



MADHAV

Leaders in Quality

Twenty Fifth

ANNUAL REPORT
2013-2014

MADHAV MARBLES & GRANITES LIMITED



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FINANCIAL HIGHLIGHTS

(Rupees in millions)

Description	2009-2010	2010-2011	2011-2012	2012-2013	2013-14
For the Year					
Revenue from Operations (Net)	636.02	651.88	627.50	634.06	741.02
Profit Before Finance Costs and Depreciation	94.13	61.24	33.68	99.58	136.82
Profit Before Tax	34.38	5.19	25.94	50.39	82.18
Profit After Tax	33.64	10.42	46.10	31.30	60.37
Profit After Tax excluding Exceptional Item	33.64	10.42	15.50	50.39	60.37
At year End					
Net Fixed Assets	364.53	336.82	295.31	267.12	218.37
Share Capital	89.47	89.47	89.47	89.47	89.47
Reserves and Surplus	864.55	864.53	900.24	921.07	965.74
Miscellaneous Expenditure Written Off	2.14	1.43	0.71	0.32	0.21
Net Worth	951.88	952.57	989.00	1010.22	1055.00
Total Borrowings	211.97	58.40	22.68	0.02	0.00
Earning Per Share	3.60	1.16	5.15	3.50	6.75
% of Dividend	10	10	10	10	15
Dividend Per Share	1.00	1.00	1.00	1.00	1.50
Book Value Per Share	106.39	107.63	110.54	112.91	117.91
Return on Capital Employed	4.16	1.57	3.39	5.13	8.22



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ravi Kumar Krishnamurthi

Chairman and Independent Director

Mr. Ashok Doshi

Managing Director

Mr. Sudhir Doshi

Whole Time Director

Mr. Roshan Lal Nagar

Independent Director

Mr. Prakash Kumar Verdia

Independent Director

Company Secretary

Priyanka Manawat

REGISTERED OFFICE

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

Website: www.madhavmarbles.com

Investor email i.d.: investormmg1@gmail.com

WORKS

Granite Division

Thoppur, Dharmapuri District, Tamil Nadu, INDIA

Office: 4/36, Bharathi Street

Swarnapuri, Salem- 636 004, Tamil Nadu, INDIA

Wind Mills

SF No. 405/1(PART) & 412 (PART)

Village: Balabathiraramapuram

Dist.: Tirunelveli, Tamilnadu

STATUTORY AUDITORS

M/s Nyati and Associates

Chartered Accountants

87, Chetak Marg

Near Punjab National Bank

Udaipur- 313001, Rajasthan, INDIA

BANKERS

State Bank of India

Allahabad Bank

25TH AGM

Day: Saturday

Date: August 09, 2014

Time: 10:30 a.m.

Venue: Hotel Rajdarshan, Udaipur



Madhav Marbles and Granites Limited

Regd. Office: 11 A, Charak Marg, Ambamata Scheme, Udaipur – 313001, Rajasthan, INDIA
CIN: L14101RJ1989PLC004903, Web: www.madhavmarbles.com,
Email: investormmgl@gmail.com, Tel: 0294-2430200, 2434445, Fax: 0294-2430400

**NOTICE
of the Annual General Meeting**

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of **MADHAV MARBLES & GRANITES LIMITED** will be held on Saturday, August 09, 2014 at 10:30 a.m. at Hotel Rajdarshan, Udaipur 313 001 Rajasthan INDIA to transact the following businesses:-

Ordinary Business

1. To receive, consider and adopt the Financial Statements of the Company for the year March 31, 2014 including audited Balance Sheet as at March 31, 2014 and the statement of Profit and Loss Account for the year ended on 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 2013-14.
3. To appoint M/s. Nyati & Associates, Chartered Accountants, Udaipur, as Statutory auditors and fix their remuneration.

Special Business

4. To consider and if, thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, if any, and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Companies act, 2013, Mr. Prakash Kumar Verdia, (holding DIN: 02429305) Independent Director of the Company who under the provisions of Companies Act, 1956 was liable to retire by rotation and in respect of whom the Company has received notice in writing from a member proposing that his term as an Independent Director be for a period from April 01, 2014 up to March 31, 2019, be and is hereby appointed as an Independent Director on the Board of Directors of the Company for a period of five consecutive years from April 01, 2014 to March 31, 2019.

5. To consider and if, thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, if any, and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Companies act, 2013, Mr. Roshan Lal Nagar, (holding DIN: 02416642) Independent Director of the Company who under the provisions of Companies Act, 1956 was liable to retire by rotation and in respect of whom the Company has received notice in writing from a member proposing that his term as an Independent Director be for a period from April 01, 2014 up to March 31, 2019, be and is hereby appointed as an Independent Director on the Board of Directors of the Company for a period of five consecutive years from April 01, 2014 to March 31, 2019.

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

Udaipur, May 24, 2014

Priyanka Manawat
Company Secretary



Notes:

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

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

- 2 The Register of Members and the Share transfer books will remain closed from Saturday, August 02, 2014 to Saturday, August 09, 2014 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if any.

- 3 The Dividend on Equity Shares for the year ended March 31, 2014, if approved at by the members will be paid on or after August 14, 2014 to those members whose names appear in the Register of Members as on Book Closure dates.

- 4 Members are requested to:

- (a) Notify the change in address if any, with Pin Code numbers immediately to the Company (in case of shares held in physical mode).
- (b) Bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.
- (c) Quote their Regd. Folio Number/DP and Client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent.
- (d) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
- (e) Non-Resident Indian Members are requested to inform M/s. Ankit Consultancy Private Limited immediately of the change in residential status on return to India for permanent settlement.

- 5 Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, M/s. Ankit Consultancy P. Ltd. cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members

- 6 Members who have not encashed their unclaimed/unpaid dividend warrants for the year 2006-2007 or thereafter are requested to write to the Company / Registrar and Share Transfer Agents for payment in lieu thereof. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 17, 2013 (date of last Annual General Meeting) on the website of the Company www.madhavmarbles.com, as also on the Ministry of Corporate Affairs website.

- 7 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.

- 8 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.

9 GREEN INITIATIVE:

Members who have not registered their e-mail addresses so far are requested to register their e-mail address at Company's email i.d. i.e investormmgl@gmail.com so that they can receive the Annual Report and other communications from the Company in electronic mode.



Annexure to the Notice

Annexure One: Statement Pursuant to Section 102 of the Companies Act, 2013

Item No 4:

Mr. Prakash Kumar Verdia, Non-Executive Independent Director joined the Board of your Company in October 2008.

Mr. Prakash Kumar Verdia was liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Verdia, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto March 31, 2019. The Company has received notice from a member proposing that his term as an Independent Director be for a period of five years from April 1, 2014 up to March 31, 2019.

With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as per the provisions of section 149(6) of the Act. Your Board is of the opinion that Mr. Prakash Kumar Verdia fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Mr. Verdia as an Independent Director setting out the terms and conditions would be available for inspection at Registered Office during business hours.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Prakash Kumar Verdia as an Independent Director.

Except Mr. Prakash Kumar Verdia, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution. The Board of Directors recommend the resolution for approval of the members.

Item No. 5

Mr. Roshan Lal Nagar, Non-Executive Independent Director joined the Board of your Company in October 2008.

Mr. Roshan Lal Nagar was liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Nagar, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term of upto March 31, 2019. The Company has received notice from a member proposing that his term as an Independent Director be for a period of five years from April 1, 2014 up to March 31, 2019.

With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as per the provisions of section 149(6) of the Act. Your Board is of the opinion that Mr. Roshan Lal Nagar fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Mr. Nagar as an Independent Director setting out the terms and conditions would be available for inspection at Registered Office during business hours.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Roshan Lal Nagar as an Independent Director.

Except Mr. Roshan Lal Nagar, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution. The Board of Directors recommend the resolution for approval of the members.



Annexure Two: Additional Information of Directors seeking appointment/re-appointment pursuant to Clause 49 of the Listing Agreement:

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

Annexure Three: Voting through Electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Depository Participants(s)]:
- (i) Open email and open PDF file viz; (File Name) The said PDF file contains your user ID and password/PIN for e-voting.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) **If you login first time**, Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or a combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" (E-voting Event Number) of Madhav Marbles and Granites Ltd.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional & Corporate Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to evoting.mmgl@gmail.com with a copy marked to voting@nsdl.co.in

B. In case Email I.D. of the member is not registered with the depository participant and members holding shares in Physical Form:

- (i) Initial password will be provided/intimated through Letter from our Registrar:

EVEN(E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
 - I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsd.com
 - II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
 - III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - IV. The e-voting period commences on July 30, 2014 (9:00 am) and ends on August 01, 2014 (6:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 04, 2014 may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of July 04, 2014.
 - VI. Mr. Ramesh Chandra Soni, Practicing Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - VIII. The Results of e-voting, and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.madhavmarbles.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
 - IX. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents at the following address:

M/s Ankit Consultancy Pvt. Ltd.
60, Electronic Complex, Pardeshipura,
Indore (M.P.) 452010
Tel.: 0731-2551745-46 Fax: 0731-4065798
e-mail-ankit_4321@yahoo.com



DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the Twenty Fifth Annual Report together with the statement of Audited Financial Statements for the year ended March 31, 2014.

