payment		
Considered good	102000460	160417546
Other Debts		
Considered good	159128736	108834842
	<u>261129196</u>	<u>269252388</u>
18. CASH AND BANK BALANCES :		
(a) Cash and Cash Equivalents :		
Cash on hand	557681	959195
Balances with banks:		
In Current accounts	19836120	22962385
In EEFC account	3145238	1187137
Stamps on hand	12900	12900
Total (a)	<u>23551939</u>	<u>25121617</u>



NOTES forming part of the financial statements for the year ended March 31, 2012

	(Rupees)	
	As at	As at
	31.03.2012	31.03.2011
(b) Other Bank Balances:		
Term Deposit with original maturity more than 3 months but less than 12 months	64231598	30680626
Earmarked balances with banks-Unpaid Dividend	4053381	3921813
Total (b)	68284989	34602439
Total (a+b)	91836918	59724056
19. SHORT TERM LOANS AND ADVANCES : (Unsecured , Considered Good Unless Otherwise Stated):		
Loans and advances to corporates	49234	49234
Loans and advances to employees	117520	269776
Prepaid Expenses	3630919	5197407
Balances with government authorities		
VAT/ CST Receivable	3359267	2553786
Service Tax credit receivable	1150587	370568
CENVAT Credit Receivable	134081	244047
Excise Duty Refundable	444955	224558
Others :		
Advance Tax & Tax deducted at source	1627208	4147540
Advance to suppliers	15420176	24490085
Other Advances	753618	2841574
Minimum Alternative Tax credit entitlement	670361	-
	27357926	40388575
20. OTHER CURRENT ASSETS:		
Share issue expenses	714335	1428670
Tamilnadu state electricity board development charges (To the extent not written off or adjusted)	424360	530450
	1138695	1959120
	For the	For the
	Year ended	Year Ended
	31.03.2012	31.03.2011
21. REVENUE FROM OPERATIONS:		
Sale of Products (Refer Note No. 41)	638749863	666990501
Less:- Inter divisional transfers	10978632	10468684
	627771231	656521817
Other operating revenues	958986	233350
	628730217	656755167
Less: Excise Duty	1229512	4879854
	627500705	651875313
22. OTHER INCOME:		
Interest income	2871403	2816118
Net Gain on Foreign Currency Transactions & Translations (Other than considered as finance cost)	3340767	2548225



NOTES forming part of the financial statements for the year ended March 31, 2012

	(Rupees)	
	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
Other non-operating income	1425951	2016462
Prior Period Items (Net) (Refer Note No. 33)	150226	-
	<u>7788347</u>	<u>7380805</u>
23. COST OF MATERIAL CONSUMED :		
Raw Material Consumed:		
Opening Stock	90065163	77070362
Purchases & expenses	226690667	295933376
	<u>316755830</u>	<u>373003738</u>
Less : Closing Stock	71019888	90065163
	<u>245735942</u>	<u>282938575</u>
Packing Material Consumed	20573771	20727201
	<u>266309713</u>	<u>303665776</u>
24. PURCHASE OF TRADED GOODS :		
Marble- Tiles/Slabs	242496	3561307
Granite -Tiles/Slabs	7347635	34476093
	<u>7590131</u>	<u>38537400</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	82695460	103849585
Work-in-progress	12855195	12595041
Goods for Trade	2042060	1989048
	<u>97592715</u>	<u>118433674</u>
<u>Inventories at the beginning of the year:</u>		
Finished Goods	103849585	101155014
Work-in-progress	12595041	10974276
Goods for Trade	1989048	1746725
	<u>118433674</u>	<u>113876015</u>
Net Increase/(Decrease)	<u>20840959</u>	<u>(4557659)</u>
26. COST OF SALES (REALTY)		
Purchases Land Value	-	-
Add : Cost of conversion, labour, material and other charges	3774273	15723721
Total Cost	<u>3774273</u>	<u>15723721</u>
Add : Opening Work in progress	36806206	21082485
Less: Closing Work in progress	37067192	36806206
Cost of sales	<u>3513287</u>	<u>-</u>
27. EMPLOYEES BENEFIT EXPENSES:		
Salary, Wages & Allowances	33151972	43367843
Staff welfare expenses	2531745	2683420



