



**MADHAV**

leaders in quality

*Natural Stone Surfaces*

# Annual Report

2019-2020

[www.madhavmarbles.com](http://www.madhavmarbles.com)

*celebrating* **31**  
*years of*  
*trust*

**Aiming Progress**

**Expanding Horizons**



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## Corporate Information

### Board of Directors

#### Independent Directors

- Mr. Ravi Kumar Krishnamurthi, Board's Chairman
- Mr. Roshan Lal Nagar
- Mr. Prakash Kumar Verdia
- Ms. Swati Yadav

#### Executive Directors

- Mr. Madhav Doshi
- Mr. Sudhir Doshi

### Key Executives

- Mrs. Riddhima Doshi, President
- Mr. S. Panneerselvam, CFO
- Ms. Priyanka Manawat, CS

### Bankers

HDFC Bank  
State Bank of India  
Allahabad Bank

### Registrar and Share Transfer Agents

Ankit Consultancy Private Limited  
60, Electronic Complex  
Pardeshipura  
Indore-452010

### Auditors

#### Statutory Auditors

M/s L.S. Kothari & Co.  
Chartered Accountants, Jaipur

#### Internal Auditor

Anil J Jain & Associates  
Chartered Accountants, Udaipur

#### Secretarial Auditor

Ronak Jhuthawat & Co.  
Company Secretaries, Udaipur

### Registered Office:

First Floor, "Mumal Towers"  
16, Saheli Marg, Udaipur-313001  
CIN: L14101RJ1989PLC004903  
Tel: 0294-2981666

Website: [www.madhavmarbles.com](http://www.madhavmarbles.com)

Email: [investor.relations@madhavmarbles.com](mailto:investor.relations@madhavmarbles.com), [madhavnorth@madhavmarbles.com](mailto:madhavnorth@madhavmarbles.com)

## Message from CEO

The last mile of FY 2020 was a bookmark period for the entire world, as a global health crisis brought all of humanity to a virtual standstill. We hope you and your loved ones are all safe and have managed to pass through the stressful phase of Covid-19.

When we look back at the performance of the FY 19-20, it was a challenging year for your Company. Globally, the economy was slow and factors at operational level like prolonged closure of quarries, shortage of labour, heightened volatility in exchange rates and tough competition from both domestic and International players also impacted the overall results in the year under review.

Considering the external factors, though the business outlook for FY 2020-21 seems to be challenging, but the Company is able to maintain the momentum with strong order book, timely execution, concerted efforts to reduce overhead costs and managing working capital and cash flows. The same has started to reflect in results for the current fiscal.

Investment in Engineered Stone plant at Oman will create good opportunity and is going to be an important segment for the Company. Your Company is having over three decades of presence in the Industry and is confident that this project will further strengthen our network and customer base in US, European and GCC markets.

We as a Company are confident and our focus remains towards driving balanced growth with our core strength, value of quality, Trust and Excellence and improved execution. Through this, we are sure to win and excel further.

We sincerely thank our customers, the Board, Management, Unions, Business partners and our dedicated employees for their relentless support and commitment. Thank you all for the trust & confidence you have reposed in the Company.

Wish you a happy and healthy year ahead.

**Madhav Doshi**  
CEO & Managing Director

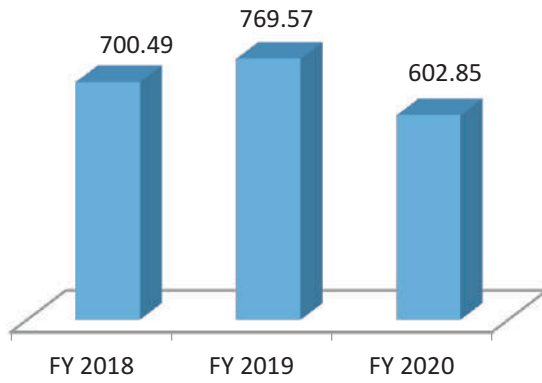
## Financial Highlights

(₹ in million)

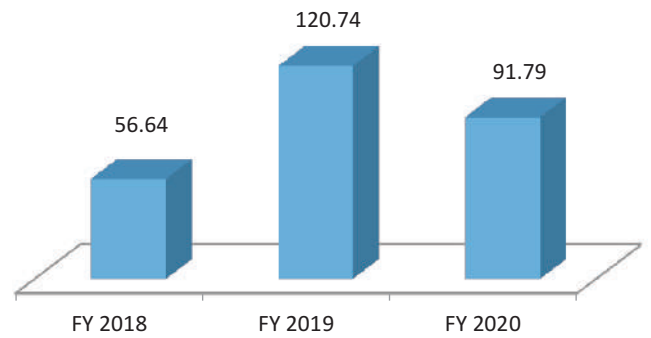
	2019-2020	2018-2019	2017-2018
<b>Statement of Profit and Loss</b>			
Revenue from Operations	602.85	769.57	700.49
Other Income	67.25	48.88	53.99
EBIDTA	91.79	120.74	56.64
Pre-Tax Profit	31.84	60.15	21.62
Post Tax Profit	21.82	46.12	17.99
<b>Balance Sheet</b>			
Property Plant and Equipment	368.471	413.38	300.29
Investments	19.76	25.47	19.46
Equity Share Capital	89.47	89.47	89.47
Net Worth	1304.82	1285.57	1241.38
<b>Key Ratios</b>			
Earning Per Share (EPS)	2.44	5.15	2.01
Book Value Per Share	145.84	143.69	138.75
Return On Capital Employed (%)	3.09	5.25	2.33
Return On Net Worth (%)	1.67	3.59	1.45
Debt Equity Ratio	0.05	0.14	0.16

## Financial and Operational Highlights

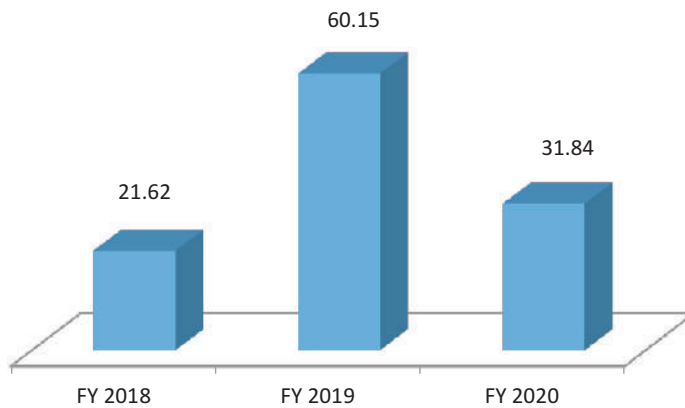
### Revenue from Operations (In million)



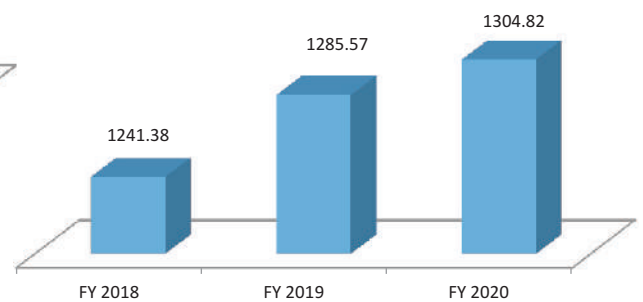
### EBIDTA ( In million)



