



BOARD OF DIRECTORS

C. D. GOPINATH

Chairman

RAVI KUMAR KRISHNAMURTHI

PRAKASH KUMAR VERDIA

ROSHAN LAL NAGAR

JAGDISH DASHORA

ASHOK DOSHI

Managing Director

SUDHIR DOSHI

Whole Time Director

PRIYANKA MANAWAT

Company Secretary

Bankers

State Bank of India
Allahabad Bank
State Bank of Bikaner & Jaipur
State Bank of Mysore
State Bank of Indore

Auditors

Nyati & Associates
Chartered Accountants
Udaipur (Raj.) 313 001

Registered Office

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

Works

Granite Division Unit I & II

Village Thoppur
Distt. Dharampuri
Tamil Nadu

Wind Mills

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

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Twenty Second Annual Report 2010 - 2011

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FINANCIAL HIGHLIGHTS

(Rupees in Millions)

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

ROCE is profit before interest and taxation divided by average networth plus total borrowings.

RONW is profit after tax divided by average networth.

Fixed assets turnover is sales divided by average net fixed assets as at the end of the year.

Working capital turnover is sales divided by average net current assets as at the end of the year.

Market capitalisation is calculated by considering the market prices for shares at the end of the year.



Notice of Annual General Meeting

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

Ordinary Business

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

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

Udaipur, August 06, 2011

Priyanka Manawat
Company Secretary

GREEN INITIATIVE:

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

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

**Notes:**

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE MEMBER OF THE COMPANY. PROXY/PROXIES TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- 2 The Register of Members and the Share Transfer Books will remain closed from September 22, 2011 to September 28, 2011 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if any.
- 3 The Dividend for the year ended March 31, 2011, as recommended by the Board, if declared at the Annual General Meeting, will be paid on or after October 5, 2011, to the members who are holding their shares in physical form and whose names appear on the Company's Register of Members on September 28, 2011 and in respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the Depositories for this purpose as on September 22, 2011.
- 4 Pursuant to the provisions of Section 205 A(5) and 205 C of the Companies Act, 1956, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members who have not encashed their dividend warrants for the year 2003-2004 or thereafter are requested to write to the Company / Registrar and Share Transfer Agents for payment in lieu thereof.
- 5 Office of our Registrar and Share Transfer Agents M/s Ankit Consultancy Pvt. Ltd, has been shifted to Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) – 452 010. The new contact details are as follows:

Tel No.: (0731) 3198601-02, 2551745-46
Fax No.: 0731-4065798
Email I.D.: ankit_4321@yahoo.com
- 6 Members holding shares in physical form are requested to notify change in address, bank mandate and bank particulars, if any, under their signature to the Company's Registrar and Share Transfer agents M/s Ankit Consultancy Pvt. Limited, Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452 010. Members holding shares in electronic form may update such details with their respective Depository Participant (DP). These changes will get automatically reflected in Company's records.
- 7 Non-resident Indian Shareholders are requested to inform us immediately, the change in their residential status on return to India for permanent settlement and the particulars of NRE Account, if not furnished earlier.
- 8 Members are requested to kindly bring their copies of Annual Report to the meeting.
- 9 A member desirous of getting any further information on the accounts or operations of the Company, is requested to forward his / her queries to the Company at least five working days prior to the meeting, so that the required information will be made available at the meeting.
- 10 Details under Clause 49 of the Listing agreement with the Stock Exchanges in respect of Directors seeking re-appointment at the Annual General Meeting, is separately annexed hereto.

**Annexure to the Notice**

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

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



DIRECTORS' REPORT

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

FINANCIAL HIGHLIGHTS

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

Performance Review

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

Dividend

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

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

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

Finance

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

Directors Responsibility Statement

The Directors hereby confirm that:

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

Management Discussion and Analysis Report

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



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

Corporate Governance

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

Fixed Deposits

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

Directors

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

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

Auditors

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

Auditors' Report

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

Other Mandatory Requirements

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

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

Energy, Technology and Foreign Exchange

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

Particulars of Employees

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

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

Acknowledgement

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

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

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

Ashok Doshi
Managing Director

Sudhir Doshi
Whole Time Director

Udaipur, August 06, 2011



Annexure I to the Directors' Report.

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

A. Conservation of Energy

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

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

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

B. Technology Absorption

1 Research and Development (R&D)

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

2 Technology Absorption, Adaptation and Innovation

The company has been successfully using its imported tiling plant. In addition to this

the company is making continuous efforts to develop and absorb latest manufacturing and quality control facilities for maintaining high quality standards and consistency in its products to conform with international specifications.

C. Foreign Exchange Earning and Outgo and Export Activities

1 Exports

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

2 Export Activities

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

3 Foreign Exchange Earnings and Outgo

Earning : Rs. 507.02million
(previous year Rs. 535.27 million)
Outgo : Rs. 117.86 million
(previous year Rs.88.14 million)

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

Ashok Doshi
Managing Director

Sudhir Doshi
Whole Time Director

Udaipur, August 06, 2011



Management Discussion and Analysis Report

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

Business

MMGL is mainly engaged in the following business

- (a) Manufacturing and processing of Granite Tiles and Slabs; and
- (b) Trading activities related to Marble and Granite.
- (c) Generation of power by WTG
- (d) Land Development and Realty Business

Review of Operations:

Granite Tile Unit

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

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

Marble tiles and slab Unit

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

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

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

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

Granite Slab Unit

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

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

Power Generation

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

Outlook:

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

Financial Review and Analysis

(Rs. in Millions)

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



Net Sales and Other Income

Net sales and other income during the year has increased to Rs.658.96 million from Rs.645.78 million in previous year which includes around 89.21% contribution from granite division (slab & tiles), around 10.24% contribution from marble division, and 0.55% from the sale of power.

Manufacturing Expenses

The manufacturing expenses increased by 0.55 % to Rs.145.20 million from Rs. 144.40 million in previous year.

Net Material Consumed

Net material consumed increased by 12.27 % to Rs.299.11 million from Rs.266.42 million in previous year.

Employee cost

The employee cost increased by 19.86 % during the year to Rs.51.00 million from Rs.42.55 million in previous year.

Administrative and Other Expenses

Administrative and Other expenses increased by 0.85% to 63.86 million from Rs.63.32 million in previous year.

Profit before interest, depreciation and tax

Company has achieved operating profits at 9.18 % of total sales as a result of better operating efficiencies and continuous cost cutting measures adopted.

Interest

Interest charges decreased by 19.03 % to Rs.10.98 million from Rs.13.56 million in previous year. Company made repayment of term loan to the extent of Rs. 113.57 million

Depreciation

The depreciation charges were at Rs.45.35 million as against Rs. 46.19 million in the previous year, decrease of around 1.82 %.

Profit Before Tax

The profit before tax decreased by 85.72% to Rs.4.91 million from Rs. 34.38 million in previous year 2009-2010. The total tax provision for the current year amounted to Rs.0.91 million against Rs.5.84 million in the previous year.

Profit After Tax

The profit after tax declined by 69.86 % to Rs.10.14 million from Rs. 33.64 million in previous year.

Gross debt

The gross debt stood at Rs.58.40 million as compared to Rs. 211.97 million in the previous year.

Fixed Assets

The fixed assets stood at Rs.336.82 million as against Rs. 364.53 million in the previous year 2009-2010.

Net Current Assets

The Net current assets of Company decreased to Rs.722.41 million from Rs.853.72 million in previous year.

Deferred tax

The Company has provided for deferred tax assets of Rs. 6.14 million as against Rs. 5.10 million in previous year as per the Accounting Standard (AS) 22. For details kindly refer Notes to the Accounts No. 17.

Earning Per Share

The Earning Per Share was Rs. 1.16 during F.Y. 2010-11, as compared to Rs. 3.60 during FY 2009-10 and Cash Earning Per Share also decreased from Rs.8.84 to Rs. 6.23 during the period under review as compared to previous year.

Contingent Liabilities

Details of contingent liabilities are given in Notes to the Accounts No. 2.

Internal Control Systems

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.

Recognition

The Government of India recognized the Company as 'Export House' since 1995.

Conclusion

Company's PAT showed a negative growth during the year under review. But Management is confident and striving to deliver improved value and performance to the stakeholders.

**Report on Corporate Governance**

The Company believes in the concept of good Corporate Governance involving integrity, transparency, accountability and compliance with laws in all dealings with Government, Customers, Suppliers, Employees and other 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 Exchange and the best practice followed, on Corporate Governance, the details of Compliances by the Company are as under.

Board of Directors

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

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

None of the directors on the Board are members of more than ten Committees or Chairman of more than five Committees across all the Companies in which they are Directors.