Financial Results

(Rupees in Million)

Details	Year ended 31.03.2014	Year ended 31.03.2013
Net sales and other income	774.34	653.31
Profit before Finance Costs and Depreciation	136.82	99.58
Finance Costs	0.008	0.94
Depreciation	54.64	48.26
Profit before Exceptional Items and Tax	82.18	50.39
Exceptional Items	–	–
Profit before tax	82.18	50.39
Provision for taxation:		
Current Tax	32.19	22.38
Deferred Tax	(10.37)	(3.29)
Profit after tax	60.36	31.30
Surplus brought forward from previous year	501.32	495.48
Total	561.68	526.78
Proposed Dividend (15%)	13.42	8.95
Tax on proposed dividend	2.28	1.52
Transfer to general reserve	–	15.00
Surplus in Profit & Loss Account	545.98	501.31

Performance Review

We reported total revenue of Rs. 774.34 million during the year under review, an increase of 18.53% as compared to total revenue of Rs. 653.31 million in financial year 2012-13. The increase was driven by 16.87% growth in Revenue from operations and partly supported by gain from exchange rate fluctuations. Profit before tax stood at Rs. 82.18 million, higher by 63.09% as compared to profit of Rs. 50.39 million in the previous year.

Dividend

The Company has been paying dividend consistently since financial year 2001-2002 and this year also your Board of Directors have pleasure in recommending a dividend of Re. 1.50 per share on 8947000 Equity Shares of Rs.10 each for the year ended March 31, 2014.

The dividend, if approved by the shareholders, would involve total outflow of Rs. 15.70 million including dividend tax of Rs. 2.28 million. Dividend will be paid to those shareholders whose name appear in the register of members of the Company on August 09, 2014 and to the beneficial holders as on August 02, 2014.

Finance

The Company has become Debt free and has not availed any Term loan during the year under review,

Directors Responsibility Statement

The Directors hereby confirm that:

- in preparation of the Annual accounts for the financial year 2013-14, 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 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 are made part of this Annual Report.

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

Appointment of Mr. Prakash Kumar Verdia and Mr. Roshan Lal Nagar as Independent Directors pursuant to Sections 149 and 152 of the Companies Act, 2013 is proposed to be made at the forthcoming Annual General Meeting for a consecutive term of five years.

Auditors

M/s Nyati & Associates, Chartered Accountants, Statutory Auditors of the Company hold office up to the forth coming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the financial year 2014-15.

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.

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.**

Ravi Kumar Krishnamurthi
Chairman

Udaipur, May 24, 2014



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, 2014

A. Conservation of Energy

Your Company continues in its mission of Conservation of Energy. The efforts are continuing to examine and implement fresh proposals for conservation of energy and minimize its use by regularly monitoring consumption and improved maintenance of the existing systems. Currently, the Company is also using imported plants, which are equipped with energy efficient equipments.

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

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

B. Technology Absorption

1. Research and Development (R&D)

In house R&D activities are primarily directed towards development of company's products and reduced cost of Diamond Tools. Faster adaptation with changing market demand with improved productivity and better yield results into cost savings and higher quality products. The company has not maintained separate accounts for expenditure incurred on R&D and therefore no specific figures are mentioned.

2. Technology Absorption, Adaptation and Innovation

The company has been successfully using its imported plant for processing of granite tiles/slabs. In addition to this the company is making continuous efforts to develop and absorb latest manufacturing and quality control facilities for maintaining high quality standards and consistency in its products to confirm with international specifications.

C Foreign Exchange Earning & Outgo and Export Activities

1. Exports

Exports during the year ended March 31, 2014 amounted to Rs.677.63 million against Rs.559.46 million for the year ended March 31, 2013, 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. 659.34 million

(previous year Rs. 543.10 million)

Outgo: Rs. 70.28 million

(previous year Rs. 67.44 million)

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

Ravi Kumar Krishnamurthi
Chairman

Udaipur, May 24, 2014



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.203.53 million as against Rs.174.26 million in the previous year, an increase of 16.80%. The production during the year was at 142333.10 sq. meters as compared to 139774.58 sq. meters of previous year.

The turnover from the Slab business was at Rs.488.21 million as against Rs. 407.89 million in the previous year, an increase of 19.80%. The production during the year was at 174727.851 sq meters as compared to 150223.053 sq. meters of previous year.

- **Windmills**

The production during the year was 3964415 units as against 4158301 units in the previous year. Out of current years' production 1077976 (previous year 2075829) units were sold to TNEB after utilizing 2886439 (2082472) units by granite division.

- **Realty**

Land measuring 184885 sq. ft. is in the process of conversion and after that the company will sell the converted plots.

Outlook

- **Granite Business**

Company is developing its existing customer base in European and American Countries through its effective pricing and marketing strategies. This is resulting in boost in our Business growth and good financial performance year wise.

The Tamil Nadu state Government has not taken any decision to revamp the closed mines. The demand of rough granite blocks is more than the supply resulting in high raw material cost which is impacting profitability. Besides to compete in International market, Company is importing rough granite blocks from Norway, Finland, Brazil and South Africa.

- **Realty Business**

The growth slowdown in the last 2 years was broad based, affecting in particular the industry and construction sector. Fiscal deficit and interest rates are high while the rupee is depreciating. Whereas, sluggish economic growth, rising inflation and over supply of dwelling units at certain locations have been harsh for sentiments in construction business.

The Company had earlier enter into joint development agreement with land owners, but since the land was in peripheral belt wherein stay is granted by Hon'ble Rajasthan high court for conversion accordingly, the Company has opted to terminate the agreement.

The Company is in process of identifying parcal of land for developing residential project.

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

Details	Year ended		% of Change
	2014	2013	
Total Income	774.34	653.31	18.53
Total Expenditure	637.51	553.73	15.13
Profit Before Finance Costs & Depreciation	136.82	99.58	37.40
Finance Costs	0.008	0.94	(99.14)
Depreciation	54.64	48.26	13.22
Profit Before Exceptional Item & Tax	82.18	50.39	63.09
Exceptional Item	0.00	0.00	0.00
Profit before Tax	82.18	50.39	63.09
Tax Expense	21.81	19.09	14.25
Profit After Tax	60.37	31.30	92.88

- Turnover achieved by the Company for the Year ended 31.03.2014 is Rs.741.02 million compared to the previous year turnover of Rs.634.06 million, an increase of 16.87 %.
- Total Turnover includes 93.16% contribution from Granite Business.
- Company has achieved Operating Profit at 18.47% of total sales as a result of better operating efficiencies and cost cutting measures adopted.
- Net Profit after Tax stood at Rs. 60.37 million as against Rs. 31.30 million in FY 2012-13
- Earning per Share was Rs. 6.75 for the year under review against Rs.3.50 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

The Company had a successful year under review with consistent growth in sales and profits. The inherent strength, strong fundamentals, improved marketing strategies bodes well for the Company. Efforts towards higher operational efficiencies shall continue and management is confident and striving to deliver more good results with the support and trust of all the stakeholders.



Report on Corporate Governance

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

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

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

Board of Directors

As on March 31, 2014, Company's Board comprises of five directors, two of whom are executive, and three Non-executive Independent Directors. None of the Directors on the Board are members of more than ten Board level Committees or Chairman of more than five Committees in which they are members.

The Board of Directors met Five times during the year 2013-14 on May 13, 2013, May 30, 2013, July 24, 2013, November 09, 2013 and February 10, 2014. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors.

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

Director	Board meetings attended	Attendance at the last AGM	No. of other Directorship(s)	Chairmanship(s)/ Membership(s) Committees of others Companies	
				As Chairman	As Member
Mr. Ravi K. Krishnamurthi <i>Chairman & Independent Director</i>	4	No	3	1	3
Mr. Ashok Doshi <i>Managing Director</i>	5	Yes	8	–	–
Mr. Sudhir Doshi <i>Whole Time Director</i>	5	Yes	2	–	2
Mr. Prakash Kumar Verdia <i>Independent Director</i>	4	Yes	–	–	–
Mr. Roshan Lal Nagar <i>Independent Director</i>	5	Yes	1	–	–

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



Information supplied to the Board

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

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

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

Committees of the Board

a) Audit Committee

- **Functions/Role of Audit Committee**

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



- **Composition, Meetings and Attendance Record**

As on March 31, 2014, the committee comprises of three Directors, two Non-Executive Independent Directors and one Executive Director. All the members of the committee have accounting, management and related Financial expertise. The Company Secretary is the Secretary to the Committee as well.