NOTES forming part of the financial statements for the year ended March 31, 2012

	(Rupees)	
	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
Contributions to provident and other funds	2883476	2987570
Gratuity	1983805	1963797
	<u>40550998</u>	<u>51002630</u>
28. FINANCE COSTS:		
Interest expenses on :		
(i) Borrowings		
Term Loan	22007	939418
Working Capital	6840481	9620749
(ii) Others	884636	420330
	<u>7747124</u>	<u>10980497</u>
29. OTHER EXPENSES:		
Stores & Spares Consumed	70744759	83577562
Power & Fuel	33013717	37364272
Repairs & Maintenance		
Building	1156720	685167
Plant & Machinery	16077156	17027691
Other Manufacturing Expenses	7027089	6379422
Printing & Stationary	469647	594624
Postage, Telegram, Telephone	1294887	1125822
Conveyance & vehicle running and maintenance	1708866	2029406
Travelling	3589990	5934594
Legal, Professional & Consultancy	1447987	920371
Remuneration to Directors	4136811	3796439
Auditors Remuneration	232000	220000
Deferred Revenue Expenditure W/Off	820425	714335
General Insurance	293451	330708
Selling expenses	40249369	40086427
Financial charges	3613213	4664202
Security expenses	514740	607459
Repairs & Maintenance (others)	9375	28575
Office Maintenance	110965	89201
Bad debts written off (net)	32151119	440640
Rates & taxes	647107	354317
Miscellaneous expenses	1287212	1947962
Loss on Sale of assets	129010	-
Net Loss on Foreign Currency Transactions & Translations (Other than considered as finance cost)	-	147953
Prior period expenses (Net) (Refer Note No. 33)	-	20127
	<u>220725615</u>	<u>209087276</u>
30. Exceptional Items		
Profit on sale of fixed assets (Refer Note No. 48)	30604872	-
	<u>30604872</u>	<u>-</u>



NOTES forming part of the financial statements for the year ended March 31, 2012

31. Contingent liabilities not provided for in respect of

(Rs. in lacs)			
Sr.No.	Particulars	As at	
		31.3.2012	31.3.2011
1.	Bills discounted with Bankers	196.61	624.89
2.	Bank Guarantee/ Letter of Credit issued by bank	40.75	242.86
3.	Income Tax Liability (including penalty) that may arise in respect of matters which are pending in appeal	69.11	124.39
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	
		31.3.2012	31.3.2011
1.	As Auditors- Statutory Audit	160000	160000
2.	For Taxation matters	20000	17500
3.	Other matters/ certification	52000	42500
4.	Reimbursement of out-of-pocket expenses	60146	769797
	Total	292146	289797

33. Prior Period adjustment represent:

Sr.No.	Particulars	For the Year Ended	
		31.3.2012	31.3.2011
1.	Debits relating to earlier year	(163008)	(40080)
2.	Credits relating to earlier year	313234	19953
	Total	150226	(20127)

34. Earning per Share:

Particulars	For the Year Ended	
	31.3.2012	31.3.2011
Net profit for the year after tax	46101074	10416669
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.)	5.15	1.16

35. Value of Imported / Indigenous Materials Consumed:

Particulars	For the year ended 31.3.2012		For the year ended 31.3.2011	
	%	Amount	%	Amount
	Raw Materials			
-Imported	16.97	41701390	9.40	26596226
-Indigenous	83.03	204034552	90.60	256342349
	100.00	245735942	100.00	282938575
Stores & Spares				
-Imported	49.99	35365983	49.46	41334585
-Indigenous	50.01	35378776	50.54	42242977
	100.00	70744759	100.00	83577562



NOTES forming part of the financial statements for the year ended March 31, 2012

Rupees

Particulars	For the year ended 31.3.2012	For the year ended 31.3.2011
36. Value of Import on CIF basis:		
Raw Material	20995071	44934098
Stores & Spares	51226516	47177791
Capital Goods	1494920	-
Traded Goods	-	11095991
Total	73716507	103207880
37. Expenditure in Foreign Currency:		
Travelling	876794	2570158
Selling commission	7577179	11248919
Other matters :	963642	831380
Total	9417615	14650457
38. Earning in Foreign exchange:		
On account of export calculated at FOB value (including third party exports Rs. 22244569/- previous year Rs. 43790369/-)	580839171	550808497
39. Remittance of Foreign Currency on account of dividends:		
No. of Share Holders	84	87
No of Shares	35400	37100
Gross Amount Rs.	35400	37100
Related To Year	2010-2011	2009-2010
40. Particulars in respect of Loans & Advances in the Nature of Loans as required by the Listing Agreement:		
Name of the Company	Balance as on 31.3.2012	Maximum outstanding during the year
Loans & Advances in the Nature of Loans where repayment schedule is not specified	49,234	49,234
41. Sales (Including Exports), Net of Excise Duty:		
Particulars	For the year ended 31.3.2012	For the year ended 31.3.2011
Sale of Product Comprises:		
Marble	17804045	65598027
Granite	596379501	582438257
Power	4490173	3605679
Property Development	7868000	-
Total (A)	626541719	651641963
Other Operating Revenue Comprises:		
Export Incentive	17784	233350
Sale of Scrap	941202	-
Total (B)	958986	233350
Total (A+B)	627500705	651875313