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

Name of the Director	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM	Directorship(s) in other Companies	Chairmanship(s)/ Memberships Committees of others Companies	
					As Chairman	As Member
C. D. Gopinath	Non-executive Independent	4	Yes	1	1	–
Ravi K. Krishnamurthi	Non-executive Independent	4	Yes	2	1	3
Prakash K. Verdia	Non-executive Independent	8	Yes	–	–	–
Roshan Lal Nagar	Non-executive Independent	8	Yes	1	–	–
Jagdish Dashora	Non-executive	1	No	7	-	-
Sudhir Doshi	Whole Time Director	7	Yes	3	-	2
Ashok Doshi	Managing Director	7	Yes	6	–	–

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



Board Meetings

The Board of Directors met eight times during the year 2010-11 with a clearly defined agenda for each meeting.

The dates on which the eight Board meetings were held are as follows:

Date of Board Meeting	Held at	No. of Directors Present
April 30, 2010	Udaipur	6
June 18, 2010	Udaipur	3
August 07, 2010	Udaipur	4
August 14, 2010	Udaipur	6
September 25, 2010	Udaipur	6
October 16, 2010	Udaipur	4
October 30, 2010	Udaipur	5
February 05, 2011	Udaipur	5

Availability of information to the members of the Board

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

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

- Quarterly / Half yearly /Annual results of the Company and its units or business segments
- Minutes of meetings of Committees of the Board
- Details of Investor grievances received and resolved
- Transactions with related parties
- Sale of material nature of investment, subsidiaries, assets, which is not in normal course of business
- Other matters as set out in the Listing agreement

Audit Committee

The committee comprises of Non- Executive and Independent Directors having expertise in the field of finance and accounts. The audit committee has adequate powers and detailed terms of reference to play an effective role as required under the provisions of the Companies Act, 1956 and Clause 49 of the Listing agreement with the Stock Exchanges.

Brief description of the terms of reference to the audit committee are as follows:–

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

During the year 2010-11, four meetings were held on April 30, 2010, August 07, 2010, October 30, 2010 and February 05, 2011

Attendance record of Audit Committee Meetings

Name of Directors	Position	No. of meetings	
		Held	Attended
Mr. Roshan Lal Nagar	Chairman	4	4
Mr. Prakash K.Verdia	Member	4	4
Mr. Jagdish Dashora	Member	4	None
Mr. Sudhir Doshi	Member	4	4

Shareholders Transfer/Grievance Committee

The committee comprises four directors and reviews in consultation with our Registrar and Share Transfer agents Ankit Consultancy P. Ltd., matters related to Transfer of Shares, Non Receipt of Annual Report, Dividend and related matters. The Company Secretary acts as the Secretary to the Committee.

To expedite the share transfer work in the physical segment, necessary authority has been delegated to Registrar and Share Transfer Agents to approve transfers. Details of share transfers / transmissions



/ Issue of Duplicate shares effected / approved are placed regularly both at Committee and Board meetings.

During the year 2010-11, seven meetings were held on April 29, 2010, May 27, 2010, July 30, 2010, September 15, 2010, October 16, 2010, January 22, 2011 and March 12, 2011

Attendance record at the Shareholders Transfer/Grievance Committee Meetings

Name of Directors	Position	No. of meetings	
		Held	Attended
Mr. Prakash K. Verdia	Chairman	7	7
Mr. Roshan Lal Nagar	Member	7	7
Mr. Jagdish Dashora	Member	7	None
Mr. Sudhir Doshi	Member	7	7

REMUNERATION COMMITTEE

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

Terms of reference/objectives

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

Attendance record of Remuneration Committee Meeting

Name of Directors	Position	No. of meetings	
		Held	Attended
Mr. Ravi K. Krishnamurthi	Chairman	1	None
Mr. Roshan Lal Nagar	Member	1	1
Mr. Prakash K. Verdia	Member	1	1

Agreements with Directors

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

Mr. Sudhir Doshi, was appointed as Whole Time Director of the Company for a period of five years w.e.f July 28, 2007, and his appointment as Whole Time Director was approved by shareholders at the Annual General Meeting held on September 22, 2007.

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

Details of remuneration to Managing Director and Whole-time Director

Name	Salary/ Bonus (Rs.)	PF (Rs.)	Perqs. (Rs.)	Comm. payable (Rs.)	Total (Rs.)
Ashok Doshi	21,00,000	2,52,000	4,43,288	-	27,95,288
Sudhir Doshi	11,40,000	1,15,200	39,658	-	12,94,858

Remuneration to Non-executive Directors

Detail of Sitting Fees paid to non-executive directors during the year 2010-11 is given below—

Name of the Director	Sitting fees (Rs.)	Commission payable (Rs.)	Total (Rs.)
C.D. Gopinath	40000	-	40000
Ravi K. Krishnamurthi	40000	-	40000
Prakash K. Verdia	40000	-	40000
Roshan Lal Nagar	40000	-	40000
Jagdish Dashora	10000	-	10000



Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management Personnel of your Company. All Board Members and Senior Management Personnel have confirmed compliance with the code.

A declaration signed by the Managing Director is attached and forms part of the Annual Report.

Details of last three Annual General Meetings

Year	Date	Time	Place
2009-10	25.09.10	4.15 p.m.	Hotel Rajdarshan Pannadhay Marg, Udaipur- 313001
2008-09	26.09.09	4.15 p.m.	At old Regd. Office located at NH. 8, Amberi, Udaipur
2007-08	30.09.08	4.15 p.m.	As above

Special Resolutions passed in the last three AGMs.

2009-10

Re-appointment of Mr. Ashok Doshi as Managing Director

Appointment of Mrs. Ridhimma Doshi as Deputy Manager Finance

2008-09

Appointment of Mr. Madhav Doshi as Manager Exports

2007-08

None

Code for prevention of Insider Trading Practices

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

Postal Ballot

Company sought approval of its members to sell/ lease or otherwise transfer the major capital assets situated at Marble Division, Udaipur, Rajasthan by way of Postal Ballot. Result was declared at AGM held on September 25, 2010.

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

CEO / CFO Certification

The Managing Director of the Company has certified in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the year ended March 31, 2011.

Means of Communication

- The quarterly / half-yearly / annual financial results of the Company are published in Financial Express and Jai Rajasthan. These results are not distributed / sent individually to the shareholders.
- The financial results are also uploaded on Company's Website www.madhavmarbles.com.
- The Management Discussion and Analysis Report forms part of the Annual Report

General Shareholders' Information

1 Annual General Meeting

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

Day	: Wednesday
Date and time	: September 28, 2011 at 5:00 p.m.
Venue	: Hotel Rajdarshan, Pannadhay Marg Udaipur 313001 (Raj.)

- 2 Book closure** : September 22, 2011
to September 28, 2011
(both days inclusive).

3 Dividend payment date

Dividend if declared at the Annual General Meeting is proposed to be paid on or after October 05, 2011

4 Dividend declared in earlier years

2003 - 2004	: 20% Rs.2.00 per share
2004 - 2005	: 30% Rs.3.00 per share
2005 - 2006	: 10% Rs.1.00 per share
2006 - 2007	: 20% Rs.2.00 per share
2007 - 2008	: 10% Rs.1.00 per share
2008 - 2009	: 10% Rs.1.00 per share
2009 - 2010	: 10% Rs.1.00 per share



5 Financial Calendar

Quarter ended	: Reported on
30 th June 2011	06 th August 2011
Quarter ending	: On or before
30 th Sept. 2011	15 th November 2011
Quarter ending	: On or before
31 st Dec. 2011	15 th February 2012
Quarter ending	: On or before
31 st March 2012	15 th May 2012, or on before 30 th June 2012

6 Registered office

11-A, Charak Marg, Ambamata Scheme
Udaipur (Raj.) 313 001
Phone: 0294-2430200, Fax: 0294-2430400
e-mail : madhavfact@gmail.com
investormmgl@gmail.com
website : www.madhavmarbles.com

7 Factory location

Granite Division
Village Thoppur, Distt. Dharampuri (TN).

8 Listing and stock code

Stock Exchanges : Stock Code
BSE : 515093
NSE : Madhav
ISIN No. : INE925C01016

9 Addresses of Stock Exchanges

Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai 400 001
Phone: 022-2272 1233/ 34 Fax: 022-22721919
Web: www.bseindia.com
National Stock Exchange of India Limited (NSE)
"Exchange Plaza", Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Ph.:022-2659 8100 Fax:022-2659 8120
Web: www.nseindia.com

10 Listing fees

Listing fees for the year 2011-12 has been paid to the Stock Exchanges and there is no fees outstanding as on date.