The Committee met five times during the year under review on May 13, 2013, May 30, 2013, July 24, 2013, November 09, 2013 and February 10, 2014

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	5	5
Mr. Prakash Kumar Verdia	Member	5	4
Mr. Sudhir Doshi	Member	5	5

b) Share Holders Transfer/Grievance Committee

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

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

All communications regarding share transfers/transmission/issue of duplicate certificates, change of address, and bank details, etc. should be addressed to Registrar and Transfer Agents.

- **Composition, Meetings and Attendance Record**

The Committee met five times during the year under review on April 26, 2013, July 22, 2013, October 30, 2013, January 11, 2014 and February 07, 2014.

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

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

- **Investors' Grievances received during the year and attended to**

Nature of Grievances	2013 – 2014	
	Received	Disposed
Relating to Transfer, Transmission, Dividend Non receipt of reports etc.	3	3



c) Remuneration Committee

• **Terms of reference/objectives**

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

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

Remuneration to Directors during the year 2013-2014

• **Executive Directors**

Name of the Director	Salary and Bonus (Rs.)	Contribution to Provident Fund (Rs.)	Perquisites / other benefits (Rs.)	Commission Payable (Rs.)	Total (Rs.)
Mr. Ashok Doshi Managing Director	39,00,000	3,60,000	2,05,539	24,50,000	69,15,539
Mr. Sudhir Doshi Whole Time Director	17,22,735	1,72,800	1,15,544	–	20,11,079

• **Non- Executive Directors**

Name of the Director	Sitting Fees (Rs.)	Commission Payable (Rs.)	Total (Rs.)
Mr. Ravi Kumar Krishnamurthi	80000	–	80000
Mr. Prakash Kumar Verdia	40000	–	40000
Mr. Roshan Lal Nagar	50000	–	50000

Code of Conduct

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

Declaration

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2014.

Udaipur, May 24, 2014

Ashok Doshi
Managing Director
DIN : 00648998



General Body Meetings

(i) Annual General Meetings

Details of the last three Annual General Meetings of the Company held at Hotel Rajdarshan, Pannadhay Marg, Udaipur are as follows:

Year	Date	Time	Special Resolution Passed
2012-2013	17.08.13	10:00 a.m.	No Special Resolution was passed.
2011-2012	22.09.12	10:30 a.m.	No Special Resolution was passed.
2010-2011	28.09.11	5.00 p.m.	No Special Resolution was passed.

(ii) Special Resolution passed through Postal Ballot

No special resolution was passed through Postal Ballot during the Financial Year 2013-14. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

Means of Communication

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

CEO / CFO Certification

The Managing Director of the Company has certified in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the year ended March 31, 2014.

Disclosure on Related Party Transactions

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

General Shareholder Information

1. Company Registration Details

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

2. Annual General Meeting

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

Day	Saturday
Date	August,09, 2014
Time	10.30 a.m.
Venue	Hotel Rajdarshan, Pannadhay Marg, Udaipur – 313001



3. Book closure :

The dates of Book Closure are from Saturday, 02nd day of August, 2014 to the Saturday, 09th day of August, 2014, both days inclusive.

4. Dividend Payment Date

Dividend if declared at the Annual General Meeting is proposed to be credited/dispatched on or after August 14, 2014

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

5. Financial Calendar(Tentative)

First Quarter : August, 2014
Second Quarter & Half-Yearly : November, 2014
Third Quarter : February, 2015
Fourth Quarter & Annual : May, 2015

6. Listing on Stock Exchanges

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 2014-2015 to NSE and BSE has been paid.

Company ISIN No.: INE925C01016

Name of the Stock Exchange	Stock Code
The Bombay Stock Exchange (BSE) 1 st Floor, Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400001 Phone: 022-2272 1233 / 34 Fax: 022-2272 2061; Web: www.bseindia.com	515093
The National Stock Exchange (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 Phone: 022-2659 8100 - 8114 Fax: 022-2659 8237; Web: www.nseindia.com	MADHAV

7. Dematerialization of Shares

The Company's shares are available for trading with both the depositories i.e. CDSL and NSDL. As on 31st March 2014, 83,92,990 equity shares forming 93.81% of the share capital of the Company stand dematerialized.

Depositories

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



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

8. Registrar of Companies

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

9. Plant Location

Granite Division

Village Thoppur, Distt. Dharampuri
Tamil Nadu, INDIA

Wind Mills

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

10. Address for Correspondence

1. Registered Office

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

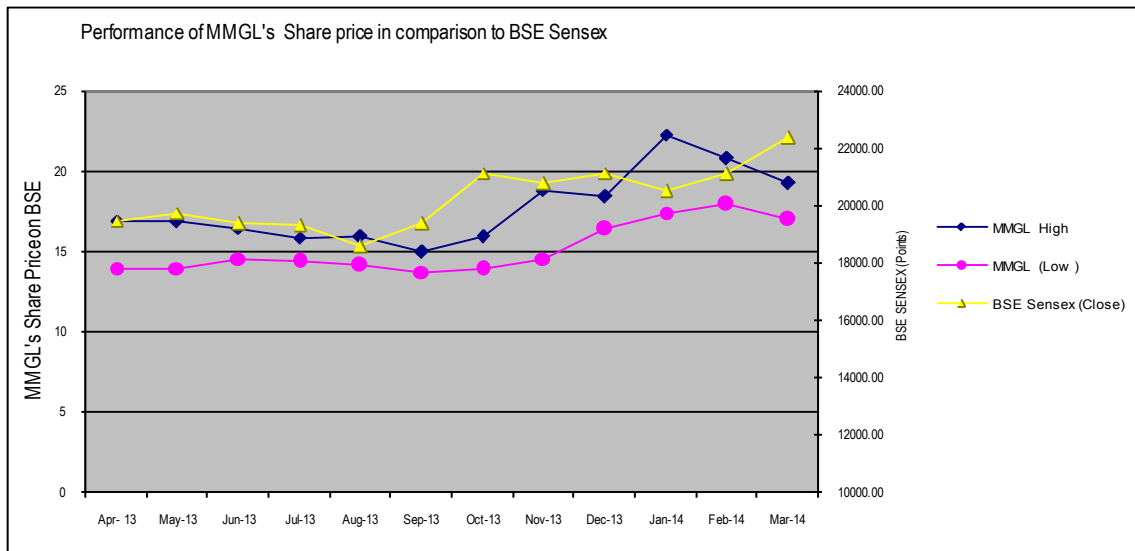
2. Registrar and Share Transfer Agents

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



11. High, Lows and Volume of Company's shares for 2013-14 at BSE and NSE

Months	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume of shares traded	High (Rs.)	Low (Rs.)	Volume of shares traded
Apr-13	16.95	14.00	17470	22.30	15.00	2418
May-13	16.90	14.00	14892	20.10	15.55	1476
Jun-13	16.50	14.60	7449	15.60	14.60	410
Jul-13	15.90	14.41	19729	15.75	15.00	5951
Aug-13	15.95	14.15	24071	15.20	13.80	4583
Sep-13	15.00	13.75	11688	14.60	13.30	2186
Oct-13	15.95	13.96	20503	15.05	13.35	2200
Nov-13	18.85	14.60	29380	19.30	15.50	3400
Dec-13	18.45	16.40	13097	18.05	16.25	4653
Jan-14	22.30	17.45	60081	22.20	17.20	35144
Feb-14	20.80	18.00	36634	20.90	17.65	22768
Mar-14	19.30	17.05	91235	19.50	17.10	12523



12. Distribution of Shareholding according to size class as on March 31, 2014.

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
0-100	5162	59.55	437607	4.89
101-200	1089	12.56	204433	2.28
201-300	448	5.17	125382	1.40
301-400	224	2.58	86111	0.96
401-500	670	7.73	331931	3.71
501-1000	512	5.91	420316	4.70
1001-2000	237	2.73	363038	4.06
2001-3000	95	1.10	240680	2.69
3001-4000	53	0.61	188572	2.11
4001-5000	36	0.42	168673	1.89
5001-10000	69	0.80	507172	5.67
10001 above	74	0.85	5873085	65.64
Total	8669	100.00	8947000	100.00

**13. Distribution of Shareholding across categories as on March 31, 2014**

Category of Shareholder	No. of Shareholders	Number of Shares	% of Shares
A. Promoter & Promoter Group			
Indian	23	3536811	39.53
Foreign	–	–	–
B. Public Shareholding			
Mutual Funds/UTI	4	9500	0.11
Financial Institutions / Banks	–	–	–
Insurance Companies	1	360425	4.03
Foreign Institutional Investors	1	100	0.00
Bodies Corporate	172	398346	4.45
Individual Shareholders	8150	4366076	48.80
NRIs , OCBs	306	268990	3.00
Clearing Member	12	6752	0.08
Total	8669	8947000	100.00

14. Unpaid / Unclaimed Dividend

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

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 17, 2013 (date of last Annual General Meeting) on the website of the Company as also on the Ministry of Corporate Affairs website.