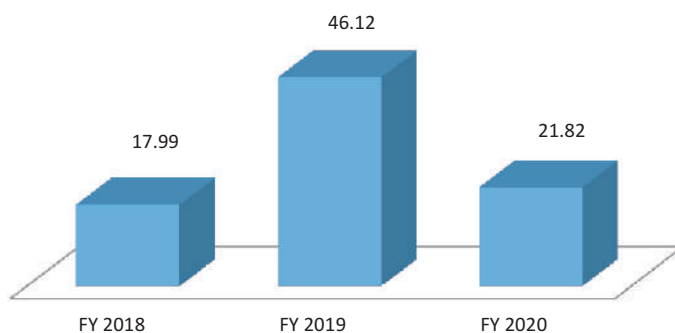
### Pre Tax Profits ( In million)



### Net Worth (In million)

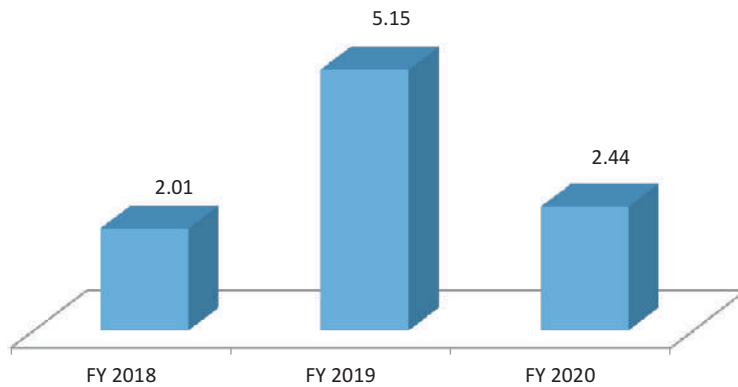


### Post Tax Profits (In million)

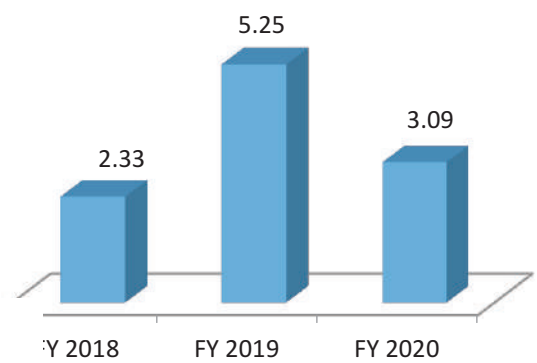


## Driving Valuations

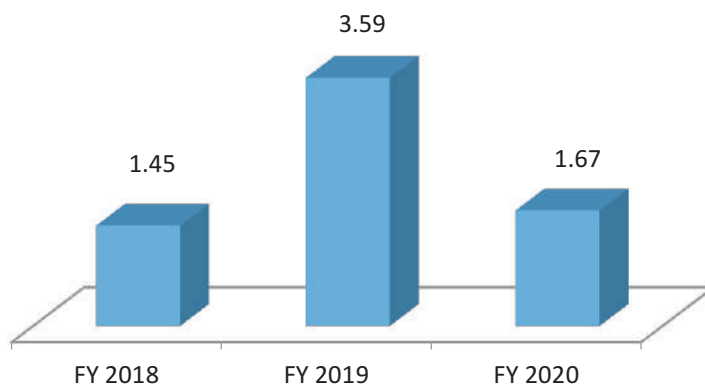
### Earning Per Share (EPS)



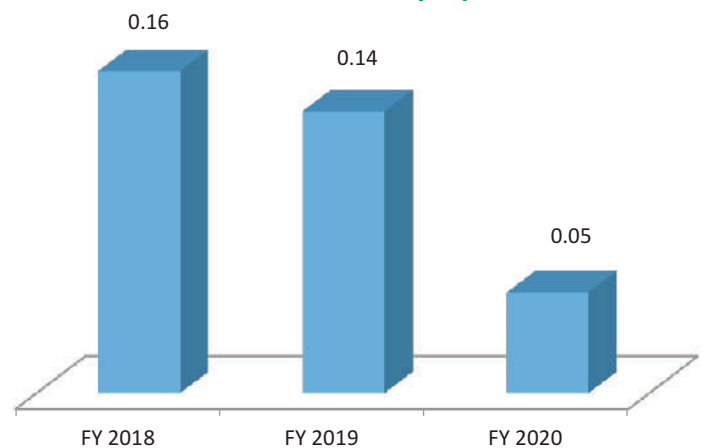
### ROCE %



### RONW %



### Debt Equity Ratio



## NOTICE of the Annual General Meeting

**NOTICE** is hereby given that the Thirty First Annual General Meeting of Madhav Marbles and Granites Limited will be held on Saturday, December 26, 2020 at 11:00 a.m. IST through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at First Floor, "Mumal Towers", 16, Saheli Marg, Udaipur-313001.

### Ordinary Business:

1. To receive, consider and adopt:
  - a. Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of Board of Directors and Auditors thereon.
  - b. Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Madhav Doshi (DIN: 07815416), who retires by rotation, and being eligible, offers himself for re-appointment.

### Special Business:

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution: **Re-appointment of Mr. Sudhir Doshi (DIN: 00862707) as Whole Time Director**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and Audit Committee of the Company, approval of the shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Sudhir Doshi (DIN: 00862707) as the Whole Time Director for a period of one (1) year, commencing from July 28, 2020, liable to retire by rotation, upon the terms and conditions set out in the statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to alter and/or vary the terms and conditions of the said re-appointment and/ or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, allowances, benefits and amenities payable to Mr. Sudhir Doshi which shall be in accordance with the prescribed provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force).

**RESOLVED FURTHER THAT** the Board of Directors and/or Company Secretary of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto".

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

Udaipur, November 28, 2020

Priyanka Manawat  
**Company Secretary**



Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 3 given above as Special Business in the forthcoming AGM, as it is unavoidable in nature
2. In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 31<sup>st</sup> AGM of the Company shall be conducted through VC / OAVM. Central Depository Services (India) Limited ('CDSL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained hereat and is also available on the website of the Company at [www.madhavmarbles.com](http://www.madhavmarbles.com).
3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at [investor.relations@madhavmarbles.com](mailto:investor.relations@madhavmarbles.com).
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, December 19, 2020 to Saturday, December 26, 2020 (both days inclusive).
5. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM.
6. Attendance of the Members participating in the AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

**Electronic Dispatch of Annual Report and process for registration of Email ID for obtaining copy of Annual Report:**

7. In accordance with, the General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
8. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at [investor.relations@madhavmarbles.com](mailto:investor.relations@madhavmarbles.com) along with the copy of the E-communication Registration Form available on the website of the Company. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to [investor.relations@madhavmarbles.com](mailto:investor.relations@madhavmarbles.com)
9. The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at [www.madhavmarbles.com](http://www.madhavmarbles.com), on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com)

**Procedure for joining the AGM through VC / OAVM:**

10. Shareholder will be provided with a facility to attend the 31<sup>st</sup> AGM through VC or OAVM through the CDSL e-Voting system. Shareholders may access the same at [www.evotingindia.com](http://www.evotingindia.com) under shareholders/members login by using the remote e-voting credentials. The link for VC will be available in shareholder/members login where the EVSN of Company will be displayed.
11. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and login shall be kept open throughout the proceedings of AGM.
12. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

**Procedure to raise questions/seek clarifications with respect to the Annual Report:**

14. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker in advance at least 7 days prior to the meeting mentioning their name, demat account number/folio number, email id, mobile number at Company's email id. No request received after 5.00 pm on Wednesday, December 23, 2020 shall be entertained for registration as a speaker.
15. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to the meeting mentioning their name, demat account number/folio number, email id, mobile number at Company's email id. These queries will be replied to by the Company suitably by email.
16. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