11 Depositories

The National Securities Depository Ltd. (NSDL)
4th Floor,"A" Wing Trade World Kamala Mills
Compound, Senapati Bapat Marg, Lower Parel,
Mumbai 400 013
Ph. : 022-2499 4200 Fax : 022-2497 6351.
Web: www.nsdl.co.in
The Central Depository Services (India) Ltd.
(CDSL)
17th Floor, P.J.Towers, Dalal Street, Fort
Mumbai 400 001
Ph.: 022-2272 3333 Fax: 022-2272 3199.
Web: www.cdslindia.com

12 Address of Registrar of Companies

The Registrar of Companies, Rajasthan
G/6-7, Second Floor, Residency Area
Civil Lines, Jaipur - 302001

13 Registrar & Share Transfer Agent

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

14 Compliance Officer

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

15 Dematerialization of Shares

Request for Dematerialization of shares are processed and confirmation is given to respective depositories within 15 days

The total number of shares in dematerialized form at the close of the financial year was 83,46,490 equity shares, which represents 93.29% of the total outstanding equity.

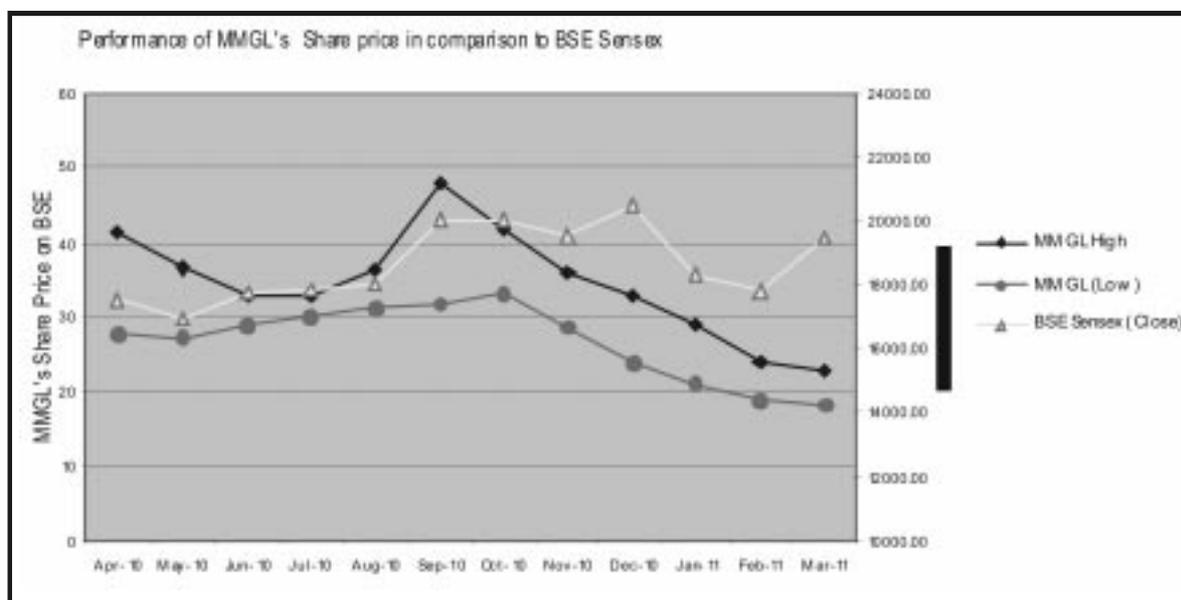
Trading in company's shares is permitted only in the dematerialized form.



16 Share price data

The monthly high and low quotations and volume of shares traded on Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India (NSE) during the year 2010-11, is given below along with graph showing share price movement with BSE Sensex.

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume of Shares Traded	High (Rs.)	Low (Rs.)	Volume of Shares Traded
Apr-10	41.45	27.85	1320821	41.4	28	2501873
May-10	36.45	27.2	428503	36.4	27.55	669156
Jun-10	32.7	28.8	202509	32.95	28.05	332772
Jul-10	32.85	30.05	143357	33.85	28.75	167027
Aug-10	36.25	31	605008	36	30.85	780800
Sep-10	47.8	31.6	1707094	47.5	31	1868443
Oct-10	41.75	33.1	744069	42.1	33.5	665520
Nov-10	35.95	28.5	194065	35.4	29	203937
Dec-10	32.75	23.85	178566	35.3	22.6	130552
Jan-11	28.9	21	110520	28.9	21	68733
Feb-11	23.65	18.7	80254	25	18	71216
Mar-11	22.65	18.25	97424	23	18.5	68872



**17 Consolidation of folios**

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

18 Nomination facility

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

19 Unpaid / Unclaimed Dividends

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

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

Unclaimed/Unpaid dividend for the year ended March 31, 2004 is due for transfer to IEPF in the month of September 2011. No claim will lie against the Company or the IEPF in respect of the unclaimed / unpaid dividend amounts once it is transferred to the IEPF.

20 Investors' Grievances received during the year and attended to

Nature of Grievances	2010 –11	
	Received	Resolved
Relating to Transfer, Transmission, Dividend, Demat, Change of Address etc.	22	22

21 Statutory Compliance

The Company ensures compliance of various statutory requirements by all its Units / Business Segments and obtains quarterly reports /

certificates from the respective Units and its Offices. These certificates are placed before the Board and recorded on quarterly basis.

22 Reconciliation of Share Capital Audit

In keeping with the requirements of SEBI guidelines and the Stock Exchanges, a Share capital audit by a practicing Company Secretary is carried out to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.

The audit confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of de-materialized shares held with NSDL and CDSL.

23 Non-mandatory Disclosure

- (a) Chairman's office: The Company does not maintain the office of the chairman, but reimburse the expenses incurred in performance of his duties.
- (b) Shareholders Right: The quarterly financial results are published in the newspapers, and also displayed on the website of the Company.
- (c) Remuneration committee: The Company has set-up a remuneration committee, details of which are furnished earlier in this Annual report.

Other Matters

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

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

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



24 Distribution of Shareholding as on March 31, 2011.

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
0-100	5644	58.84	477913	5.34
101-200	1233	12.86	231165	2.58
201-300	496	5.17	138668	1.55
301-400	285	2.97	109104	1.22
401-500	754	7.86	373957	4.18
501-1000	566	5.90	464935	5.20
1001-2000	287	2.99	436896	4.88
2001-3000	96	1.00	242128	2.71
3001-4000	56	0.58	198309	2.22
4001-5000	42	0.44	153751	1.72
5001-10000	67	0.70	503057	5.62
10001 above	66	0.69	5617117	62.78
Total	9592	100.00	8947000	100.00

25 Shareholding Pattern as on March 31, 2011

Category of Shareholder	No. of Shareholders	Number of Shares	Percentage of Shares
A. Promoter & Promoter Group			
Indian	28	3626281	40.53
Foreign	-	-	-
B. Public Shareholding			
Mutual Funds/UTI	4	9500	0.11
Financial Institutions / Banks	1	500	0.01
Insurance Companies	1	360425	4.03
Foreign Institutional Investors	2	2300	0.02
Bodies Corporate	241	599699	6.70
Individual Shareholders	8977	4064247	45.42
NRIs & OCBs	329	274312	3.07
Clearing Member	9	9736	0.11
Total	9592	8947000	100.00



Code of Conduct

Declaration

In accordance with clause 49 of the Listing agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2011.

Ashok Doshi
Managing Director

Udaipur, August 06, 2011

Auditors' Certificate regarding Compliance on Corporate Governance

To
The Members of
Madhav Marbles and Granites Limited
Udaipur

We have examined the compliance of conditions of Corporate Governance by Madhav Marbles and Granites Limited, (" the Company") for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing agreement of the said Company with Stock Exchanges (hereinafter referred to as 'the agreement').

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

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

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

For **NYATI & ASSOCIATES**
Chartered Accountants
ICAI Reg.No. 002327C

SURESH NYATI
Partner
Membership No. 70742

Udaipur, August 06, 2011



Auditors' Report to the Members of Madhav Marbles & Granites Limited

We have audited the attached Balance Sheet of **MADHAV MARBLES AND GRANITES LIMITED** as at March 31, 2011 and also the Profit & Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1 As required by the Companies (Auditor's Report) Order, 2003, issued by the Central government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2 Further to our comments in the Annexure referred to above we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
 - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statements dealt with by this report are in agreement with the books of account of the Company.
 - (d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) on the basis of the written representations received from the directors as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies in Schedule 'T' and notes appearing thereon give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with Accounting Principle generally accepted in India;

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011.
- (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For NYATI & ASSOCIATES
Chartered Accountants
ICAI Reg. No. 002327C

SURESH NYATI
Partner
Membership No. 70742

Udaipur, August 06, 2011



Annexure to the Auditors' Report

- (i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) During the year, the Company has carried out physical verification of the fixed assets. and no material discrepancies were noticed in such verification.
- (c) The Company has not disposed off a substantial part of the fixed assets 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) (a) The Company has not granted any loan secured or unsecured to the companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act 1956. Accordingly paragraph 4(iii), (b), (c) and (d) of the order are not applicable
- (b) The Company has taken unsecured loans from Companies and other parties covered in the register maintained under Section 301 of Companies Act, 1956. The number of Companies and amount involved in the transactions is as follows:

No.of Parties	Maximum Amount Outstanding (in Rupees)
Two	Rs. 150 Lacs

The Company has not taken unsecured loans from firms covered in the register maintained under Section 301 of the Companies Act 1956.