Unclaimed/Unpaid dividend for the year ended March 31, 2007 is due for transfer to IEPF in the month of October 2014. No claim will lie against the Company or the IEPF in respect of the unclaimed / unpaid dividend amounts once it is transferred to the IEPF.

15. Statutory Compliance

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

16. Non-mandatory Disclosure

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



Auditors' Certificate regarding Compliance on Corporate Governance

To
The Members
Madhav Marbles and Granites Limited

We have examined the compliance of conditions of Corporate Governance by Madhav Marbles and Granites Limited for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing agreement of the said Company with the Stock Exchanges.

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

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

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

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

Udaipur, May 24, 2014

Suresh Nyati
Partner
Membership No. 70742



Independent Auditors' Report

To
The Members of
Madhav Marbles and Granites Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Madhav Marbles and Granites Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, which as per General Circular 15/2013 dated September 13, 2013 issued by Ministry of Corporate Affairs continues to apply under Section 133 of the Companies Act, 2013 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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



2. As required by Section 227(3) of the Act, we report that:
- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - (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 and with the returns received from branches not visited by us;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, which as per General Circular 15/2013 dated September 13, 2013 issued by Ministry of Corporate Affairs continues to apply under Section 133 of the Act;
 - (e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

(Suresh Nyati)
Partner
Membership No. 70742

Udaipur, May 24, 2014



Annexure to Auditors' Report

- (I) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) During the year, the Company has carried out physical verification of the fixed assets and no material discrepancies were noticed in such verification.
- (c) In our opinion and according to the information and explanation given to us, a substantial part of the fixed assets has not been disposed off by the Company during the year.
- (II) (a) As explained to us, inventories have been physically verified by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion the Company has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
- (III) The Company has not granted/taken any loans, secured or unsecured, to/from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, accordingly clause 4 (iii)(b), (c), (d), (f), (g) of the said order are not applicable to the Company.
- (IV) In our opinion and according to the information and explanations provided to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed or reported.
- (V) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Act have been properly entered in the said register.
- (b) As per records of the Company there were no transactions exceeding during the year by Rs. Five lakh in respect of each party made in pursuance of contracts, or arrangements required to be entered in the registers maintained under Section 301 of the Act.
- (VI) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made there under. Hence, the Clause (vi) of the Order is not applicable.
- (VII) The Company has a system of internal audit, which, in our opinion, is commensurate with its size, and nature of its business.
- (VIII) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the rules prescribed by the central government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of generation of electricity through wind power and are of the opinion that prima-facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- (IX) (a) According to the records, information and explanation provided to us, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of Wealth Tax, Sales Tax, Service Tax and Customs duty which have not been deposited on account of any dispute, and the particulars of dues of Income tax, and excise duty as at March 31, 2014 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 disputes are pending
Income Tax Act, 1961	Disallowance of claim of deduction u/s 80IA and interest attributable to interest free advance	72.71	2010-11	CIT (A)
Income Tax Act, 1961	Disallowance of claim of deduction u/s 80IA and interest attributable to interest free advance	61.48	2009-10	CIT (A)

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

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

Suresh Nyati
Partner
Membership No. 70742

Udaipur, May 24, 2014



BALANCE SHEET AS AT MARCH 31, 2014

		(Rupees)	
Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	'3'	89470000	89470000
b) Reserves and Surplus	'4'	965736451	921072677
		<u>1055206451</u>	<u>1010542677</u>
2. Non-Current Liabilities			
a) Long Term Borrowings	'5'	-	-
b) Deferred Tax Liabilities (Net)	'6'	36233052	46607358
c) Other Long Term Liabilities	'7'	10360233	20693980
d) Long-Term Provisions	'8'	4538346	3566207
		<u>51131631</u>	<u>70867545</u>
3 Current Liabilities			
a) Short Term Borrowings	'9'	-	1985
b) Trade Payables	'10'	56534158	59304763
c) Other Current Liabilities	'11'	13196401	13426111
d) Short Term Provisions	'12'	52202252	37558672
		<u>121932811</u>	<u>110291531</u>
Total		<u>1228270893</u>	<u>1191701753</u>
II ASSETS			
1. Non Current Assets			
a) Fixed Assets			
i) Tangible Assets	'13'	218271482	265667915
ii) Intangible Assets		-	-
iii) Capital Work in Progress		95425	1455466
iv) Intangible Assets under Development		-	-
b) Non-Current Investments		-	-
c) Long Term Loans and Advances	'14'	150932669	177415755
d) Other Non Current Assets	'15'	104164352	14199936
		<u>473463928</u>	<u>458739072</u>
2. Current Assets			
a) Current Investments		-	-
b) Inventories	'16'	252289929	274211870
c) Trade Receivables	'17'	325240580	328106979
d) Cash and Cash Equivalents	'18'	90803550	79449336
e) Short Term Loans and Advances	'19'	86260726	50876226
f) Other Current Assets	'20'	212180	318270
		<u>754806965</u>	<u>732962681</u>
Total		<u>1228270893</u>	<u>1191701753</u>

Significant Accounting Policies '2'

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For and on behalf of the Board of Directors

For **NYATI & ASSOCIATES**

Chartered Accountants

Firm Registration No. 002327C

Suresh Nyati

Partner, Membership No. 70742

Udaipur, May 24, 2014

Ashok Doshi
Managing Director

Roshan Lal Nagar
Director

Priyanka Manawat
Company Secretary



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014

(Rupees)

Particulars	Note No.	For the Year ended	
		31.03.2014	31.03.2013
I Revenue from operations(Gross)	'21'	742427161	636515126
Less: Excise Duty		1403941	2455819
Revenue from Operations (Net)		741023220	634059307
II Other Income	'22'	33312557	19250142
III Total Revenue (I + II)		774335777	653309449
IV Expenses			
Cost of materials consumed	'23'	290294852	266926746
Purchase of stock in trade	'24'	36796860	9106916
Changes in inventories of Finished goods, Work in Progress & Stock in trade	'25'	(14667152)	4168295
Cost of Sales (Realty)	'26'	-	219093
Employee Benefits Expenses	'27'	70877362	56884653
Finance Costs	'28'	7587	938962
Depreciation	'13'	54641125	48255677
Other Expenses	'29'	254209131	216420451
Total Expenses		692159765	602920793
V Profit/(Loss) before exceptional items & taxes (III-IV)		82176012	50388656
VI Exceptional Items		-	-
VII Profit/(Loss) before Taxes (V-VI)		82176012	50388656
VIII Tax expenses			
(a) Current Tax for current year		32185229	19555614
(b) Current Tax Expenses relating to Previous Year		-	2823134
(c) Net Current Tax Expense		32185229	22378748
(d) Deferred Tax		10374305	3293355
		21810924	19085393
IX Profit /(Loss) for the year from (VII-VIII)		60365088	31303263
X Earnings per equity share (Face Value of Rs. 10 per share)			
(1) Basic		6.75	3.50
(2) Diluted		6.75	3.50

Significant Accounting Policies '2'

The accompanying notes are an intergral part of the financial statements

In terms of our report of even date

For and on behalf of the Board of Directors

For NYATI & ASSOCIATES

Chartered Accountants

Firm Registration No. 002327C

Suresh Nyati

Partner, Membership No. 70742

Udaipur, May 24, 2014

Ashok Doshi
Managing DirectorRoshan Lal Nagar
DirectorPriyanka Manawat
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Rupees)