NOTES forming part of the financial statements for the year ended March 31, 2012

Rupees

Particulars	For the year ended 31.3.2012	For the year ended 31.3.2011
-------------	---------------------------------	---------------------------------

42. Closing Inventory**(i) Finished Goods -Own Production:**

Marble Tiles	–	8296652
Granite Tiles	21453901	31718087
Granite Slabs	61241559	63834846
Power Generation	–	–
Total	82695460	103849585

(ii) Traded Goods:

Marble Tiles / Slabs	–	146443
Granite Tiles / Slabs	1907383	351113
Others*	134677	1491492
Total	2042060	1989048

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

(iii) Work in Progress:

Marble Tiles / Slabs	Nil	2500000
Granite Tiles	4381860	2944083
Granite Slabs	8473335	7150958
Total	12855195	12595041

43. Raw Material Consumed:

Marble Blocks	17926545	15108465
Granite Blocks	227809397	267830110
Total	245735942	282938575

44. 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. C.D. Gopinath, Chairman
Mr. Ravi K. Krishnamurthi
Mr. Jagdish Dashora
Mr. Prakash Kumar Verdia
Mr. Roshan Lal Nagar

Managing Director

Mr. Ashok Doshi
Mrs. Aruna Doshi, Wife
Mr. Madhav Doshi, Son



NOTES forming part of the financial statements for the year ended March 31, 2012

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 2012, 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 31.03.2012
1.	Ashok Doshi	Managing Director	Remuneration	3234712	Nil
2.	Sudhir Doshi	Whole Time Director	Remuneration	1155168	Nil
3.	Madhav Doshi	Son of Mr. Ashok Doshi	Salary	752598	Nil
4.	Ridhimma Doshi	Daughter-in-law of Mr. Ashok Doshi	Salary	643520	Nil
5.	Mumal Doshi	Daughter of Mr. Ashok Doshi	Unsecured Loan	Nil	1500000
			Interest	162333	Nil

45. Segment reporting for the year ended 31.3.2012:

(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)



NOTES forming part of the financial statements for the year ended March 31, 2012

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

(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.

Segment Reporting for the year ended 31.3.2011

(a) Information about Primary Business Segments

Particulars	Wind Mill	Granite & Stone	Realty	Total
(i) Revenue				
Sales to external customers	3605679	645181755	–	648787434
Inter-segment revenue	10468684	–	–	10468684
Total Revenue	14074363	645181755	–	659256118



NOTES forming part of the financial statements for the year ended March 31, 2012

(ii) Result

Segment result				
Profit/ (Loss) before tax and Interest	5482867	7986747	–	13469614
Add: Un-allocated Income Net off				(119124)
Un-allocated Expenditure				
Operating Profit				13350492
Finance Costs				(10980497)
Interest Income				2816118
Profit before Exceptional Items and tax				5186111
Exceptional Items				–
Profit before tax				5186111
Taxation for the year (Including adjustments of Previous Years)				
Current Tax				(909622)
Deferred Tax				6140180
Profit/(Loss) after tax				10416669

(iii) Other Information

Segment Assets	81273825	1288206867	237080903	1606561595
Un-allocated Corporate assets				49234
Total Assets				1606610829
Segment Liabilities	56519241	467204251	3317738	527041229
Un-allocated Corporate Liabilities				95153632
Total Liabilities				622194862
Capital expenditure	–	38254840	–	38254840
Depreciation	5878488	39475598	–	45354086
Amortization & other non cash expenditure		714335		714335

(b) Information about Secondary Business Segments

Particulars	Wind Mill	Granite & Stone	Realty	Total
(i) Revenue				
Revenue by Geographical Segment				
(i) Segment-wise revenue				
Revenue from customers				
Outside India	–	544934974	–	544934974
Revenue from customers				
Within India	14074363	100246781	–	114321144
Total Revenue	14074363	645181755	–	659256118

(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.