- (c) In our opinion, the rate of interest and other terms and conditions of the said loans are not, prima facie, prejudicial to the interest of the Company.
- (iv) In our opinion and according to the information and explanations provided to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods & services. During the course of our audit, we have not observed nor have been informed of any continuing failure to correct in the major weakness in the aforesaid internal control system.
- (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 have been properly entered in the said register.
- (b) As per records of the Company there were no transactions that need to be entered in the register maintained under Section 301 of the Act and therefore clause V (b) of paragraph 4 of the order is not applicable to the Company.
- (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 thereunder. Hence, the clause (vi) of paragraph 4 of the Order is not applicable to the Company
- (vii) The Company has a system of internal audit, which, in our opinion, is commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of generation of electricity through wind power and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- (ix) (a) According to the records, information and explanation provided to us, the Company is generally regular in depositing with appropriate authorities undisputed amount in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Customs duty, Value added Excise duty, Cess and



other statutory dues with appropriate authorities applicable to it. According to the information and explanation given to us no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Customs duty, Value added Excise duty, Cess and other statutory dues were outstanding as at March 31, 2011 for a period of more than six months from the date they became payable.

- b) According to the information and explanation given to us and records examined by us the particulars of disputed Income-tax, Excise duty, Customs duty, value added, Sales tax and cess that have not been paid to the concerned authorities are:

Name of the statute	Name of the disputed dues	Amount Rs. Lacs	Period to which the amount relates	Forum where disputes are pending
Income Tax Act 1961	Disallowance of exemption u/s 10B under MAT	61.62	2005-06	I.T.A.T.
Income Tax Act 1961	Disallowance of - Deduction u/s 80IA in respect of income of Windmill - Disallowance u/s 10B for Interest Income - Disallowance u/s 40(a)(ia)	62.77	2008-09	CIT (Appeals)

- (x) The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses during the year and in the immediately preceding year.
- (xi) According to the records examined by us and on the information and explanations given by the management, the Company has not defaulted in repayment of dues to any financial institution or bank.
- (xii) Based on our examination and according to the information and explanations given to us, 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 Company is not a chit / nidhi / mutual fund / society and clause (xiii) of Paragraph 4 of the Order is not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) On the basis of 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) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (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) During the year, 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.
- (xix) The Company has not issued debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit nor have been informed of such case by Management.

For NYATI & ASSOCIATES

Chartered Accountants

ICAI Reg. No. 002327C

SURESH NYATI

Partner

Membership No. 70742

Udaipur, August 06, 2011



BALANCE SHEET AS AT MARCH 31, 2011

		(Rupees)	
		As at	As at
		31.03.2011	31.03.2010
SOURCES OF FUNDS	Schedules		
Shareholders' Funds			
Share Capital	A	89470000	89470000
Reserves and Surplus	B	<u>864534311</u>	<u>864550625</u>
		954004311	954020625
Loan Funds			
Secured Loans	C	46898664	206972374
Unsecured Loans		<u>11500000</u>	<u>5000000</u>
		58398664	211972374
Deferred Tax Liability (Net)		<u>48254968</u>	<u>54395148</u>
		1060657943	1220388147
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	802783403	767313143
Less : Depreciation		<u>466702769</u>	<u>424048559</u>
Net Block		<u>336080634</u>	<u>343264584</u>
Capital work-in-progress		<u>740246</u>	<u>21261029</u>
		336820880	364525613
Investments			
		-	-
Current Assets, Loans and Advances			
Inventories	E	275866685	244825753
Sundry Debtors	F	269252388	313943665
Cash & Bank Balances	G	69427210	55658755
Loans & Advances	H	<u>293616673</u>	<u>346002771</u>
		908162956	960430944
Less : Current Liabilities and Provisions			
Current Liabilities	I	163573641	83040872
Provisions	J	<u>22180922</u>	<u>23670543</u>
		185754563	106711415
Net Current Assets		722408393	853719529
Miscellaneous Expenditure	K	1428670	2143005
(To the extent not written off or adjusted)			
TOTAL		<u>1060657943</u>	<u>1220388147</u>
Accounting Policies and Notes to Accounts	T		

In terms of our report of even date

For and on behalf of the Board of Directors

For NYATI & ASSOCIATES

Chartered Accountants

ICAI Reg. No. 002327C

SURESH NYATI

Partner, Membership No. 70742

Ashok Doshi
Managing DirectorSudhir Doshi
Whole Time Director

Udaipur, August 06, 2011

Priyanka Manawat
Company Secretary


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Rupees)

Schedules	Year ended 31.03.2011	Year ended 31.03.2010
INCOME		
Sales	666990501	647378498
Less: Inter divisional transfers	<u>10468684</u>	<u>9081732</u>
	656521817	638296766
Less : Excise Duty	<u>4879854</u>	<u>2281425</u>
	651641963	636015341
Other Income	L 7314181	9759805
Increase / (Decrease) in Stock	M 4557660	11266835
	<u>663513804</u>	<u>657041981</u>
EXPENDITURE		
Materials consumed / sold	N 303665776	277686034
Cost of Sales(Realty)	O -	-
Purchase of Traded goods	38537400	34963357
Manufacturing Expenses	P 145202114	144396047
Payment to and provision for Employees	Q 51002630	42550504
Administrative and other Expenses	R 63865035	63315725
Interest	S 10980497	13563987
Depreciation	D 45354086	46189737
	<u>658607538</u>	<u>622665391</u>
Profit/(Loss) for the period before Taxation & Extraordinary Items	4906266	34376590
Provision for taxation		
- Current Tax	909622	5842301
- Deferred (See Note No. 17)	<u>(6140180)</u>	<u>(5104719)</u>
	(5230558)	737582
Profit after Tax	10136824	33639008
Provision no longer required	-	-
Add / (Less) : Prior period Adjustments	(17920)	(66033)
Add / (Less) : Earlier Year Income Tax Liability	297767	(1346357)
Balance brought forward from previous year	469795328	463001695
Balance available for Appropriation	<u>480211999</u>	<u>495228313</u>
APPROPRIATIONS		
Proposed Dividend	8947000	8947000
Tax on Proposed Dividend	1485985	1485985
Transferred to General Reserve	-	15000000
Balance carried to Balance Sheet	<u>469779014</u>	<u>469795328</u>
	<u>480211999</u>	<u>495228313</u>
Basic and Diluted Earning per Equity share (see note no.7)	1.16	3.60
Face value per Equity share	10.00	10.00

Accounting Policies and Notes to Accounts T
In terms of our report of even date
For and on behalf of the Board of Directors

 For NYATI & ASSOCIATES
 Chartered Accountants
 ICAI Reg. No. 002327C

 SURESH NYATI
 Partner, Membership No. 70742

Udaipur, August 06, 2011

 Ashok Doshi
 Managing Director

 Sudhir Doshi
 Whole Time Director

 Priyanka Manawat
 Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

	(Rupees)	
	Year ended 31.03.2011	Year ended 31.03.2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / Loss Before Tax and Extra-ordinary Items Adjusted for	4906266	34376590
Depreciation	45354086	46189737
Interest Paid	10980497	13563986
Deffered Revenue Expenditure	714335	714335
Bad Debts / Advances Written Off	440640	270615
Profit on sale of fixed assets	(113491)	-
Other Income	(7200690)	(9759805)
Operating Profit Before Working Capital Changes Adjusted for	55081644	85355458
Inventories	(31040932)	(47762175)
Trade and Other Receivables	92814743	60112462
Trade Payables	78163186	10530574
Deferred Revenue	-	-
Cash Generated From Operation	195018640	108236320
Interest Paid	(10980497)	(13563986)
Direct Taxes Paid/Tax Deducted at Source/Fringe Benefit Tax Paid	(4308473)	(624634)
Other Income	7200690	9716211
Cash Flow Before Extra-ordinary Items	186930360	103763910
Prior Period Adjustment	(17920)	(1412390)
Net Cash From Operating Activities (A)	186912440	102351520
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / Capital W.I.P.	(17734057)	(22593249)
Sale of Asset	495962	-
Deposit with Companies and Others	8100805	21351635
Investment	-	5043594
Net Cash Used in Investing Activities (B)	(9137290)	3801980