Particulars	As at 31.03.2014	As at 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / Loss Before Tax after Exceptional Items adjusted for	82176012	50388656
Depreciation	54641125	48255677
(Profit) / Loss on sale of Fixed Assets	47807	343369
Interest Paid	7587	938962
Bad Debts written off	19353571	21522986
Provision no longer required written back	(444082)	(3594423)
Provision for Gratuity	972139	1800822
Deferred Revenue Expenditure	106090	820425
Interest Income	(15512392)	(6813598)
Loss by Theft	652311	-
Unrealised Foreign Exchange Loss/(gain) (Net)	(2422417)	(812304)
Operating Profit Before Working Capital Changes	139577751	112850572
Adjustments for (Increase)/ Decrease in Operating Assets:		
Inventories	21921941	(27497251)
Trade & other Receivables*	(22966168)	(44279384)
Trade payables*	(13334062)	10481129
Cash Generated from Operation	125199462	51555066
Direct Taxes Paid / Tax Deducted at Source	(22331340)	(7397021)
Net Cash Flow From Operating Activities (A)	102868122	44158045
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & Capital W.I.P.	(6832389)	(21656194)
Deposit with Companies and others	-	-
Proceeds from Sale of Fixed Assets	247620	1247856
Interest Income	15512392	6813598
Net Cash Used in Investing Activities (B)	8927623	(13594740)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings / Repayments	-	(10000000)
Repayment to / Proceeds from Banks	(1985)	(12675515)
Interest Paid	(7587)	(938962)
Dividend Payout	(8947000)	(8947000)
Tax on Dividend	(1520543)	(1451427)
Net Cash Flow from/ (Used) in Financing Activities (C)	(10477115)	(34012904)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	101318630	(3449599)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	93649272	97098871
CASH AND CASH EQUIVALENTS - CLOSING BALANCE**	194967902	93649272

*Includes current and non-current



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

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 31.03.2014	For theYear ended 31.03.2013
a) Cash and Cash Equivalents disclosed under current assets [Note No.18]	90803550	79449336
b) Cash and Cash Equivalents disclosed under non-current assets [Note No.15]	104164352	14199936
**Total cash and cash equivalents as per cash flow statement	194967902	93649272

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, May 24, 2014

For and on behalf of the Board of Directors

Ashok Doshi
Managing Director

Roshan Lal Nagar
Director

Priyanka Manawat
Company Secretary



NOTES forming part of the financial statements for the year ended March 31, 2014

NOTE 1 COMPANY OVERVIEW

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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

2.2 System of accounting

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

2.3 Use of Estimates

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

2.4 Fixed Assets

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

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

2.5 Depreciation

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

Depreciation on fixed assets has been calculated on pro-rata basis with reference to the month in which the assets are put to use.



NOTES forming part of the financial statements for the year ended March 31, 2014

2.6 Borrowing Cost

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

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

2.7 Inventories

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

2.8 Revenue Recognition

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

2.9 Investments

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

2.10 Impairment of Assets

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



NOTES forming part of the financial statements for the year ended March 31, 2014

2.11 Tax on Income

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

2.12 Foreign Currency Transactions

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

2.13 Provision, Contingent Liabilities and Contingent Assets

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

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

2.14 Employee Benefits

(a) Short term Employee benefits:

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

(b) Post employment benefits:

(i) Defined Contribution Plan

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



NOTES forming part of the financial statements for the year ended March 31, 2014

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

(ii) Defined Benefit Plans

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

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

(c) Leave encashment

Based on the leave Rules of the Company, employees are not permitted to accumulate Leave.

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

2.15 Segment Accounting

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

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

2.16 Earnings Per Share

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

2.17 Discontinued Operations

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

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

2.18 Miscellaneous Expenditure

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



NOTES forming part of the financial statements for the year ended March 31, 2014

	(Rupees)	
	As at	As at
	31.03.2014	31.03.2013
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	<u>7500000</u>	<u>7500000</u>
	<u>97500000</u>	<u>97500000</u>
(b) Issued, Subscribed and Paid Up:		
89,47,000 (Previous Year 89,47,000) Equity Shares of Rs.10/- each fully paid up	89470000	89470000
	<u>89470000</u>	<u>89470000</u>
(c) Reconciliation of number of Shares outstanding at the beginning and end of the year :		
Equity Shares :		
Outstanding at the beginning of the year	8947000	8947000
Issued during the year	-	-
Outstanding at the end of the year	<u>8947000</u>	<u>8947000</u>

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

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

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

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

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of Shares held in the Company	% of Shares Held	No. of Shares held in the Company	% of Shares Held
Mumal Finance (P) Ltd.	782600	8.75	782600	8.75
Aruna Doshi	586452	6.55	586452	6.55
Ashok Doshi	578900	6.47	578900	6.47



NOTES forming part of the financial statements for the year ended March 31, 2014

	(Rupees)	
	As at 31.03.2014	As at 31.03.2013
4. RESERVES & SURPLUS		
(a) Genral Reserve :		
Opening Balance	419755297	404755297
Add: Transferred from Surplus in Statement of Profit & Loss	<u> -</u>	<u>15000000</u>
Closing Balance (i)	419755297	419755297
(b) Surplus in Statement of Profit and Loss		
Opening Balance	501317380	495481660
Add: Net Profit for the year	<u>60365088</u>	<u>31303263</u>
	561682468	526784923
Less: Proposed Dividend	13420500	8947000
Dividend Distribution Tax	2280814	1520543
Transfer to General Reserve	<u> -</u>	<u>15000000</u>
	15701314	25467543
Closing Balance (ii)	<u>545981154</u>	<u>501317380</u>
Total (i + ii)	<u>965736451</u>	<u>921072677</u>
5. LONG TERM BORROWINGS:		
(a) Term Loan		
Secured		
From Banks		
Rupee Term Loan	-	-
Foreign Currency Loan	-	-
(b) Loans and advances from related parties		
Unsecured	<u> -</u>	<u> -</u>
	<u> -</u>	<u> -</u>
6. DEFERRED TAX LIABILITIES (NET):		
Deferred Tax Liabilities		
On account of timing difference in:		
Depreciation	37290882	46829097
Other	<u>301738</u>	<u>301738</u>
Gross Deferred Tax Liability	<u>37592620</u>	<u>47130835</u>



NOTES forming part of the financial statements for the year ended March 31, 2014

	(Rupees)	
	As at 31.03.2014	As at 31.03.2013
Deferred Tax Asset		
On account of timing difference in:		
Expenses	1206288	370197
Others	153280	153280
Gross Deferred Tax Assets	1359568	523477
Net Deferred Tax (Assets)/Liabilities	36233052	46607358
7. OTHER LONG TERM LIABILITIES:		
Trade Payables	3306192	4076806
Advance from Customers	7054041	7265174
Other Payables	-	9352000
	10360233	20693980
8. LONG TERM PROVISIONS:		
Provisions for employee benefits		
(i) Provision for Leave encashment	-	-
(ii) Provision for Gratuity	4538346	3566207
	4538346	3566207
9. SHORT TERM BORROWINGS:		
From Bank		
Secured		
Working Capital Loan*	-	1985
Foreign currency Loan	-	-
	-	1985
<p>*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.</p>		
10. TRADE PAYABLES:		
Due to Micro and Small Enterprises*	-	-
Other than dues to Micro and Small Enterprises #	54550673	52543961
Acceptances	1983485	6760802
	56534158	59304763

*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, 2014

(Rupees)

	As at 31.03.2014	As at 31.03.2013
11. OTHER CURRENT LIABILITIES:		
Unclaimed Dividend	3644699	3606343
Other Payables		
(i) Advance From Customers	2605668	6958401
(ii) Statutory dues including PF & TDS	858053	809529
(iii) Bonus Payable	2509551	945589
(iv) Other Payable	3578430	1106249
	<u>13196401</u>	<u>13426111</u>
12. SHORT TERM PROVISIONS:		
Provision- Others		
(i) Provision for taxation	36500938	27091129
(ii) Provision for proposed dividend	13420500	8947000
(iii) Provision for dividend tax	2280814	1520543
	<u>52202252</u>	<u>37558672</u>

13. FIXED ASSETS

Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1/4/2013	Addition	Deduction/ Adjustment	As at 31/03/2014	As at 1/04/2013	For the Year	Deduction Adjustment	As at 31/03/2014	As at 31/03/2014	As at 31/03/2013
TANGIBLE ASSETS:										
Free hold land	8691586	39285	-	8730871	-	-	-	-	8730871	8691586
Building	114795047	3805666	-	118600713	38710587	3895750	-	42606337	75994376	76084460
Plant & Machinery	391253327	1203233	-	392456560	314382372	40523545	-	354905917	37550643	76870955
Electrical Installation	33293729	61830	-	33355559	14093245	1582920	-	15676165	17679394	19200484
Factory Equipment	-	184068	64000	120068	-	-	-	-	120068	-
Office Equipment	5445753	792084	-	6237837	3838514	364290	-	4202804	2035033	1607239
Furniture & Fittings	4783964	306642	-	5090606	3425067	278897	-	3703964	1386642	1358897
Vehicles	14903408	1809622	1548909	15164121	5349750	1151328	632552	5868526	9295595	9553658
Miscellaneous Fixed Assets	13098178	-	-	13098178	5467410	631874	22619	6076665	7021513	7630768
Computer	2060661	-	-	2060661	1363305	334033	-	1697338	363323	697356
Site development	2882280	-	-	2882280	305377	46981	-	352358	2529922	2576903
Wind Mill	110445212	-	-	110445212	49049603	5831507	-	54881110	55564102	61395609
Total Tangible - Assets	701653145	8202430	1612909	708242666	435985230	54641125	655171	489971184	218271482	265667915
Previous Year	688048604	20505897	6901356	701653145	393039681	48255677	5310128	435985230	265667915	
Total										

Deductions include cost of assets sold during the year.