**Procedure for remote E-voting and E-Voting during the AGM:**

17. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to its members to exercise their right to vote electronically at the 31<sup>st</sup> Annual General Meeting through the electronic voting (e-voting) service facilitated by the Central Depository Services (India) Limited (CDSL).
18. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on December 19, 2020 i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
19. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Wednesday, December 23, 2020 and will end at 5.00 p.m. on Friday, December 25, 2020. In addition, the facility for voting through electronic voting system shall also be made available during the AGM.
20. The details of the process and manner for remote e-voting are explained herein below:
  - a) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - b) Click on "Shareholders" module.
  - c) Now enter your user ID as under :-
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Characters DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter folio number registered with the Company.
    - d) Next enter the Image Verification as displayed and click on Login.
    - e) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
    - f) If you are a first time user follow the steps given below:

### For Members holding shares in Demat Form and Physical Form

<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- g) After entering these details appropriately, click on "SUBMIT" tab.
- h) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j) Click on the EVSN for "MADHAV MARBLES AND GRANITES LIMITED
- k) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- m) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- p) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- q) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while remote voting on your mobile.
- r) Note for Non - Individual Shareholders and Custodians
- ◆ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - ◆ After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - ◆ The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - ◆ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- s) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to or call 1800225533
- t) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

**The instructions for Members for e-voting on the day of the AGM are as under:**

21. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
22. Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
23. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
24. For details of the person who may be contacted for any assistance connected with the facility for e-voting on the day of the AGM, please refer Note No. s) and t) above.

**Process for those shareholders whose Email addresses are not registered with the depositories for obtaining Login credentials for e-voting for the resolutions proposed in this Notice**

25. For Physical Shareholders- Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to the Ankit Consultancy Private Limited i.e. Registrar and Share Transfer Agent at [rtaindore@gmail.com](mailto:rtaindore@gmail.com) with copy to the Company at [investor.relations@madhavmarbles.com](mailto:investor.relations@madhavmarbles.com)
26. For Demat Shareholders - Please provide demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to the Ankit Consultancy Private Limited i.e. Registrar and Share Transfer Agent at [rtaindore@gmail.com](mailto:rtaindore@gmail.com) with copy to the Company at [investor.relations@madhavmarbles.com](mailto:investor.relations@madhavmarbles.com)
27. The Company/RTA shall co-ordinate with the CDSL and will provide the login credentials to the above mentioned shareholders.

**General Information:**

28. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. In case the members holding shares in demat form forget their password, they can enter the user ID and the image verification details and click on “forgot password” to generate a new one.
29. The voting rights shall be as per the number of equity shares held by the Member(s) as on Saturday, December 19, 2020, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
30. The Company has appointed Mr. Ronak Jhuthawat (FCS No.9738, COP No.12094), of M/s Ronak Jhuthawat & Co., Company Secretary in practice, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
31. The results of the electronic voting shall be declared to the Stock Exchanges after the conclusion of AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company at [www.madhavmarbles.com](http://www.madhavmarbles.com).
32. The resolutions listed in the Notice of the AGM shall be deemed to be passed on the date of the AGM, subject to the receipt of the requisite number of votes in favour of the respective resolutions

**Investor Education and Protection Fund ('IEPF') related:**

33. Pursuant to the provisions of Sections 124 and 125 of the Act, the Company has transferred on due dates, all unclaimed dividends up to the Financial Year 2012-2013 to Investor Education and Protection Fund ('said Fund') established by Central Government. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time ('IEPF Rules'), the Company has uploaded the details of the unpaid and unclaimed amounts lying with the Company on the website of the Company [www.madhavmarbles.com](http://www.madhavmarbles.com), and also on the website of the Ministry of Corporate Affairs [www.mca.gov.in](http://www.mca.gov.in). Unclaimed dividend for the Financial Year 2013-14 will fall due for transfer to the said Fund in September 2021. Those Members who have not encashed their dividends for the Financial Year 2013-14 and thereafter are requested to claim it from Company/RTA immediately.
34. Pursuant to the provisions of Section 124(6) of the Act and the IEPF Rules all equity shares of the Company on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the said Fund. These details are also available on the Company's website [www.madhavmarbles.com](http://www.madhavmarbles.com). No claim shall lie against the Company in respect of these equity shares post their transfer to the said Fund. Upon transfer, Members will be able to claim these equity shares only from the said Fund by making an online application to the IEPF Authority, the details of which are available at [www.iepf.gov.in](http://www.iepf.gov.in). All correspondence should be addressed to Ankit Consultancy Private, (Unit: Madhav Marbles and Granites Limited), 60, Electronic Complex, Pardeshipura, Indore-452001, e-mail: [rtaindore@gmail.com](mailto:rtaindore@gmail.com).

**Others:**

35. Members of the Company had approved the appointment of M/s.L.S. Kothari & Co. Chartered Accountants, as the Statutory Auditors at the 28<sup>th</sup> AGM of the Company which is valid till 33<sup>rd</sup> AGM of the Company. In accordance with the Act, the appointment of Statutory Auditors is not required to be ratified at every AGM.
36. In terms of Section 152 of the Act, Mr. Madhav Doshi, director is liable to retire by rotation at this Annual General Meeting and being eligible, offers themselves for re-appointment.
37. Mr. Madhav Doshi and Mr. Sudhir Doshi, Executive Directors, have been appointed as per the provisions of the Companies Act, 2013 and shall serve in accordance with, the terms of contract of employment with the Company.
38. Details as required in Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India in respect of the Directors seeking re-appointment at the AGM is provided at Annexure A attached to this Notice. Requisite declarations have been received from the Directors seeking re-appointment.
39. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.
40. The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to RTA / Investor Services Department of the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque through email at [investor.relations@madhavmarbles.com](mailto:investor.relations@madhavmarbles.com). The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

## **Explanatory Statement in respect of the Special Business pursuant to Section 102 of the Act and Regulation 36 of SEBI Listing Regulations**

### **Item No. 3**

It may be noted that pursuant to the resolution adopted by the Shareholders at the AGM held on 09.09.2017, Mr. Sudhir Doshi, was re-appointed as the Whole Time Director of the Company from 28.07.2017 to 28.07.2020 at remuneration and on the terms and conditions as stated in the said resolution.

On expiry of his term, the Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings decided to reappoint Mr. Sudhir Doshi as the Whole Time Director of the Company for a period of one year from 28.07.2020 to 28.07.2021 on the terms and conditions as stated in the Resolution and Explanatory Statement subject to the approval of the Shareholders by Special Resolution and such other approvals as may be required.

Mr. Sudhir Doshi, has experience of over 25 years and has successfully and in a sustained way contributed significantly towards improvement in performance of the Company.

Given his expertise, knowledge and experience, the Board considers that re-appointment/continuation as Whole Time Director will be in the interest of the Company and recommends the resolution contained in item no. 3 of the accompanying notice for approval of the members as a Special Resolution. The remuneration payable to the Whole Time Director is comparable to the remuneration paid to a person holding similar position in other companies of similar size as that of the Company.

Except Mr. Sudhir Doshi, the appointee and Mr. Madhav Doshi, CEO and Managing Director and Mrs. Riddhima Doshi, President, his relatives none of the Directors, Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested, financially or otherwise, in the said Resolution.