**CASH FLOW STATEMENT (continued)**

	(Rupees)	
	Year ended 31.03.2011	Year ended 31.03.2010
C CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings / Repayments	(107934863)	(132776553)
Repayments to / Proceeds from Banks	(45638847)	4029482
Dividend Payout	(8947000)	(8947000)
Tax Paid on Dividend	(1485985)	(1520543)
Net Cash Used in Financing Activities (C)	(164006695)	(139214614)
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	13768455	(33061114)
E OPENING CASH AND CASH EQUIVALENTS	55658755	88719869
(as at 01.04.2010 - Opening Balance)		
F CLOSING CASH AND CASH EQUIVALENTS	69427210	55658755
(as at 31.03.2011 - Closing Balance)		

For and on behalf of the Board of Directors

For NYATI & ASSOCIATES
Chartered Accountants
ICAI Reg. No. 002327C

SURESH NYATI
Partner, Membership No. 70742

Ashok Doshi
Managing Director

Sudhir Doshi
Whole Time Director

Udaipur, August 06, 2011

Priyanka Manawat
Company Secretary

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of MADHAV MARBLES & GRANITES LIMITED for the year ended March 31, 2011. The statement has been prepared by the Company in accordance with Clause 32 of Listing agreement with Stock Exchanges. The statement is based on and is derived from the Profit and Loss Account and the Balance Sheet of the Company for the year ended March 31, 2011 covered by our report of August 06, 2011 to the members of the Company.

For NYATI & ASSOCIATES
Chartered Accountants
ICAI Reg. No. 002327C

Udaipur, August 06, 2011

SURESH NYATI
Partner
Membership No. 70742



Schedules

	As at 31.03.2011	(Rupees) As at 31.03.2010
A SHARE CAPITAL		
Authorised		
17250000 Equity Shares of Rs.10/- each	172500000	172500000
75000 Cumulative Convertible Preference Shares of Rs.100/- each	7500000	7500000
	<u>180000000</u>	<u>180000000</u>
Issued, Subscribed and Paid-Up		
8947000 (previous year 8947000) Equity Shares of Rs.10/- each fully paid-up	89470000	89470000
	<u>89470000</u>	<u>89470000</u>
B RESERVES AND SURPLUS		
General Reserve (as per last account)	394755297	379755297
Add : Transfer during the year	-	15000000
	<u>394755297</u>	<u>394755297</u>
Profit and Loss Account		
Surplus, being balance in Profit and Loss Account	469779014	469795328
	<u>864534311</u>	<u>864550625</u>
C SECURED LOANS		
Borrowing from Banks		
Rupee Term Loan		
State Bank of Mysore	8532858	21440092
State Bank of Bikaner & Jaipur	-	37695717
State Bank of Indore	-	49740369
	<u>8532858</u>	<u>108876178</u>
Foreign Currency Loan		
State Bank of India	27315806	41407349
Working Capital Loan		
State Bank of India	-	45525790
State Bank of India, Salem	-	3057
Allahabad Bank	11050000	11160000
	<u>46898664</u>	<u>206972374</u>

Notes:-

- 1 The Working Capital Loans from State Bank of India and Allahabad Bank is secured by hypothecation of stocks and book debts present and future of the Company and second charge on Fixed assets of the Company. Both loans are also secured by personal guarantee of Mr. Ashok Doshi, Managing Director.
2. The Term Loan from State Bank of Mysore (SBM) is secured by first charge on pari-passu basis over Fixed Assets of the Company and second charge over current assets of the Company. The Term Loan is also secured by personal guarantee of Mr. Ashok Doshi, Managing Director.



Schedules (continued)

(Rupees)

D FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2010	Additions/ Transfer	Deduction/ Adjustment	As at 31.03.2011	Upto 31.03.2010	For the year	Deduction/ Adjustment	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010	
Free hold land	8404898	214527	-	8619425	-	-	-	-	8619425	8404898	
Lease hold land	3791632	-	-	3791632	-	-	-	-	3791632	3791632	
Site development	2882280	-	-	2882280	164436	46981	-	211417	2670863	2717844	
Building	106421771	19699226	-	126120997	33028366	3653630	-	36681996	89439001	73393405	
Plant and machinery	462568757	11236228	-	473804985	319555163	31789653	-	351344816	122460169	143013594	
Windmill	110445212	-	-	110445212	31555078	5831507	-	37386585	73058627	78890134	
Electrical installation	41758463	916963	-	42675426	21447265	1819358	-	23266623	19408803	20311198	
Factory equipments	12231989	1003695	-	13235684	5709299	499841	76308	6132832	7102852	6522690	
Furniture, fixture and office equipment	8995067	2862536	-	11857603	5837253	918891	-	6756144	5101459	3157814	
Vehicles	9813074	2321665	2784580	9350159	6751699	794225	2623568	4922356	4427803	3061375	
TOTAL	767313143	38254840	2784580	802783403	424048559	45354086	2699876	466702769	336080634	343264584	
Previous year	762534385	8167087	3388329	767313143	377858821	46189737	-	424048559			
Capital work-in-progress									740246	21261029	
									<i>Grand Total</i>	336820880	364525613

As at
31.03.2011 As at
31.03.2010

E INVENTORIES

(As taken, valued and certified by the Management)

Stores and Spares (at cost)	29461947	30893282
Raw Material (at cost)	90065163	77070362
Packing Material (at cost)	1099694	1903609
Work-in-Progress (at cost)	12595041	10974276
Work-in-Progress (Realty)	36806206	21082485
Finished Goods (at lower of cost or net realisable value)	103849586	100916980
Goods for Trade (at cost)	1989048	1984759
	<u>275866685</u>	<u>244825753</u>

F SUNDRY DEBTORS

(Unsecured, considered good)

Debts outstanding for a period exceeding six months	132833456	179122333
Other Debts	136418932	134821332
	269252388	313943665
Less : Provision for doubtful debts	-	-
	<u>269252388</u>	<u>313943665</u>



Schedules (continued)

		(Rupees)	
		As at 31.03.2011	As at 31.03.2010
G	CASH AND BANK BALANCES		
	Cash in hand	972096	2055099
	Balance with Scheduled Banks		
	In Current Accounts	24149521	6211145
	In Fixed Deposits	40383780	43168878
	In Unclaimed Dividend Accounts	3921813	4223633
		<u>69427210</u>	<u>55658755</u>
H	LOANS AND ADVANCES		
	(Unsecured, considered good unless otherwise stated)		
	Advances recoverable in cash or in kind or for value to be received	265165748	312541859
	Deposit with companies and others	49234	8150039
	Security deposits	9302339	10532664
	Advance Tax & Tax deducted at source	18817914	14509441
	Balance with central excise department	281438	268768
		<u>293616673</u>	<u>346002771</u>
I	CURRENT LIABILITIES		
	Sundry Creditors (see note no.3)		
	For Trade	41214195	43008134
	For Expenses	<u>110017807</u>	<u>32768495</u>
		151232002	75776629
	Bills Payable	8431172	3051956
	Unclaimed / Unpaid dividend	3910467	4212287
		<u>163573641</u>	<u>83040872</u>
J	PROVISIONS		
	For Taxation	9058882	8178921
	For proposed Dividend (including taxes thereon)	10432985	10432985
	For Gratuity & Leave Encashment	2689055	5058637
		<u>22180922</u>	<u>23670543</u>
K	MISCELLANEOUS EXPENDITURE		
	(To the extent not written off or adjusted)		
	Deferred Revenue Expenditure	2143005	2857340
	Less: Written off During the Year	714335	714335
		<u>1428670</u>	<u>2143005</u>
L	OTHER INCOME		
	Interest on Deposits and Advances	2816118	7448150
	Export Incentive	233350	1351329
	Gain on Variation in Foreign Exchange Rates	2548225	-
	Profit on sale of Assets	113491	-
	Profit on sale of Investments	-	43594
	Miscellaneous Income	1602997	916732
		<u>7314181</u>	<u>9759805</u>



Schedules (continued)