NOTES forming part of the financial statements for the year ended March 31, 2014

	(Rupees)	
	As at 31.03.2014	As at 31.03.2013
14. LONG TERM LOANS AND ADVANCES: (Unsecured , Considered Good Unless Otherwise Stated):		
(a) Loans and advances to corporate	28221880	10033288
(b) Security Deposits	6047797	5453263
(c) Other Loans & Advances		
Other Advances	8973267	6457047
Advance Tax & Tax deducted at source	3626263	11275420
Advance to suppliers	15945177	16078452
Project advances	88118285	128118285
	<u>150932669</u>	<u>177415755</u>
15. OTHER NON- CURRENT ASSETS:		
Balances with banks		
In Term Deposit	37493868	3792395
In Margin Money	66670484	10407541
	<u>104164352</u>	<u>14199936</u>
16. INVENTORIES :		
Raw Material (at cost)	57728488	93148956
Work-in-progress (at estimated value)	27952171	13182413
Finished Goods (at lower of cost and net realizable value)	81328435	81376348
Stock in Trade		
Real Estate (at lower of cost and net realizable value)	40878456	40878456
Goods (at cost)	718349	773042
Stores & Spares (at cost)	41334863	42147440
Packing Material (at cost)	2349167	2705215
	<u>252289929</u>	<u>274211870</u>
17. TRADE RECEIVABLES: (Unsecured)		
Outstanding for a period exceeding six months from the date they were due for payment		
Considered good	107867922	94677365
Other Debts		
Considered good	217372658	233429614
	<u>325240580</u>	<u>328106979</u>
18. CASH AND BANK BALANCES :		
(a) Cash and Cash Equivalentents :		
Cash on hand	1679889	1515296
Balances with banks:		
In Current accounts	22302046	25764395
In EEFC account	457605	1315392
Stamps on hand	12900	12900
Total (a)	<u>24452440</u>	<u>28607983</u>



NOTES forming part of the financial statements for the year ended March 31, 2014

	(Rupees)	
	As at 31.03.2014	As at 31.03.2013
(b) Other Bank Balances:		
Term Deposit with original maturity more than 3 months but less than 12 months	62707011	47224264
Earmarked balances with banks-Unpaid Dividend	3644099	3617089
Total (b)	<u>66351110</u>	<u>50841353</u>
Total (a+b)	<u>90803550</u>	<u>79449336</u>
19. SHORT TERM LOANS AND ADVANCES :		
(Unsecured , Considered Good Unless Otherwise Stated):		
Loans and advances to corporates	49234	49234
Loans and advances to employees	168823	309783
Prepaid Expenses	3971005	2912403
Balances with government authorities		
VAT/ CST Receivable	3598454	4609735
Service Tax credit receivable	2914706	1361541
CENVAT Credit Receivable	830792	434680
Excise Duty Refundable	2052727	2424785
- Professional Tax	245	
Others :		
Advance Tax & Tax deducted at source	35566626	9510976
Advance to suppliers	36963214	28973305
Other Advances	144900	289784
Minimum Alternative Tax credit entitlement	-	-
	<u>86260726</u>	<u>50876226</u>
20. OTHER CURRENT ASSETS:		
Tamilnadu state electricity board development charges (To the extent not written off or adjusted)	212180	318270
	<u>212180</u>	<u>318270</u>
	For the Year ended 31.03.2014	For the Year ended 31.03.2013
21. REVENUE FROM OPERATIONS:		
Sale of Products (Refer Note No. 41)	758302576	647968722
Less:- Inter divisional transfers	15875415	11453596
	<u>742427161</u>	<u>636515126</u>
Other operating revenues	-	-
	<u>742427161</u>	<u>636515126</u>
Less: Excise Duty	1403941	2455819
	<u>741023220</u>	<u>634059307</u>



NOTES forming part of the financial statements for the year ended March 31, 2014

	(Rupees)	
	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
22. OTHER INCOME:		
Interest income	15512392	6813598
Net Gain on Foreign Currency Transactions & Translations (Other than considered as finance cost)	16222270	8671885
Provision no longer Required written back	444082	3594423
Other non-operating income	1133813	170236
	<u>33312557</u>	<u>19250142</u>
23. COST OF MATERIAL CONSUMED :		
Raw Material Consumed:		
Opening Stock	93148956	71019888
Purchases & expenses	229721772	271151180
	<u>322870728</u>	<u>342171068</u>
Less : Closing Stock	57728488	93148956
	<u>265142240</u>	<u>249022112</u>
Packing Material Consumed	25152612	17904634
	<u>290294852</u>	<u>266926746</u>
24. PURCHASE OF TRADED GOODS :		
Marble- Tiles/Slabs	25503734	5062902
Granite -Tiles/Slabs	11293126	4044014
	<u>36796860</u>	<u>9106916</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	81328435	81376348
Work-in-progress	27952171	13182413
Goods for Trade	718349	773042
	<u>109998955</u>	<u>95331803</u>
<u>Inventories at the beginning of the year:</u>		
Finished Goods	81376348	82695460
Work-in-progress	13182413	12855195
Goods for Trade	773042	3949443
	<u>95331803</u>	<u>99500098</u>
Net (Increase)/Decrease	<u>(14667152)</u>	<u>4168295</u>
26. COST OF SALES (REALTY)		
Purchases Land Value	-	-
Add : Cost of conversion, labour, material and other charges	-	4030357
Total Cost	<u>-</u>	<u>4030357</u>
Add : Opening Work in progress	40878456	37067192
Less: Closing Work in progress	40878456	40878456
Cost of sales	<u>-</u>	<u>219093</u>



NOTES forming part of the financial statements for the year ended March 31, 2014

	(Rupees)	
	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
27. EMPLOYEES BENEFIT EXPENSES:		
Salary, Wages & Allowances	60000042	46804445
Staff welfare expenses	4690480	3870426
Contributions to Provident and other funds	4543012	3562170
Gratuity	1643828	2647612
	<u>70877362</u>	<u>56884653</u>
28. FINANCE COSTS:		
Interest expenses on :		
(i) Borrowings		
Term Loan	-	-
Working Capital	7587	543872
(ii) Others	-	395090
	<u>7587</u>	<u>938962</u>
29. OTHER EXPENSES:		
Stores & Spares Consumed	100373234	75870096
Power & Fuel	44338469	39779835
Repairs & Maintenance		
Building	1528969	2157674
Plant & Machinery	22346838	18819826
Other Manufacturing Expenses	12840566	7005669
Printing & Stationary	468464	509294
Postage, Telegram, Telephone	1480512	1463647
Conveyance & vehicle running and maintenance	1972913	1728555
Travelling	5282686	5207582
Legal, Professional & Consultancy	1317212	606870
Auditors Remuneration	240000	190000
Deferred Revenue Expenditure written off	106090	820425
General Insurance	462549	296380
Selling expenses	33397314	33325325
Financial charges	2390728	3497462
Security expenses	512800	423400
Repairs & Maintenance (others)	14087	31676
Office maintenance	198767	137351
Bad debts written off (net)	20296002	21522986
Rates & taxes	1432389	496015
Miscellaneous expenses	2278612	2144424
Loss by theft	652311	-
Loss on Sale of assets	47807	343369
Net Loss on Foreign Currency Transactions & Translations (Other than considered as finance cost)	-	-
Wealth Tax	139783	-
Prior period expenses (Net) (Refer Note No. 32)	90029	42590
	<u>254209131</u>	<u>216420451</u>



NOTES forming part of the financial statements for the year ended March 31, 2014

30. Contingent liabilities not provided for in respect of

(Rs. in lacs)

Sr. No.	Particulars	As at 31.3.2014	As at 31.3.2013
1.	Bills discounted with Bankers	Nil	Nil
2.	Bank Guarantee/ Letter of Credit issued by bank	105.98	93.47
3.	Income Tax Liability (including penalty) that may arise in respect of matters which are pending in appeal	111.95	51.16
4.	Bond executed in favour of customs, excise and DGFT authorities	815.00	815.00