The material terms of re-appointment and remuneration as contained in the agreement are given below:-

1. **Tenure of re-appointment:** One year commencing from July 28, 2020
2. The period of office of Mr. Sudhir Doshi shall be liable to determination by retirement of directors by rotation. If Mr. Doshi is re-appointed as a director, immediately on retirement by rotation he shall continue to hold office of Whole-time Director and such re-appointment as director shall not be deemed to constitute break in his appointment as a Whole-time Director
3. **Remuneration**
  - Salary: Rs.2,40,000/- per month with yearly increment to be decided by the Board of directors based on the recommendation/approval of the Nomination and Remuneration Committee
  - Bonus: Bonus will be paid as per the rules of the Company.
  - Perquisites: In addition to salary and bonus, the following perquisites shall be paid, which are as follows:
    - Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
    - Personal Accident Insurance: Premium not to exceed Rs.10000/- per annum
    - Reimbursement of Medical Expenses: Equivalent of One month salary a year
    - Company's Contribution towards Provident Fund Superannuation Fund: Company's Contribution towards Provident Fund and Superannuation Fund will be as per the rules of the Company.
    - Gratuity: Gratuity payable will not exceed half a month's salary for each completed year of service

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 and rules framed thereunder or any statutory modification(s) or re-enactments(s) thereof. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The Company's contribution to or provision for provident fund, pension including National Pension Scheme (NPS), superannuation or annuity fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, gratuity payable at the rate not exceeding half a month's salary for each completed year of service as per the relevant rules of the Company, shall not be included in the computation of the ceiling on remuneration which includes Basic Salary, Special Allowance, Allowances and Perquisites/Benefits, etc.

The Whole Time Director shall be entitled to be paid/reimbursed by the Company all travelling, board and lodging during business trips, entertainment and other out-of-pocket business promotion expenses, costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company or as may be approved by the Nomination and Remuneration Committee and/or the Board.

The Board of Directors based on the recommendation/approval of the Nomination and Remuneration Committee is entitled to revise the remuneration payable to the Whole Time Director from time to time, as it may, in its discretion deem fit, subject to limits, if any, prescribed in this regard under Section 197, Schedule V or elsewhere under the Companies Act, 2013 read with rules framed thereunder and/or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, in such manner as may be agreed to between the Board and the Whole Time Director subject to such approvals, if so required.

**Statement containing the information as required in Part II of Schedule V of the Companies Act, 2013:**

**I. General Information**

**i. Nature of industry**

The company is inter-alia engaged in the business of manufacture of Granite Tiles and Slabs and trading of Marbles and Granite. The Company has manufacturing unit located at Salem, Tamil Nadu.

**ii. Date or expected date of commencement of commercial production**

The Company is an existing Company and has already commenced its business.

**iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.**

Not applicable.

**iv. Financial performance based on given indicators**

Particulars for the Financial year ended March 31, 2020	Amount in Crores
Net Sales and Other Income	67.00
Operating Profits (Before Interest, Depreciation and Tax)	9.18
Profit before Tax	3.18
Profit after Tax	2.18

**v. Foreign investments or collaborations, if any**

No such investment or collaboration except minor shareholding of Non Resident Indians.

**II. Information about the Appointee**

**i. Background details**

Mr. Sudhir Doshi, aged 68 years, has been affiliated with the Company as a Member of the Board since July 2007. He has wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of day to day business operations, along with a team of senior management personnel, who assist him in carrying out his activities, subject to the overall supervision & control of the Board.

**ii. Past remuneration:**

Remuneration paid to Mr. Sudhir Doshi for the period from April 01, 2019 to March 31, 2020 is Rs. 37.58 Lakhs.

**iii. Recognition or awards:**

Nil

**iv. Job profile and his suitability**

Mr. Sudhir Doshi is highly experienced and has in depth knowledge of Granite and Marble business. His able guidance and contribution, experience is immensely beneficial to the Company and is best suited for the position of Whole Time Director of the Company.

**v. Remuneration proposed**

There is no change in the terms of appointment and remuneration of the above mentioned Managerial Personnel as was approved by the Members at the 28<sup>th</sup> AGM. Salary, other perquisites and other terms as fully set out in the explanatory statement of item no. 03 of the Notice

**vi. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person**

The remuneration offered to Mr. Sudhir Doshi is at par with the industry norms considering the nature of industry, size of the Company, profile and position of person.

**vii. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any**

Mr. Sudhir Doshi holds 32,001 equity shares of the Company.

He is related with following managerial personnel of the Company:

Name	Designation in the Company	Relationship
Mr. Madhav Doshi	CEO and Managing Director	Nephew
Mrs. Riddhima Doshi	President	Nephew's Spouse

**III. Other Information**

**i. Reasons for loss or inadequate profits:** The performance for the year was impacted adversely by a combination of following factors:

- General slow-down in the economy
- Non-availability of good quality rough granite blocks and sharp increase in their prices
- Heightened volatility in currency exchange rate
- Impact of COVID-19 and consequent lock downs both in India and abroad

**ii. Steps taken or proposed to be taken for improvement**

Despite the challenges, The Company has adopted the following measures to improve the profitability

- Widening of customer base and better market penetration
- Technology up-gradation by way of investing in state of the art machinery to meet stringent quality requirements of customers
- Focus on significant improvements in operating costs.
- Cost control in all areas.

Other than these, many more actions in this direction are currently under implementation which should help the Company to come out stronger once normalcy returns.

**iii. Expected increase in productivity and profits in measurable terms**

It is difficult to forecast the productivity and profitability in measurable terms in the present scenario of the economy due to COVID-19 pandemic. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.



## Annexure A

(For Item Nos. 2 and 3 of the Notice)

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting in pursuance of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard - 2 issued on General Meetings by The Institute of the Company Secretaries of India:

	Mr. Madhav Doshi	Mr. Sudhir Doshi
DIN	07815416	00862707
Date of Birth	18/07/1986	22/12/1952
Date of first appointment in the current designation	01/05/2018	28/07/2007
Qualification	B.E. (Computer Science)	M.B.B.S.
Expertise	Business Management including functional expertise in Sales, Marketing & Corporate management	Expertise in Granite Business, Market Development
Number of Board Meetings attended during the year	6 out of 6	6 out of 6
Board Memberships of other Companies as on March 31, 2020	Rajdarshan Industries Ltd. Rupal Holdings P Ltd. Mumal Marketing P Ltd Emerald Construction Co. P. Ltd. Lakecity Buildcon P. Ltd. Rajdarshan Hotels P. Ltd. Madhav Natural Stone Surfaces P. Ltd. Madhav Ashok Ventures P. Ltd.	Sumal Finance and Investments Private Limited
Chairmanship(s)/Membership(s) of Committees of other Companies as on March 31, 2020	One	-
Shareholding in Company	771008 shares	32001 shares
Relationship with other directors, manager and other Key Managerial Personnel of the Company	Nephew of Mr. Sudhir Doshi, Whole Time Director	Uncle of Mr. Madhav Doshi, CEO and Managing Director
Terms and Conditions of appointment or re-appointment	Director liable to retire by rotation	Director liable to retire by rotation
Last drawn remuneration:	Details mentioned in Corporate Governance Report	

## Board's Report

### To The Members

Your Directors have pleasure in presenting the Thirty First Board Report on the Company's business and operations, together with audited financial statements for the financial year ended March 31, 2020.