		(Rupees)	
		Year ended 31.03.2011	Year ended 31.03.2010
M	INCREASE/(DECREASE) IN STOCK		
	Closing Stock		
	Finished Goods	103849586	100916980
	Work-in-Progress	12595041	10974276
	Goods for Trade	<u>1989048</u>	<u>1984759</u>
		118433675	113876015
	Less : Opening Stock		
	Finished Goods	101155014	88505341
	Work-in-Progress	10974276	10246978
	Goods for Trade	<u>1746725</u>	<u>3856861</u>
		113876015	102609180
		<u>4557660</u>	<u>11266835</u>
N	MATERIALS CONSUMED/SOLD		
	(A) Raw Material Consumed / Sold:		
	Opening Stock	77070362	42555482
	Add : Purchases and expenses	295447649	292392219
		<u>372518011</u>	<u>334947701</u>
	Less: Provision for Diminution in Value of Stock	-	-
	Less : Closing Stock	<u>90065163</u>	<u>77070362</u>
		<u>282452848</u>	<u>257877339</u>
	(B) Packing Material Consumed	<u>21212928</u>	<u>19808695</u>
	TOTAL (A +B)	<u>303665776</u>	<u>277686034</u>
O	COST OF SALES (REALTY)		
	Opening Work in Progress	21082485	20064304
	Add: Purchases	-	-
	Add: Cost of Conversion, Labour, Material and Other Charges	<u>15723721</u>	<u>1018181</u>
		<u>36806206</u>	<u>21082485</u>
	Less: Closing Work in Progress:	<u>36806206</u>	<u>21082485</u>
		-	-
P	MANUFACTURING EXPENSES		
	Stores and Spares consumed	83577562	86112984
	Sawing Charges	46123	193087
	Power and Fuel	37364272	34271317
	Repairs and Maintenance		
	Plant and Machinery	17027691	18509553
	Building	<u>685167</u>	<u>672872</u>
		17712858	19182425
	Other Manufacturing Expenses	<u>6501299</u>	<u>4636234</u>
		<u>145202114</u>	<u>144396047</u>



Schedules (continued)

	(Rupees)	
	Year ended 31.03.2011	Year ended 31.03.2010
Q PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salary, Wages and Allowances	43272143	35038614
Contribution to Provident and other funds	5047067	5202128
Workmen and Staff Welfare Expenses	2683420	2309762
	<u>51002630</u>	<u>42550504</u>
R ADMINISTRATIVE AND OTHER EXPENSES		
Printing and Stationary	594624	526966
Postage, Telegram and Telephone	1125822	1196085
Conveyance, Vehicle running and Maintenance	852580	927847
Travelling	7111420	5944944
Legal, Professional and Consultation	920371	1988039
Remuneration to Directors	3796439	3010063
Auditors Remuneration	220000	242660
Deferred Revenue Expenditure W/off	714335	714335
General Insurance	330708	119466
Selling Expenses	40086427	41021304
Financial Charges	4664202	4376723
Security Expenses	439459	517380
Repairs and Maintenance	117776	212024
Provision for Doubtful Debts (Net)	440640	270615
Miscellaneous Expenses	2302279	1859146
Loss on variation in Foreign Exchange rates (Net)	147953	388128
	<u>63865035</u>	<u>63315725</u>
S INTEREST		
On Term Loans	939418	4946662
On Working Capital	9620749	8617325
On Others	420330	-
	<u>10980497</u>	<u>13563987</u>



Schedules (continued)

T ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1 Significant Accounting Policies

1.1 Method of Accounting

- (a) The accounts have been prepared as per historical cost convention on an accrual basis.
- (b) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the Company.

1.2 Fixed Assets

- (a) Fixed Assets are stated at their original cost including incidental expenditure related to acquisition and installation less accumulated depreciation.
- (b) The original cost of the fixed assets acquired by utilizing 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.
- (c) 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.

1.3 Borrowing Cost

Borrowing costs on loans taken for procurement of specific asset, accrued till such asset is ready for its intended use are capitalised as part of cost of such asset. All other borrowing cost are charged to revenue.

1.4 Depreciation

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

1.5 Inventories

- (a) Finished goods, rejects and waste are valued at cost or net realizable value whichever is lower. Raw material, work-in-progress, stores and spares and packing materials are valued at cost. Provision is made in respect of non-standard and non-moving items.
- (b) Cost of Work-in-Progress is ascertained at material cost and an appropriate share of production overheads.
- (c) Cost of Finished goods is ascertained at material cost and an appropriate share of production overheads and excise duty where paid/payable.
- (d) Cost of rejects and waste is determined considering cost of material, labour, and related overheads including depreciation.
- (e) Property Development Land is valued at lower of Cost or Net Realisable Value.

1.6 Revenue Recognition

- (a) Sale of goods are recognized on despatch and in accordance with the terms and conditions of the sale. Sale includes excise duty and processing done for third parties.
- (b) 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.
- (c) 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.



Schedules (continued)

1.7 Employee Benefits

(a) Short term Employee benefits:

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

(b) Post employment benefits:

(i) Defined Contribution Plan

The company has Defined Contribution plan for post employment benefit namely provident fund, which is recognised by the income tax authorities and administered through appropriate authorities. The Company's 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 profit and loss Account as income or expense.

(c) Leave encashment

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

(d) Termination Benefits are recognized as an expense as and when required.

1.8 Foreign Exchange Fluctuation

(a) Foreign Currency loans for financing fixed assets outstanding at the close of the financial year are translated at contracted and/or appropriate exchange rates at the close of the year. The gain or loss arising out of such translation is added/deducted from the cost of the assets acquired through these loans.

(b) Current assets and liabilities in Foreign Currency outstanding at the close of the financial year are valued at the contracted and / or appropriate exchange rate at the close of the year. The loss or gain due to fluctuation of exchange rates is charged to Profit and Loss Account.

1.9 Cenvat

The Cenvat credit available on purchases of raw material, other eligible inputs and capital goods is adjusted against excise duty payable on clearance of goods produced. The unadjusted cenvat credit is shown under the head 'Loans and Advances'.

1.10 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 amount being the higher of net realizable price and value in use. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1.11 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 a 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



Schedules (continued)

obligation can be made. Contingent liabilities are recognised 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 realisable 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.

1.12 Investments

Long-term investments are carried at cost, after providing for any diminution in value of such investments.

1.13 Segment Accounting

(i) Segment Accounting Policies:

Segment Accounting Policies: 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.

- (a) Segment Revenue includes Sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- (b) Expenses that are directly identifiable with / allocable to segment are considered on 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".
- (c) Income, which relates to the Company, as a whole and not allocable to segments is included in "Unallocable Corporate Income".
- (d) 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.

1.14 Taxes on Income

Income tax expense for the year comprises of current tax and deferred tax. Current tax provision has been determined on the basis of relief, deductions etc., available under the Income-tax Act, 1961, and Deferred tax is accounted for by computing the tax effect of timing differences which arise during the year and reversed in subsequent periods. Deferred tax assets are recognized 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 realised.

1.15 Employees Separation Cost

Compensation to employees who have opted voluntarily for retirement has been debited to profit and loss account in the year of payment.

1.16 Miscellaneous Expenditure

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

2 Contingent liabilities not provided for

(Rupees in Lakhs)

Sr. No.	Particulars	2010 - 11	2009 -10
(a)	Bills discounted with Bankers	624.89	679.24
(b)	Bank Guarantee/Letter of Credit issued by Bank	242.86	40.75
(c)	Bond executed in favour of Customs, Excise and DGFT authorities	815.00	815.00
(d)	Income Tax Liability (including penalty) that may arise in respect of matters which are pending in appeal.	124.59	360.27



Schedules (continued)

3. (a) Sundry Creditors includes Rs. Nil (previous year Rs.2,50,899) due to small scale and ancillary undertakings.
- (b) The above information has been complied in respect of parties to the extent to which they could be identified as small scale and ancillary undertaking on the basis of information available with the company.
- (c) The Company has not received information from vendors regarding their status under the Micro, Small and medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at year end together with interest paid/payable under this act has not been given.
4. The Company has suspended operations at its marble division situated at Udaipur, Rajasthan with effect from June 18, 2010. Further Company entered into agreement to sale on October 21, 2010 for the sale of major capital assets comprising of Land ,Building, Plant & Machinery and related Stores and Spares of the Marble division at a consideration of Rs. 421 Lacs with M/s Mahatma Marble and Granite P. Ltd. A sum of Rs, 176 Lacs has been received as advance. The conveyence deed has still not been executed as necessary permission/ approval is awaited from statutory authorities. Possession of the sold unit has not been given yet.