31. Payment to Auditors:

(Rupees)

Sr. No.	Particulars	For the Year Ended	
		31.3.2014	31.3.2013
1.	As Auditors- Statutory Audit	120000	98000
2.	For Tax Audit	30000	20000
3.	For Taxation matters	30000	30000
4.	Other matters/ certification	60000	42000
5.	Reimbursement of out-of-pocket expenses	89283	-
	Total	329283	190000

32. Prior Period adjustment represent:

Sr. No.	Particulars	For the Year Ended	
		31.3.2014	31.3.2013
1.	Debits relating to earlier year	(249313)	(42590)
2.	Credits relating to earlier year	159284	-
	Total	(90029)	(42590)

33. Earning per Share:

Sr. No.	Particulars	For the Year Ended	
		31.3.2014	31.3.2013
1.	Net profit for the year after tax (Rs.)	60365088	31303263
2.	Weighted average no. of Equity Shares outstanding	8947000	8947000
3.	Nominal value of the shares (Rs.)	10	10.00
4.	Basic & Diluted Earning per share (Rs.)	6.75	3.50

34. Disclosures of Derivatives

(a) The particulars of derivative contracts entered into for hedging purposes outstanding as at March 31, 2014 are as under:

Foreign Currency	31.3.2014 Forward USD	31.3.2014 Forward EURO
For hedging commitments outstanding:	700000	650000
Receivables	(200000)	-



NOTES forming part of the financial statements for the year ended March 31, 2014

(b) Un-hedged foreign currency exposures as at March 31,2014 are as under:

<u>Foreign Currency</u>	31.3.2014 Forward USD	31.3.2014 Forward EURO	31.3.2014 Forward CAD
For Uncovered Risks	1846081	416144	–
Receivables	(2762009)	(1053202)	(56341)

Note: Previous year figures are given in brackets

35. Value of Imported / Indigenous Materials Consumed:

(Rupees)

Particulars	For the year ended 31.3.2014		For the year ended 31.3.2013	
	%	Amount	%	Amount
Raw Materials				
-Imported	3.24%	8588453	8.01	19949275
-Indigenous	96.76%	256553787	91.99	229072837
	100.00%	265142240	100.00	249022112
Stores & Spares				
-Imported	57.36%	57578057	59.20	44913228
-Indigenous	42.64%	42795177	40.80	30956868
	100.00%	100373234	100.00	75870096

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
-------------	----------------------------------	----------------------------------

36. Value of Import on CIF basis:

Raw Material	–	11203573
Stores & Spares	55483462	48426204
Capital Goods	–	–
Traded Goods	–	–
Total	55483462	59629777

37. Expenditure in Foreign Currency:

Travelling	1739628	1879744
Selling commission	2369586	1029580
Other expenses	943073	4897601
Total	5052287	7806925

38. Earning in Foreign exchange:

On account of export calculated at FOB value (including third party exports Rs. 18289442/- previous year Rs. 16365565/-)	677629138	559468635
---	-----------	-----------

39. Remittance of Foreign Currency on account of dividends:

No. of Share Holders	100	84
No of Shares	39700	35400
Gross Amount Rs.	39700	35400
Related To Year	2012-2013	2011-2012



NOTES forming part of the financial statements for the year ended March 31, 2014

(Rupees)

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 31.3.2014	Maximum outstanding during the year
Loans & Advances in the Nature of Loans where repayment schedule is not specified	49234	49234

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
-------------	----------------------------------	----------------------------------

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

Sale of Product Comprises:

Marble	47774459	48210849
Granite	690338224	579697478
Power	2910537	5550980
Property Development	-	600000
Total	741023220	634059307

42. Closing Inventory

(i) Finished Goods -Own Production:

Marble Tiles	30610935	21448647
Granite Tiles	50717500	59927701
Granite Slabs	-	-
Power Generation	-	-
Total	81328435	81376348

(ii) Traded Goods:

Marble Tiles / Slabs	-	-
Granite Tiles / Slabs	718349	421929
Others*	-	351113
Total	718349	773042

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

(iii) Work in Progress:

Marble Tiles / Slabs	-	-
Granite Tiles	11163311	4633786
Granite Slabs	16788860	8548627
Total	27952171	13182413

43. Raw Material Consumed:

Marble Blocks	351000	35207410
Granite Blocks	264791240	213814702
Total	265142240	249022112

**NOTES forming part of the financial statements for the year ended March 31, 2014****44. Related Party Disclosures:**

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

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

(i) List of Related Parties

- (a) Individual exercising control or significant influence.

Directors

Mr. Ravi Kumar Krishnamurthi (Chairman)

Mr. Prakash Kumar Verdia

Mr. Roshan Lal Nagar

Managing Director

Mr. Ashok Doshi

Mrs. Aruna Doshi, Wife

Mr. Madhav Doshi, Son

Mrs. Riddhima Doshi, Daughter-in-Law

Mrs. Mumal Doshi, (Kanthed) Daughter

Whole-time Director

Mr. Sudhir Doshi

Mrs. Prema Doshi, Wife

- (ii) In respect of the outstanding balance recoverable as at 31st March 2014, 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 31.03.2014
1.	Ashok Doshi	Managing Director	Remuneration and Perquisites	6915539 (4441733)	Nil
2.	Sudhir Doshi	Whole Time Director	Remuneration and Perquisites	2011079 (1575449)	Nil
3.	Madhav Doshi	Son of Mr. Ashok Doshi	Salary and Perquisites	2188912 (1727997)	Nil
4.	Ridhimma Doshi	Daughter-in-law of Mr. Ashok Doshi	Salary	1307100 (1022100)	Nil
5.	Mumal Doshi (Kanthed)	Daughter of Mr. Ashok Doshi	Interest	- (116261)	Nil

Note: Previous year figures are given in bracket



NOTES forming part of the financial statements for the year ended March 31, 2014

45. Segment reporting for the year ended 31.3.2014:

(a) Information about Primary Business Segments

1) Segment revenue :

Particulars	(Rs. in Lacs)	
	2013-14	2012-13
(a) Granite & Stone Division	7395	6304
(b) Realty Division	–	6
(c) Power Generation Unit	188	170
(d) Unallocated	–	–
Total	7583	6480
Less: Inter segment revenue	159	115
Gross Sales / Income from operations	7424	6365
Less: Excise Duty	14	25
Net Sales / Income from operations	7410	6340

2) Segment Results (Profit/ Loss)

Particulars	2013-14		2012-13	
	2013-14	2012-13	2013-14	2012-13
(a) Granite & Stone Division	704	435		
(b) Realty Division	–	4		
(c) Power Generation Unit	97	79		
(d) Unallocated	24	0		
Total	825	518		
Less: (I) Interest	–	9		
(II) Other unallocable expenditure net of unallocable income	4	5		
Operating Profit/ (loss) before tax	821	504		
Provision for tax- charge/ (release)	(322)	(196)		
Provision for deferred tax- charge/ (release)	104	33		
Taxes in respect of earlier years	–	(28)		
Profit after tax	603	313		

3) Capital Employed (Segment assets less segment liabilities)

Particulars	2013-14			2012-13		
	Assets	Liabilities	Net	Assets	Liabilities	Net
(a) Granite & Stone Division	10075.27	1461.61	8613.66	9366.12	1523.49	7842.63
(b) Realty Division	1319.22	–	1319.22	1730.22	–	1730.22
(c) Power Generation Unit	605.51	269.04	336.47	719.86	288.10	431.76
(d) Unallocated	282.71	–	282.71	100.83	–	100.83
Total	12282.71	1730.65	10552.06	11917.03	1811.59	10105.43



NOTES forming part of the financial statements for the year ended March 31, 2014

(b) Information about Secondary Business Segments

Revenue by Geographical Segment

i. Segment-wise Revenue

Particulars	2013-14			2012-13		
	Revenue from Customers Outside India	Revenue from Customers within India	Total Revenue	Revenue from Customers Outside India	Revenue from Customers within India	Total Revenue
(a) Granite & Stone Division	7105.03	131.38	7236.41	5584.37	610.74	6195.11
(b) Realty Division	-	-	-	-	-	-
(c) Power Generation Unit	-	187.86	187.86	-	170.05	170.05
Total Revenue	7105.03	319.24	7424.27	5584.37	780.79	6365.16