(Rs. in million)

Particulars	Standalone		Consolidated	
	FY 2019-2020	FY 2018-2019	FY 2019-2020	FY 2018-2019
Revenue from Operations	602.85	769.57	603.05	769.57
Profit before Tax	31.84	60.15	29.51	60.15
Profit after Tax	21.82	46.12	20.03	46.12
Other Comprehensive Income(net of tax)	0.00	0.00	0.00	0.00
Total Comprehensive Income	21.82	46.12	20.03	46.12
Earning Per Share	2.44	5.15	2.24	5.15

### Performance Review:

Your Company's income from operations during the year under review was INR 602.85 million as compared to INR 769.57 million in the previous year. The Profit before Tax for the year 2019-20 was INR 31.84 million as against INR 60.15 million in the previous year. The consolidated profit before tax stood at INR 29.51 million as against 60.15 million in the previous year.

Granite Sales continues to be challenging owing to tough competition from Brazilian, Chinese suppliers and scarcity of raw material due to continuing closure of quarries in Tamil Nadu for almost five years now.

The company operates majorly in US and European markets and any major economic or political change in these geographies will have an impact on topline numbers of the Company.

The Company incorporated Subsidiary Company Madhav Natural Stone Surfaces Private Limited in October 2018 for setting up of Engineered Stone Project at Udaipur, Rajasthan. But later in May, 2019, a U.S. producer submitted a petition in the U.S. Department of Commerce (USDOC) and the U.S. International Trade Commission (USITC) to investigate alleged dumping by and subsidies to Indian quartz surface producers and to levy countervailing duty (CVD) and anti-dumping (AD) against imports from India. Due to pending investigations, the project at Udaipur was kept on status quo till September 2019.

Final Decision by USDOC was announced on April 27, 2020 in which the AD and CVD has been reduced drastically but are subject to further adjustment through administrative reviews to be completed by the USDOC.

The Management is reviewing the project and will take the decision after year end.

Amid all the series of events going on, the Company remained focused on exploring options/places for setting up an Engineered Stone manufacturing unit and decided to set up another project at Sultanate of Oman. For this a Subsidiary named Madhav Ashok Ventures Private Limited was incorporated in September 2019 which entered in to JV with Al Khanjar Commercial Agencies LLC, Oman for the aforesaid project.

### **Transfer to Reserves**

The Company has not transferred any amount to the Reserves for the year ended March 31, 2020.

### **Dividend**

The Directors have not recommended any Dividend for the financial year 2019-2020

### **Subsidiaries, Associates and Joint Venture Companies**

As on March 31, 2020, the Company has two subsidiaries. In accordance with Section 129(3) of the Act, the Company has prepared the consolidated financial statement, which forms part of this Annual Report. Further, a statement containing salient features of the financial statements of our subsidiaries in the prescribed Form AOC-1 is presented in a separate section forming part of the consolidated financial statements.

### **Directors Responsibility Statement:**

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, the Board of Directors hereby confirms that:

- a) In the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures;
- b) they had 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 March 31, 2020 and of the Profit of the Company for the financial year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a "going concern" basis;
- e) proper internal financial controls laid down by the directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

### **Directors and Key Managerial Personnel**

In terms of provisions of the Act and the Articles of Association of the Company, Mr. Madhav Doshi (DIN: 07815416), director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment

Based on the recommendation of the Nomination & Remuneration Committee of the Company, the Board of Directors of the Company re-appointed Mr. Sudhir Doshi (DIN : 00862707) as the Whole Time Director of the Company for a period of 1 (one) year, commencing from July 28, 2020. The re-appointment is subject to approval of the shareholders. Accordingly, the resolution for re-appointment of Mr. Sudhir Doshi forms part of Notice convening the 31<sup>st</sup> Annual General Meeting.

Further, in the 30<sup>th</sup> Annual General Meeting of the Company held on Monday, September 30, 2019, the shareholders appointed Mr. Ravi Kumar Krishnamurthi (DIN: 00464622) an Ms. Swati Yadav (DIN : 06572438), as Independent Directors of the Company, for the second term of 5 (five) consecutive years; starting from April 01, 2020 and March 01, 2020 respectively.

The disclosures pertaining to Directors being re-appointed as required pursuant to Regulation 36 of the Listing Regulations given in the explanatory statement to the Notice convening the 31<sup>st</sup> Annual General Meeting of the Company for reference of the shareholders.

Pursuant to the provisions of section 2(51) and 203 of the Act, the key managerial personnel of the Company are:

Mr. Madhav Doshi, CEO and Managing Director

Mr. Sudhir Doshi, Whole Time Director

Mr. S. Panneerselvam, Chief Financial Officer

Ms. Priyanka Manawat, Company Secretary

#### **Number of Meetings of the Board**

The details of the number of meetings of the Board held during the Financial Year 2019-2020 forms part of the Corporate Governance Report.

#### **Board Evaluation**

Pursuant to the provisions of companies Act, 2013 and SEBI Listing Regulations, the Board has carried out annual performance evaluation of its own performance, its Committees and the Directors including Chairman.

The evaluation manner has been explained in the Corporate Governance Report.

#### **Corporate Social Responsibility**

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended March 31, 2020, in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in Annexure II to this report.

#### **Management Discussion and Analysis Report**

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming part of this Annual Report.

#### **Auditors and Auditors' Report**

##### **Statutory Auditor:**

At the 28<sup>th</sup> Annual General Meeting of the Company, M/s. L.S. Kothari & Co., Chartered Accountants, Jaipur (Firm Registration No. 001450C) were appointed as Statutory Auditors to hold office upto the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2022. The Auditor's Report for FY 2019-20 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the Financial Statements in this Annual Report

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

##### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company engaged the services of Mr. Ronak Jhuthawat, (COP No. 12094), Company Secretary in Practice, Udaipur to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2020.

The Report given by the Secretarial Auditor forms integral part of this Report and does not contain any qualification, reservation or adverse remark.

#### **Corporate Governance**

The Company has been practicing the principles of good Corporate Governance over the years. A separate section on corporate governance and a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated under the Listing Regulations forms part of this Annual Report.

### **Extract of the Annual Return**

Pursuant to the provisions of Section 134 (3) (a) and 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration), Rules, 2014, the Extract of Annual Return of the Company in Form MGT-9 has been placed on the website of the Company. Weblink: <https://madhavmarbles.com/wp-content/uploads/2020/11/Extract-of-Annual-Return-2019-2020.pdf>

### **Whistle Blower Policy and Vigil Mechanism**

The Board of Directors had approved the Policy on Vigil Mechanism/Whistle Blower and the same has been hosted on the website of the Company. The mechanism under the Policy has been appropriately communicated within the organization. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee

### **Particulars of Contracts, Arrangements or Transactions with Related Parties**

The contracts or arrangements entered into by and between the Company with Related Parties are on arm's length basis and in the ordinary course of business.

Pursuant to Section 134 of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of transactions with related parties are provided in Form AOC-2 which forms an integral part of Report on Corporate Governance.

The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website.

### **Particulars of Loans, Guarantees or Investments**

Particulars of loans, guarantees given and investments made during the year in accordance with Section 186 of the Act forms part of the notes to the financial statements provided in this Annual Report. All the loans & guarantees given and investments made are for the Business purpose.

### **Particulars of Employees**

Details as required under the provisions of section 197(12) of the Companies Act 2013 read with rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 as amended which form part of the Directors' Report will be made available to any shareholder on request as per provisions of section 136(1) of the said Act.