(Rupees)

31.03.2011

31.03.2010

5. Auditors' Remuneration

Audit fee	160000	160000
Tax audit fee	17500	17500
Other matters / Certification	42500	42500
Out-of-pocket expenses	–	39000
Total	220000	259000

6. Managerial Remuneration

Salary	3240000	2768800
Perquisites (Valued as per Income-tax Rules)	695288	367889
Commission (including guarantee commission)	–	–
Total	3935288	3136689

7. Prior period adjustment represents

(a) Debits relating to earlier year	(40080)	(148990)
(b) Credits relating to earlier year	22160	82957
Total	(17920)	(66033)

8. Earning per share

Net profit for the year after tax & prior period adj.	10416671	32226618
Weighted average number of equity shares outstanding	8947000	8947000
Nominal value of the shares	10.00	10.00
Basic and diluted earning per share	1.16	3.60

9. Value of imported / indigenous raw materials consumed

	%	Rupees	%	Rupees
Imported	9.40	26552602	10.41	26840345
Indigenous	90.60	255900246	89.59	231036994
	100.00	282452848	100.00	257877339

**Schedules (continued)****10. Value of stores and spares consumed**

	%	Rupees	%	Rupees
Imported	49.46	41334585	57.49	49503719
Indigenous	50.54	42242977	42.51	36609265
	100.0	83577562	100.00	86112984

11 Value of import on CIF basis

Raw material	44934098	23509121
Stores and spares	47177791	47812430
Capital goods	–	9856001
Traded Goods	11095991	–
	103207880	81177552

12 Expenditure in foreign currency

Travelling	2570158	1651333
Selling commission	11248919	4285976
Other matters	831380	1025870
Total	14650457	6963179

13 Earnings in foreign exchange

On account of exports calculated at FOB value (including third party exports Rs.43790369/-, previous year Rs.47387431/-)	550808497	582658757
--	-----------	-----------

14 Remittance of foreign currency on account of dividends

No. of holders	87	110
No. of shares	37100	44600
Gross amount Rs.	37100	44600
Related to the year	2009-2010	2008-2009

15 Particulars in respect of loans and advances in the nature of loans as required by the listing agreement

Name of the Company	Balance as on 31.03.2011	Maximum outstanding during the year
Loans and advances in the nature of loans where repayment schedule is not specified	49234	8150039

16 Licensed / Registered and Installed Capacity

Description	Unit	Licensed/ Registered#	Installed*	Actual Production
Marble Tiles	Sq. meters	361338	361338	– (11396.77)
Granite Tiles	Sq. meters	260000	260000	216349.499 (238534.69)
Granite Slabs	Sq. meters	340000	340000	202782.668 (172824.93)
Marbles Slabs	Sq. meters	40000	40000	0.00 (0.00)



Schedules (continued)

Registered capacities are those capacities for which registration has been granted by DGTD or approval obtained from the Government of India, Ministry of Industry, New Delhi or Development Commissioner, Madras Export Processing Zone, under "100% Export Oriented Scheme".

@ Includes 41277.691 sq.mtr. production of Rejects & 18263.62sq. mtr. production of Scrap (Previous year 44409.32 Sq. mtr Rejects and 25651.024 sq. mtr. Scrap).

* As certified by the Management and relied upon by the Auditors, this being a technical matter.

17 Quantitative information in respect of opening stock, sales, purchases of goods and consumption of raw materials

A Own production

	Units	Opening Stock		Production		Sales		Closing Stock	
		Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
Marble Tiles	Sq.mtr.	55694.60 (58243.50)	17906490 (17160388)	--	-	29889.58 (13945.67)	9533637 (9664610)	25805.02 (55694.60)	8296653 (17906490)
Granite Tiles	Sq.mtr.	46849.09 (27142.30)	25333715 (14355464)	216349.499 (238534.68#)	--	207016.822 (218828.025)	203666077 (243236682)	56181.77 (46849.09)	31718087 (25333715)
Granite Slabs	Sq.mtr.	42860.39 (38638.73)	57914810 (56779813)	202782.668 (172824.925)	--	201450.23 (168603.214)	383652034 (325277771)	44192.83 (42860.39)	63834846 (57914810)
Power Generation	Units	-	-	4098902 (4792887)	(--)	1355219\$ (2198109\$)	3605679 (5934894)	(--)	(--)
TOTAL (A)							600835317 (584113957)		103849586 (100916980)

Includes 41277.691sq.mtr. production of Rejects & 18263.62sq. mtr. production of Scrap (Previous year 44409.32 Sq. mtr Rejects and 25651.024 sq. mtr. Scrap).** Job done by others.

\$ Excludes 2743683 (Previous year 2594778) units internally consumed.

B. Goods for Trade:

	Units	Opening Stock		Purchase		Sales		Closing Stock	
		Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
Marble Tiles/ Slabs	Sq.mtr.	436.348 (7251.83)	238034 (4051257)	15796.151 (5885.015)	3561307 (5316863)	16069.55 (12700.497)	21744331 (13875283)	162.949 (436.348)	146442.9 (238034)
Granite Tiles/ Slabs	Sq.mtr.	-	0.00 (0.00)	19090.18 (21613.61)	27721165 (28284613)	18853.62 (21613.61)	32161646 (36958245)	236.56 (--)	351113 (--)
Others***	Assorted	--	1746725 (--)(1706617)	--	15546285 (1223895)	--	2158413 (1888845)	--	1491492 (1746725)
TOTAL (B)							55686512 (52722373)		1989048 (1984759)
TOTAL (A + B)							656521817 (638296766)		

Figures in brackets represents previous year figure.

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

**** Includes Rs. Nil (Previous year Rs. Nil 1460436/-) job work done for others.



Schedules (continued)

C. Raw material consumed/sold

(Rupees)

		2010-2011		2009-2010	
	Units	Qty.	Rs.	Qty.	Rs.
Marble Blocks	MT	989.798	14622738	1763.9	2322974
Granite Blocks	Cub.mtr	9466.286	267830110	9642.34	255554365
			282452848		257877339

18 Deferred Taxes

The significant component and classification of Deferred Tax (Assets) / Liabilities on account of timing differences are

	As at March 31, 2010	Charge/(credit) for the year 2010-11	As at March 31, 2011
Deferred tax liabilities on account of:			
Timing difference in depreciable assets	56990374	(3884089)	53106285
Profit on sale of Mutual Fund/asset	415418	113491	528909
Total	57405792	(3770598)	53635194
Deferred tax assets			
Deferred tax asset on account of:			
Provision for gratuity & leave encashment	1938161	2369582	4307743
Provision for diminution in value of raw material	1072483	–	1072483
Other timing differences	–	–	–
Total	3010644	2369582	5380226
Net deferred tax (assets) / liabilities	54395148	(6140180)	48254968

Notes

- Working of deferred taxes is based on assessment orders where assessments are completed and on return of income in other cases.
- Provision for deferred taxes has been made at the tax rates that have been enacted or substantively enacted as on the Balance Sheet date.

19 Related Party Disclosures

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

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

(i) List of Related Parties

- Individual exercising control or significant influence

Directors

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



Schedules (continued)

Managing Director

Mr. Ashok Doshi

Mrs. Aruna Doshi, Wife

Mr. Madhav Doshi, Son

Mrs. Ridhimma Doshi, Daughter in Law

Mrs. Mumal Doshi Kanthed, Daughter

Whole Time Director

Mr. Sudhir Doshi

Mrs. Prema Doshi, Wife

Key Managerial Personnel

Mr. Suranjan Gupta, President (Granite Division) (upto March 31, 2011)

Mr. L Govindarajan, Works Manager (Granite Division) (upto March 31, 2011)

Mr. O P Jain, Manager Finance (Marble Division)

Mr. S S Janakarajan, Manager Finance (Granite Division)

- (ii) In respect of the outstanding balance recoverable as at 31st March 2011, 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

#	Name of the transacting related party (M/s)	Nature of Relationship	Nature of Transaction	Volume of Transaction in Rupees	Amount outstanding as on 31.03.2011
1	Raj Darshan Hotel P Ltd.	Ashok Doshi, Director	Business Expenses	87613	67820.25
2	Madhav Doshi	Son of Mr. Ashok Doshi	Salary	450065	–
3	Ridhimma Doshi	Daughter in law of Mr. Ashok Doshi	Salary	3,96,800	–
4.	Rajdarshan Ind. Ltd.	Ashok Doshi, Sudhir Doshi, Director	Advances recd.	11862000	15362000
5.	Mumal Doshi	Daughter of Mr. Ashok Doshi	Unsecured Loan	5000000	1500000
6.	Rupal Holdings P. Ltd.	Mr. Ashok Doshi, Director	Unsecured Loan	–	5000000

Notes

- 1 Remuneration paid to Managing Director and Whole Time Directors are disclosed under note no. 5 above.
- 2 Remuneration paid to Key Managerial Personnel of the Company amounted to Rs. 5453017/- (previous year Rs.5316637/-).