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

46. Employee Benefits:

a) Defined benefit plan-As per Actuarial Valuation on 31st March, 2014

Particulars	31.3.2014	31.3.2013
I Amount recognized in the Profit and Loss Account		
Current Service Cost	628894	598496
Interest Cost	715188	546659
Expected Return on Plan Assets	(671969)	(714426)
Actuarial (gain)/Loss on Obligation	(2315941)	221734
Expense/ (Income) recognized in Profit and Loss	(1643828)	1004129
II Actual return on plan assets		
Expected Return on Plan Assets	671969	714426
Actuarial gain/ (loss) on Obligation	2315941	(221734)
Actual Return on plan assets	2987910	492692
III Amount recognized in the Balance Sheet		
Present value of Funded Obligation	7663806	10036105
Fair value of Plan Assets	8727735	9045201
Net Asset/ (Liability) recognized in Balance Sheet (Included under provision for employee benefits Refer Note '8')	(1063929)	990904
IV Change in the present value of obligation		
Opening balance of present value of obligation	8939844	9979065
Interest cost	715188	798325
Current Service Cost	628894	698446
Benefits Paid	(304179)	(1661465)
Actuarial (gain)/ loss on Obligation	(2315941)	221734
Closing Balance of present value of obligation	7663806	10036105
V Change in fair value of plan assets		
Opening balance of fair value of plan assets	7799022	9186552
Expected return on plan assets	671969	714426
Contributions	560923	805688
Benefits Paid	(304179)	(1661465)
Actuarial Gain/ (Loss) on plan assets	-	NIL
Closing balance of fair value of plan assets	8727735	9045201



NOTES forming part of the financial statements for the year ended March 31, 2014

b) Actuarial Assumptions

Particulars	% per annum	
	31.03.2014	31.03.2013
Discount Rate	8%	8%
Salary Escalation	10%	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. Nil/-

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. Previous year figures has been regrouped wherever necessary.

49. Figures have been rounded off to nearest Rupees.

SIGNATURES TO THE NOTES '1' TO '49'

For and on behalf of the Board of Directors

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

Suresh Nyati
Partner, Membership No. 70742

Ashok Doshi
Managing Director

Roshan Lal Nagar
Director

Udaipur, May 24, 2014

Priyanka Manawat
Company Secretary



FORM OF ATTENDANCE SLIP AND PROXY

Madhav Marbles and Granites Ltd.

CIN: L14101RJ1989PLC004903

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

ATTENDANCE SLIP

(To be filled in and handed over at the entrance of the meeting hall)

I hereby record my presence at the Twenty Fifth Annual General Meeting of the Members of the Company to be held on Saturday, August 09, 2014 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.	
Client ID No.	
No. of Shares held	

Signature of Member / Proxy

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Madhav Marbles and Granites Ltd.

CIN: L14101RJ1989PLC004903

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

PROXY FORM

Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of Member	
Registered Address	
Email I.D	
Folio No./Client I.D.	
DP I.D.	

I/ We being the member(s) of _____ shares of the above named Company hereby appoint:

(1) Name: _____

Address: _____

E-mail Id: _____ or failing him;

(2) Name: _____

Address: _____

E-mail Id: _____ or failing him;

(3) Name: _____

Address: _____

E-mail Id: _____ or failing him;



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as my/our proxy to vote for me/us on my/our behalf at the Twenty Fifth Annual General Meeting of the Company to be held on Saturday, August 09, 2014 at 10.30 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	For	Against
	Ordinary Business		
1	Approval of Accounts		
2	Declaration of Dividend		
3	Re-appointment of Statutory Auditors		
	Special Business		
4	Appointment of Mr. Prakash Kumar Verdia as an Independent Director		
5	Appointment of Mr. Roshan Lal Nagar as an Independent Director		

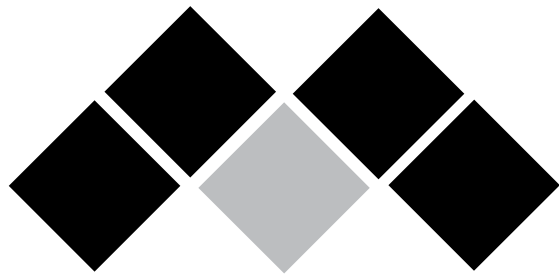
Signed this day of2014

Signature of the Shareholder_____

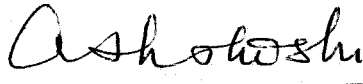



Affix Re.1 Revenue Stamp

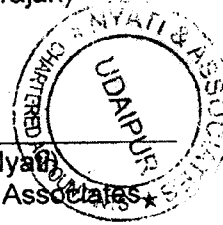
Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

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.



FORM A

1.	Name of the Company	Madhav Marbles and Granites Limited
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Un-Qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by:	
		<ul style="list-style-type: none">• CEO/Managing Director: <u></u> (Mr. Ashok Doshi) • CFO: <u></u> (Mr. S. S. Janakarajan) • Auditor of the Company: <u></u> (Mr. Suresh Nyati) Partner, Nyati and Associates • Audit Committee Chairman: <u></u> (Mr. Roshan Lal Nagar)



INDEPENDENT AUDITORS' REPORT

To
The Members of
Madhav Marbles and Granites Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Madhav Marbles and Granites Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, which as per General Circular 15/2013 dated September 13, 2013 issued by Ministry of Corporate Affairs continues to apply under Section 133 of the Companies Act, 2013 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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



accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - 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 and with the returns received from branches not visited by us;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, which as per General Circular 15/2013 dated September 13, 2013 issued by Ministry of Corporate Affairs continues to apply under Section 133 of the Act;



- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.



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


(Suresh Nyati)
Partner
Membership No. 70742

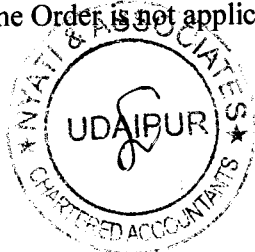
Udaipur, May 24, 2014

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Annexure to Auditors' Report

- (I) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) During the year, the Company has carried out physical verification of the fixed assets and no material discrepancies were noticed in such verification.
- (c) In our opinion and according to the information and explanation given to us, a substantial part of the fixed assets has not been disposed off by the Company during the year.
- (II) (a) As explained to us, inventories have been physically verified by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion the Company has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
- (III) The Company has not granted/taken any loans, secured or unsecured, to/from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, accordingly clause 4(iii)(b), (c), (d), (f), (g) of the said order are not applicable to the Company.
- (IV) In our opinion and according to the information and explanations provided to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed or reported.
- (V) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Act have been properly entered in the said register.
- (b) As per records of the Company there were no transactions exceeding during the year by Rs. Five lakhs 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.



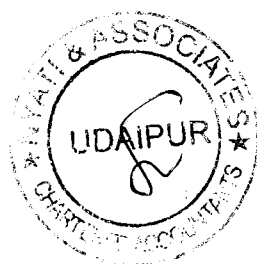
NYATI & ASSOCIATES

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- (VII) The Company has a system of internal audit, which, in our opinion, is commensurate with its size, and nature of its business.
- (VIII) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the rules prescribed by the central government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of generation of electricity through wind power and are of the opinion that prima-facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- (IX) (a) According to the records, information and explanation provided to us, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of Wealth Tax, Sales Tax, Service Tax and Customs duty which have not been deposited on account of any dispute, and the particulars of dues of Income tax, and excise duty as at March 31, 2014 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 disputes are pending
Income Tax Act, 1961	Disallowance of claim of deduction u/s 80IA and interest attributable to interest free advance.	72.71	2010-11	CIT(A)
Income Tax Act, 1961	Disallowance of claim of deduction u/s 80IA and interest attributable to interest free advance.	61.48	2009-10	CIT(A)

- (X) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

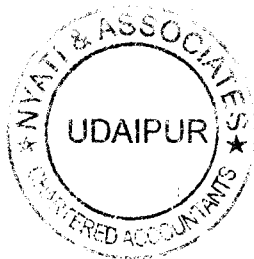


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- (XI) According to the records examined by us and the information and explanations given by the management, the Company has not defaulted in repayment of dues to any financial institution or bank.
- (XII) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (XIII) The provisions of any special statute applicable to chit/nidhi/mutual benefit fund/society are not applicable to the Company.
- (XIV) In our Opinion, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (XV) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (XVI) The Company did not have any term loan outstanding during the year.
- (XVII) On the basis of our examination of the books of accounts and the information and explanation given to us, and in our opinion, the funds raised on short-term basis have not been used for long-term investment and vice-versa.
- (XVIII) The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Act during the year.
- (XIX) The Company has not raised any debentures during the year and does not have any outstanding debentures as at the year end.
- (XX) The Company has not raised any money by public issues during the year.
- (XXI) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Udaipur, May 24, 2014



For NYATI & ASSOCIATES

Chartered Accountants

Firm Registration No. 002327C

A handwritten signature in black ink, appearing to be "Suresh Nyati".

(Suresh Nyati)

Partner

Membership No. 70742