Further, the Company has no person in its employment drawing remuneration in excess of limits as defined under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **Deposits**

During the year under review, the Company has not accepted any deposit under Chapter V of the Act.

### **Risk Management**

Your Company continuously monitors business and operational risk through business processes, and reviewing areas such as production, finance, legal and other issues. The Company's assets are adequately insured against the risk from fire and earthquake.

There is no identification of risks which may threaten the existence of the Company

### **Policy on Prevention of Sexual Harassment at Workplace**

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder

During the year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

### **Internal Controls**

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The Statutory and the Internal Auditors routinely conduct system checks and give their report after evaluation of the efficacy and adequacy of internal control systems including controls with respect to the financial statements, its compliance with operating systems, accounting procedures and policies in the Company. Based on the report of Internal Audit, the departments undertake corrective action in their respective areas and thereby strengthen the controls. The significant audit observations and follow up actions thereon are reported to the Audit Committee as well and further corrective action taken as per the inputs received from the committee members and the auditors.

### **Other Disclosures**

The Directors state that no disclosures or reporting is required in respect of the following items, as the same is either not applicable to the Company or relevant transactions/events have not taken place during the year under review:

- The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
- There was no revision in the financial statements.
- There has been no change in the nature of business of the Company as on the date of this report
- The Managing Director & CEO of the Company did not receive any remuneration or commission from any of its subsidiaries.
- There have been no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.
- There were no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

### **Acknowledgment**

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders, Customers, Financial Institutions, Banks, Central and State Governments, Stock Exchanges and the Company's valued Investors for their continued co-operation and support received during the year.

Your Directors would also like to take this opportunity to express their appreciation for the hard work and dedicated efforts put in by the Company's employees and look forward to their continued contribution.

For and on behalf of the Board

**Ravi Kumar Krishnamurthi**  
Chairman  
DIN: 00464622

Udaipur, November 28, 2020

## Annexure I to the Directors' Report

### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

#### A. Conservation of Energy

The plant installed by the Company is of latest technology and is energy efficient. The Company is taking steps on continuous basis 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. 47% of Company's power requirement is met by non-conventional source i.e. Windmill.

#### B. Technology Absorption

The Company is fully equipped and continuously updating itself to standardize and install latest required machinery for manufacturing, quality control, management, improvement and cost reduction.

The Company during the year under review has not carried out any activity which can be construed as Research & Development..

#### C. Foreign Exchange Earning & Outgo:

(Rs. in million)

Particulars	2019-2020	2018-2019
Foreign Exchange Earned	587.08	641.91
Foreign Exchange used	18.42	55.16

For and on behalf of the Board

Ravi Kumar Krishanmurthi  
Chairman

DIN: 00464622

Udaipur, November 28, 2020

## Annexure II to the Directors' Report

**Annual Report on Corporate Social Responsibility (CSR) Activities for the year ended March 31, 2019**

- 1. A brief outline of the Company's Corporate Social Responsibility Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or program.**

In compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the Company has framed a CSR Policy which is uploaded on the website of the Company. Web-link to the CSR Policy: <https://madhavmarbles.com/wp-content/uploads/2020/11/CSR-Policy.pdf>

The Company undertakes its CSR activities in line with CSR Policy with major thrust areas being development of communities around the vicinity of its plants and offices, promoting education, infrastructure development at schools, girl education and promoting road safety.

- 2. Composition of CSR Committee:**

The Corporate Social Responsibility ("CSR") Committee of the Directors inter alia gives strategic direction to the CSR initiatives, formulates and reviews annual CSR plans and programmes, formulates annual budget for the CSR programmes and monitors the progress on various CSR activities

Name	Category
Mr. Prakash Kumar Verdia, Chairman of the Committee	Independent Director
Mr. Roshan Lal Nagar	Independent Director
Mr. Sudhir Doshi	Executive Director

- 3. Average net profit of the Company for the last three financial years prior to 2019-2020: INR 473.53 Lakhs**
- 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): INR 9.74 Lakhs**
- 5. Details of CSR spent during the financial year 2019-2020:**

- (a) Total amount spent in the financial year: Rs. 3 Lakhs
- (b) Amount unspent, if any: INR 6.74 Lakhs
- (c) Manner in which the amount spent during the financial year is detailed below:

The Company has made advance payment to M/s/ Annai Steels, Salem for supply of tables and benches to Government Higher Secondary School, Nallamballi, Dharmapuri, Dist. Tamilnadu. The supplier readied the material and it was decided to get delivered the same for the new session which was to begin in the last week of March 2020. Due to nationwide lockdown at the same time, the schools were closed and the tables and benches could not be handed over to school authorities.

- 6. Reason for not spending the prescribed two per cent amount**

The Company is committed to continually explore new opportunities which align to its CSR philosophy and will spend the balance amount during the current financial year.

- 7. Responsibility Statement**

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company

**For and on behalf of CSR Committee**

Udaipur, October 31, 2020

Prakash Kumar Verdia  
**Chairman**

Roshan Lal Nagar  
**Member**



Form No MR-3  
Secretarial Audit Report  
(For the Financial Year ended on 31.03.2020)  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
MADHAV MARBLES AND GRANITES LIMITED  
FIRST FLOOR, "MUMAL TOWERS", 16, SAHELI MARG  
UDAIPUR RJ 313001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MADHAV MARBLES AND GRANITES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period 01.04.2019 to 31.03.2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act');
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018–
  - d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company has not delisted / propose to delist its equity Shares from any Stock Exchange during the year under review; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 –Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review;

6. The Company is into business of Mining activities. Accordingly, the following Major Industry specific Acts and Rules are applicable to the Company, in the view of the Management:

1. All Labour welfare legislations applicable in the state of Rajasthan.
2. All pollution control acts, regulations and rules applicable in the state of Rajasthan.
3. Industrial (Development & Regulation) Act, 1951.
4. The Mines and Mineral (Regulation & Development) Act, 1957.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with provisions of the Act, Rules, applicable Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors Non-Executive Directors and Independent Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- During the audit period it is observed that company has invested by entering into Shareholders Agreement in joint venture named Madhav Surfaces FZC (LLC), for setting up engineered stone plant at Sultanate of Oman through its subsidiary Madhav Ashok Ventures Private Limited. The other JV Partner is Al Khanjar Commercial Agencies LLC based at Sultanate of Oman
- Pursuant to Section 149(10) of the Companies Act, 2013, Mr. Ravi Kumar Krishnamurthi & Ms. Swati Yadav further appointed as Non-executive Independent Directors for a second term of five consecutive years on the Board of a Company with effect from April 01, 2020 and March 01, 2020 respectively.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Practicing Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

I further report that during the review period no major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. above have taken place.

**For Ronak Jhuthawat & Co  
(Company Secretaries)**

**Ronak Jhuthawat  
Proprietor**

FCS: 9738 CP: 12094

Place: Udaipur  
Date: 21.08.2020  
UDIN-F009738B000601670

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

## “ANNEXURE A”

To  
The Members  
MADHAV MARBLES AND GRANITES LIMITED  
FIRST FLOOR, “MUMAL TOWERS”, 16, SAHELI MARG  
UDAIPUR RJ 313001 IN

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Ronak Jhuthawat & Co**  
(Company Secretaries)

**Ronak Jhuthawat**  
Proprietor

FCS: 9738 CP: 12094

Place: Udaipur  
Date: 21.08.2020  
**UDIN- F009738B000601670**

## Management Discussion and Analysis Report

### State of Global and Indian Economy

FY2020 witnessed as the year of Global Economic meltdown.