20 Segment Reporting for the year ended 31.03.2011

(a) Information about Primary Business Segments

Particulars	(Rupees)			
	Wind Mill	Granite& Stone	Realty	Total
(i) Revenue				
Sales to external customers	3605679	652916138	–	656521817
Inter-segment revenue	10468684	–	–	10468684
Total Revenue	14074363	652916138	–	666990501
(ii) Result				
Segment result				
Profit / (Loss) before tax and interest	5482868	7706900		13189768
Add : Un-allocated income Net off				(119124)

**Schedules (continued)**

Particulars	Wind Mill	Granite & Stone	Realty	Total
Un-allocated Expenditure				
Operating Profit / (Loss)				13070644
Interest expense				(10980497)
Interest income				2816118
Profit / (Loss) before tax				4906265
Provision for current tax				909622
Provision for deferred tax				(6140180)
Profit / (Loss) after tax				10136824
Prior period adjustments				(17920)
(iii) Other Information				
Segment Assets	81273825	1288206867	237080903	1606561595
Un-allocated Corporate Assets				49234
Total Assets				1606610829
Segment Liabilities	56519241	467204251	3317738	527041229
Un-allocated Corporate Liabilities				95153632
Total Liabilities				622194862
Capital expenditure	–	38254840		38254840
Depreciation	5878488	39475598		45354086
Amortization & Capital Expenditure		714335		714335
(b) Information about Secondary Business Segments				
Revenue by Geographical Segment				
(i) Segment-wise revenue				
Revenue from customers outside India	–	552669357	–	552669357
Revenue from customers within India	14074363	100246781	–	114321144
Total Revenue	14074363	652916138	–	666990501
(ii) All the assets of the Company are situated / registered in India accordingly the total cost incurred during the year, geographical segment-wise is not applicable.				

Segment Reporting for the year ended 31.03.2010

Particulars	Wind Mill	Granite & Stone	Realty	Total
(a) Information about Primary Business Segments				
(i) Revenue				
Sales to external customers	5934894	632361872	–	638296766
Inter-segment revenue	9081732	–	–	9081732
Total Revenue	15016626	632361872	573094469	647378498
(ii) Result				
Segment result				
Profit / (Loss) before tax and interest	6311583	34323983	–	40635565
Add : Un-allocated income Net off				(143139)
Un-allocated Expenditure				



Schedules (continued)

Particulars	Wind Mill	Granite & Stone	Realty	Total
Operating Profit / (Loss)				40492427
Interest expense				(13563986)
Interest income				7448150
Profit / (Loss) before tax				34376590
Provision for current tax				5842301
Provision for deferred tax				(5104719)
Profit / (Loss) after tax				33639008
Prior period adjustments				(66033)
(iii) Other Information				
Segment Assets	84205344	1307357562	300065087	1691627993
Un-allocated Corporate Assets				8150039
Total Assets				1699778032
Segment Liabilities	64933630	402708473	4243042	471885145
Un-allocated Corporate Liabilities				261367523
Total Liabilities				733252668
Capital expenditure	1169200	6997886	–	8167086
Depreciation	5831507	40358230	–	46189737
Amortization & Other Expenditure		714335		714335
(b) Information about Secondary Business Segments				
Revenue by Geographical Segment				
(i) Segment-wise revenue				
Revenue from customers outside India	–	584373248	–	584373248
Revenue from customers within India	15016626	47988624	–	63005250
Total Revenue	15016626	632361871	–	647378497
(ii) All the assets of the Company are situated / registered in India accordingly the total cost incurred during the year, geographical segment-wise is not applicable.				
(c) Notes				
(i) Management has identified three reportable business segments, namely. <i>Realty Segment - Comprising of Realty Business</i> <i>Granite & Other Stone Segment -Comprising of Granite Tiles, Slabs and other stones including Marble.</i> Windmill Segment– Comprising of generation of power.				
(ii) The Segment Revenue in the geographical segments considered for disclosure are as follows: <i>Domestic-</i> Comprising of sales to customers located within India and earnings in India. <i>International-</i> Comprising of sales to customers located outside India and third party exports.				
(iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.				



Schedules (continued)

21 Employee Benefits

a) Defined Benefit Plans- As per Actuarial Valuation on March 31, 2011

	(Amount Rs.)	
	Year Ended	
	<u>31.03.2011</u>	<u>31.03.2010</u>
I Amount recognized in the Profit and Loss Account		
Current Service Cost	531416	442046
Interest Cost	827902	636531
Expected Return on Plan Assets	(794283)	(740279)
Actuarial (gain)/Loss on Obligation	843484	1354575
Expense/ (Income) recognised in Profit and Loss Account	1408546	1692873
II Actual return on plan assets		
Expected Return on Plan Assets	794283	740279
Actuarial gain/ (loss) on Obligation	(843484)	(1354575)
Actual return on plan assets	794283	(614296)
III Amount recognised in the Balance Sheet		
Present value of Funded Obligation	7199463	10348775
Fair Value of Plan Assets	8266441	9686038
Net Asset/ (Liability) recognised in Balance Sheet (Included under provision for Leave Encashment and other employee benefits, Refer Schedule 'J')	(1066978)	662737
IV Change in the present value of obligation		
Opening balance of present value of obligation	10348775	7956639
Interest Cost	827902	636531
Current Service Cost	531416	442046
Benefits Paid	(5352141)	(41016)
Actuarial (gain)/Loss on Obligation	843484	1354575
Closing balance of present value of obligation	7199463	10348775
V Change in fair value of plan assets		
Opening balance of fair value of plan assets	9686038	8039300
Expected return on plan assets	794283	740279
Contributions	3138261	947475
Benefits Paid	(5352141)	(41016)
Actuarial Gain/(Loss) on plan assets	-	-
Closing balance of fair value of plan assets	8266441	9686038



Schedules (continued)

(b) Actuarial assumptions	(% per annum)	
Discount Rate	8%	8%
Salary escalation	7-8%	5-7%
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.1622077/-

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

22. There were no amounts due and outstanding to be credited to Investor Education and Protection Fund.

23. The figures of the previous year have been re-grouped, rearranged wherever necessary to make them comparable with the current year's figure.

24. Figures have been rounded off to nearest Rupees.

SIGNATURES TO SCHEDULES 'A' TO 'T'

For and on behalf of the Board of Directors

For NYATI & ASSOCIATES
Chartered Accountants
ICAI Reg. No. 002327C

SURESH NYATI
Partner, Membership No. 70742

Ashok Doshi
Managing Director

Sudhir Doshi
Whole Time Director

Udaipur, August 06, 2011

Priyanka Manawat
Company Secretary



Balance Sheet Abstract and Company's General Business Profile

1 Registration Details

Registration No. of State Code

Balance Sheet Date

2 Capital Raised During the Year (Amount in Rs. Thousand)

Public Issue Rights Issue

Bonus Issue Private Placement

3 Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities Total Assets

7 Sources of Funds

Paid-up Capital Reserves and Surplus

Secured Loans Unsecured Loans

Deffered Tax liability

Application of Funds

Investments Net Fixed Assets

Miscellaneous Expenditure Net Current Assets

Accumulated Losses

4 Performance of Company (Amount in Rs. Thousand)

Turnover Total Expenditure

(includes other income)

Profit / (Loss) Before Tax Earning Per Share in Rs.

Profit / (Loss) After Tax Dividend Rate %

5 Generic names of Three Principal Products / Services of Company (As per Monetary Terms)

Item Code No. (ITC Code) and Product Description

In terms of our report of even date

For NYATI & ASSOCIATES
Chartered Accountants
ICAI Reg. No. 002327C

SURESH NYATI
Partner, Membership No. 70742

For and on behalf of the Board of Directors

Ashok Doshi
Managing Director

Sudhir Doshi
Whole Time Director

Udaipur, August 06, 2011

Priyanka Manawat
Company Secretary





FORM OF ATTENDANCE SLIP AND PROXY

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

ATTENDANCE SLIP

I hereby record my presence at the Twenty Second Annual General Meeting of the Members of the Company to be held on Wednesday, September 28, 2011 at 5.00 p.m. at Hotel Rajdarshan, Pannadhay Marg, Udaipur-313001, (Raj.)

Full name of the Shareholder (in Block Letters) _____

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

*applicable for members holding shares in electronic form

No. of Shares held _____

Full Name of Proxy _____

Signature of Member / Proxy

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

cut here



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

PROXY FORM

I/We _____ of _____ in the district of _____ being a Member/Members of the above named Company hereby appoint Mr./Ms. _____ of _____ in the district of _____ my/our proxy to vote for me/us on my/our behalf the Twenty Second Annual General Meeting of the Company to be held on Wednesday, September 28, 2011 at 5:00 p.m. or any adjournment thereof.

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

*applicable for members holding shares in electronic form

No. of Shares held _____

Signed this _____ day of _____ 2011

Affix Re.1 Revenue Stamp

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

Signature of shareholder