NOTES forming part of the financial statements for the year ended March 31, 2012

(c) Notes

1. 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.
2. 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.
3. Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts on a reasonable basis.

46 Employee Benefits:

a) Defined benefit plan-As per Actuarial Valuation on 31st March, 2012

Particulars	31.3.2012	31.3.2011
I Amount recognized in the Profit and Loss Account		
Current Service Cost	431143	531416
Interest Cost	575957	827902
Expected Return on Plan Assets	(716049)	(794283)
Actuarial (gain)/Loss on Obligation	171839	843484
Expense/ (Income) recognized in Profit and Loss Account	462890	1408546
II Actual return on plan assets		
Expected Return on Plan Assets	716049	794283
Actuarial gain/ (loss) on Obligation	(171839)	(843484)
Actual Return on plan assets	544210	(49201)
III Amount recognized in the Balance Sheet		
Present value of Funded Obligation	7687197	7199463
Fair value of Plan Assets	9186552	8266441
Net Asset/ (Liability) recognized in Balance Sheet (Included under provision for employee benefits Refer Note '8')	(1499355)	(1066978)
IV Change in the present value of obligation		
Opening balance of present value of obligation	7199463	10348775
Interest cost	575957	827902
Current Service Cost	431143	531416
Benefits Paid	(691205)	(5352141)
Actuarial (gain)/ loss on Obligation	171839	843484
Closing Balance of present value of obligation	7687197	7199463



NOTES forming part of the financial statements for the year ended March 31, 2012

V Change in fair value of plan assets		
Opening balance of fair value of plan assets	8266441	9686038
Expected return on plan assets	716049	794283
Contributions	895267	3138261
Benefits Paid	(691205)	(5352141)
Actuarial Gain/ (Loss) on plan assets	NIL	NIL
Closing balance of fair value of plan assets	9186552	8266441

b) Actuarial Assumptions

Particulars	% per annum	
	31.03.2012	31.03.2011
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.

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

48. The Company has sold its assets of Marble unit situated Udaipur in pursuance of agreement to sale dated October 21st, 2010 comprising land, building, plant & machinery and related stores and spares at a consideration of Rs. 421 lacs after obtaining necessary permission / approval from statutory authorities. The sale deed is executed and possession of the assets sold has been given.

49. Previous year figures

The financial statements for the year ended 31 March 2011 had been prepared as per the, then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31 March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been re-classified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

50. Figures have been rounded off to nearest Rupees.

SIGNATURES TO THE NOTES '1' TO '50'

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

Suresh Nyati
Partner, Membership No. 70742

Udaipur, August 11, 2012

For and on behalf of the Board of Directors

Ashok Doshi
Managing Director

Sudhir Doshi
Whole Time Director

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 Third Annual General Meeting of the Members of the Company to be held on Saturday, September 22, 2012 at 10.30 a.m. at Hotel Rajdarshan, Pannadhay Marg, Udaipur-313001, (Raj.)

Full name of the Shareholder (in Block Letters) _____

Folio No. _____ / DP ID No.* _____ and Client ID No.* _____

*applicable for members holding shares in electronic form

No. of Shares held _____

Full Name of Proxy _____

Signature of Member / Proxy

Note: Member / Proxy attending the Meeting must fill in this attendance slip and hand it over at the entrance of the meeting hall.

cut here



Madhav Marbles and Granites Ltd.
Regd. Office: 11-A, Charak Marg, Ambamata Scheme, Udaipur – 313 001 (Raj.)

PROXY FORM

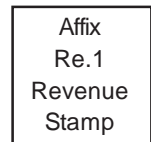
I/We _____ of _____ in the district of _____ being a Member/Members of the above named Company hereby appoint Mr./Ms. _____ of _____ in the district of _____ my/our proxy to vote for me/us on my/our behalf the Twenty Third Annual General Meeting of the Company to be held on Saturday, September 22 2012 at 10.30 a.m. or any adjournment thereof.

Folio No. _____ DP ID No.* _____ Client ID No.* _____

*applicable for members holding shares in electronic form

No. of Shares held _____

Signed this _____ day of _____ 2012



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.

Signature of shareholder