Trade disruptions between US and China, deceleration in manufacturing sector along with Brexit concern has adversely impacted the growth outlook. In conjunction to this, Novel Covid-19 pandemic has wreaked havoc and devastated the global economy by disrupting its entire demand and supply chain. Several countries across the world resorted to lockdowns to “flatten the curve” of the infection which has brought the entire economic activity across the world to a standstill. According to the International Monetary Fund (IMF), due to this pandemic, the global economy is expected to shrink by over 3 per cent in 2020, the steepest slowdown since the Great Depression of the 1930s.

Economic conditions shall remain challenging in FY 21, considering the uncertainties, with regard to impact of the global health crisis and sluggishness in the economic activity during the first quarter of FY21. Though due to impact of COVID -19 pandemic, consumer and economic slowdown is visible but the severity and timespan of downturn will mainly depend on the spread, continued policies responses to the crisis, adaption, innovation of corporate sector and also on the effective deployment of a tested and approved vaccine. The world is eagerly waiting for the announcement of approval and distribution of tested and safe vaccines. Economists are hopeful that by the end of FY 21, sharp economic recovery may get started.

In 2019-20, the Indian economy growth stood at 4.2% against 6.1% in 2018-19. Prior to the pandemic, country was already witnessing a market slowdown and weak demand along with stress in non-banking financial sector and decline in the credit growth, impacting the whole economy. The year also witnessed efforts and policy changes including significant easing of monetary policy with the repo rate cut, speeding up the insolvency resolution, and Bankruptcy Code (IBC), easing of credit in sector with major hit, reduction in the corporate tax rates, GST rate rationalisation and some PSU & private banks merger / restructuring.

In the last quarter, the outbreak of COVID-19, the subsequent lockdown and restrictions imposed to contain the spread of the COVID-19 pandemic resulted in disruptions and further decelerated the growth.

Governments as well as Central Bank have moved in a synchronised manner to provide large economic relief packages and provide the financial markets with abundant liquidity as a measure to support the economy. However, the progress that we would exhibit in controlling the spread of the pandemic would largely determine the rate of recovery for the economy.

### Industry Overview

According to Federation of Indian Granite & Stone Industry, India ranks second-largest in the deposit of natural stones globally with 15% of the natural stone reserves and stands fourth-largest in the natural stone trade globally.

Credited for adding unmatched style and elegance to the architecture, the glossy, smooth Indian granite has become the most sought-after and extensively used stone material in building construction, indoor decoration, countertops, tile floors and massive structural works throughout the world.

The industry being amongst the oldest industries in the World; has scaled new heights with growing exports and the country emerges as one of the leading exporter of rough granite blocks, processed granite blocks, granite slabs and granite tiles.

Major consumers of processed granite are from USA, Europe and Asia Pacific region and the supply is met through imports from Brazil, China, India, Italy, Spain and Canada.

Business environment in FY 19-20 remained challenging owing to factors like raw material unavailability, prolonged closure of quarries, high input cost on import of rough blocks, stiff competition from Brazilian market, preference of Quartz over Granite, delay in GST refunds affecting liquidity among others.

The Industry expects demand revival in big markets but more or less demand outlook would depend to a large extent on the way normalcy is restored in the economy and policy support from the government.

### Company Overview

Inception in the year 1989, Madhav Marbles and Granites Limited, leading processor and exporter of premium quality natural stones is a 100% EOU with plant situated at Thoppur, Tamilnadu. The company pledges its commitment to excellence and has maintained its own standards. With around thirty years of experience, product quality and dedication towards customer relationship, the Company has established very good brand image in the international market particularly in US and European Countries. The products are also being exported to Canada, Australia, South Africa, Russia and the Far East.

Companies power generation segment owns three Wind Turbine Generators (WTGs) having capacity of 4.00 MW, in the state of Tamil Nadu and the electricity generated from out of these three machines are being utilized for captive consumption. Excess units are banked with TNEB.

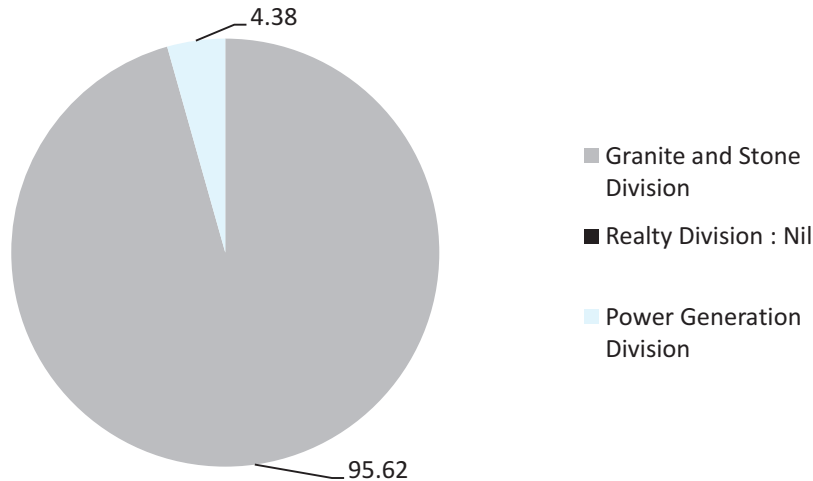
Trading Business of Marble, Granite, Sandstone, Quartz etc. is being carried out at Udaipur, Rajasthan

### Standalone Financial Review (In Million)

- Revenue from operations for the FY 2019-2020 was INR 602.85 million, a decline of 21.66% over last years' revenue of INR 769.57 million.
- Profit after Tax stood at INR 21.82 million in FY 2019-2020 as against INR 46.12 million in the corresponding previous year.
- EPS is 2.44 for the year under review against 5.15 in the corresponding previous year.

### Segmental Review

Companies' financials comprises of three business segments: Granite and Stone Division, Realty and Power Generation Unit.



### Granite and Stone Division

**Tile Business:** Turnover from Tile business was at 196.86 million as against 205.72 million in previous fiscal, a decline of 4.31%. The production during the year was at 211458.956 sq. meters as compared to 185015.999 sq. meters in previous year.

**Slab Business:** Revenue from Slab business improved with increase of 7.63% over previous fiscal. Turnover from this division stood at 442.86 million as against 411.48 million in 2017-2018. The production during the year was at 134205.169 sq. meters as compared to 185015.999 sq. meters in previous year.

**Trading Business:** Trading business accounted for 16% of revenue during the year under review with turnover being at Rs. 121.55 million as compared to Rs. 75.92 million in previous year

**Power Generation** The production during the year was 5794197 units as against 6508346 units in the previous year. The entire current years' production was utilized for meeting power requirements of Granite and Stone Division.

**Realty** The management does not intend to take up any new real estate project in near future.

#### **Risks and Concerns**

- Covid-19 impact on global economy
- Increasing Trade Protectionism
- Competition from other nations on price front.
- Raw material availability remains a concern for the Industry.
- Delay in GST Refund affecting Cash cycle.

#### **Opportunities and Outlook**

Although global demand remains subdued and business environment challenging, the Management is confident and hopeful that with focussed growth strategy and support from all the stakeholders, the company will be able to bounce back on its growth path and shall achieve new performance benchmarks.

We expect an increased demand taking into account factors such as demand for non-residential projects like hotels, schools, hospitals, increased government budget for infrastructure developments, renovations etc. The ongoing Engineered Stone project at Oman will also strengthen Company's visibility in the market and will add in overall sales numbers and profitability

#### **Internal Controls and their adequacy**

The Company has a well-established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent personnel. In addition to statutory audit, the financial controls of the Company are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. The Audit Committee is headed by an Independent Director and this ensures independence of functions and transparency of the process of supervision. The Committee meets on a regular basis to review the progress of the internal audit initiatives, significant audit observations and planning and implementation of the follow-up action required.

The Company conducts its business with integrity and high standards of ethical behavior and in compliance with the all applicable laws and regulations that govern its business.

#### **Human Resource**

The Company considers its Human Resource as its most important asset and makes sustained efforts for the development of its manpower and also encourages them to continuously upgrade and improve their skills and qualifications.

The industrial relations at segments during 2019-20 remained cordial.

#### **Statutory Compliance**

The Executive Directors makes declaration at each Board Meeting on quarterly basis, regarding compliance with applicable provisions of various statues and regulations.

#### **Cautionary Statement**

Statement on the Management Discussions and Analysis and current year's outlook are Management's perception & understanding drawn from the regional and global macro-economic cues at the time of drawing this report. Actual results may be materially different from those expressed in the statements. Important factors which could influence the Company's operations include demand & supply conditions, availability of input and relative prices in the domestic & global markets, Change in Government policies, tax laws, economic development within the country & foreign countries in which the Company has business presence.

## Report on Corporate Governance

A report on Corporate Governance is set out in compliance with the Corporate Governance requirements as stipulated in Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

### Company's Philosophy

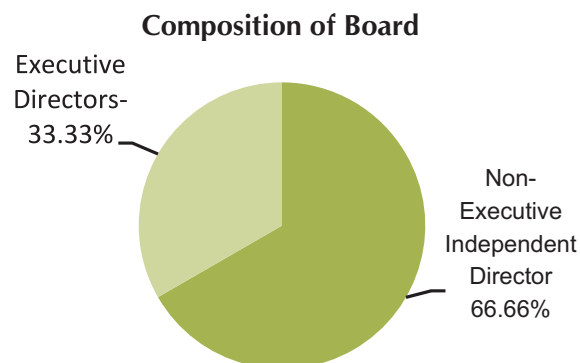
Good Corporate Governance is an integral principle of Company's business and is based on transparency, accountability and focus on the sustainable success over the long-term.

The Company also believes that effective Corporate Governance emerges from the application of the best and sound management practices and strict adherence to compliance with the laws and regulations. The Corporate Governance principles and processes implemented reflect commitment towards timely and accurate information on financial and operational performance, governance structure and also ensures that trust of stakeholders is retained and enhanced at all times.

### The Board of Directors

A well-balanced Board enriches discussions and enables effective decision making. Company's Board represents an optimal mix of professionalism, knowledge and experience which enables it to discharge its responsibilities and provide effective leadership to the business.

The Board as on March 31, 2020 comprises of six directors of whom two are Executive and four are Non-executive Independent Directors. The Chairman of the Board is Non-executive Independent Director. The Non-Executive Independent Directors are eminent professionals, having considerable experience in respective fields.



All the Independent Directors have confirmed that they meet the criteria of independence as laid down under section 149(6) of the Act and Regulation 16 (1)(b) of SEBI Listing Regulations. In addition, they maintain their limits of directorships as required under SEBI Listing Regulations.

Mr. Madhav Doshi, CEO and Managing Director is relative (nephew) of Mr. Sudhir Doshi, Whole Time Director of the Company. Save and except this, none of the directors of the Company are related to each other.

### Core Skills / Expertise / Competencies Available with the Board

The Board comprises qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Leadership / Operational experience
- Strategic Planning
- Industry Experience, Research & Development and Innovation
- Global Business
- Financial, Regulatory / Legal & Risk Management
- Corporate Governance



### Board Meetings:

The Board meetings are pre-scheduled and held at regular intervals. The notice and agenda is circulated well in advance to facilitate the directors to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The Board periodically reviews and takes note of the compliance confirmations in respect of laws and regulations applicable to the Company.

During the year under review, the Board met six times on May 04, 2019, May 28, 2019, August 10, 2019, September 07, 2019, November 09, 2019 and February 06, 2020.

**The following table shows attendance of directors at Board meetings, attendance at last annual general meeting, number of shares held in the Company and number of other directorships, chairmanships / memberships of Board committees in various other companies and Directorship in other listed entities as on March 31, 2020:**

Director	No. of Board Meeting attended during the year	Attendance at last Annual General Meeting	Number of Shares held in the Company@	Directorships in other Companies*	Name of the Listed entities where person is Director and category of Directorship	Membership and Chairmanship of the Committees of the Board of other Companies#	
						Chairperson	Member
Mr. Ravi Kumar Krishnamurthi DIN:00464622	4	Present	Nil	3	Emkay Global Financial Services Limited-Independent Director	-	2
Mr. Madhav Doshi DIN:07815416	6	Not Present	771008	1	Rajdarshan Industries Limited-Non-executive Director	-	1
Mr. Sudhir Doshi DIN:00862707	6	Present	32001	-	-	-	-
Mr. Prakash Kumar Verdia DIN: 02429305	6	Present	500	1	Rajdarshan Industries Limited-Independent Director	2	1
Mr. Roshan Lal Nagar DIN: 02416642	6	Present	Nil	1	Rajdarshan Industries Limited-Independent Director	1	1
Ms. Swati Yadav DIN: 06572438	6	Present	Nil	-	-	-	-

\*Other directorships do not include private companies, foreign companies and companies established under Section 8 of the Companies Act, 2013.

#For the purpose of considering the limit of Committee memberships and chairmanships of a Director, membership and chairmanship of Audit Committee and Stakeholders Relationship Committee of other public companies have been considered.

@Includes 11501 shares held by Sudhir Tej Singh Doshi HUF

### **Directors' Familiarization Programme**

The Company has in place a Familiarization Program for independent Directors to provide insights into the Company's Business to enable them contribute significantly to the decision making.

Further, on an ongoing basis as a part of Agenda of Board and Committee Meetings, information is made available to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries, business environment, operations, industry and regulatory updates, strategy, finance, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

### **Meeting of Independent Directors**

During the year under review, the Independent Directors met separately on February 06, 2020 without the presence of Non-Independent Directors and members of the management in compliance with Regulation 25 (3) of the Listing Regulations and Schedule IV of the Act.

At the said meeting, the Independent Directors, inter alia, discussed and reviewed performance of Non-Independent Directors, the Board as a whole, Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **Committees of the Board**

The Board Committees play an important role in governance and dealing with areas and activities which require a closer review. The committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The minutes of the meetings of all Committees are placed before the Board for review and noting.

#### **The Company currently has four Board Level Committees:**

- 1) Audit Committee,
- 2) Nomination and Remuneration Committee,
- 3) Stakeholders` Relationship Committee, and
- 4) Corporate Social Responsibility Committee.

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below:

#### **1. Audit Committee**

The composition, quorum, powers, role and scope of Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. All members of the Audit Committee bring in expertise in the fields of Finance and Taxation. The Committee functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

The Audit Committee is entrusted with the responsibility to supervise the Company's financial control and reporting process and its compliance with the legal and regulatory requirements. It discusses and deliberate on the financial results, appointment/re-appointment of Statutory Auditors, review of internal audit functions, review and approval of related party transactions including granting of omnibus approval for the proposed transactions, review of investment related reports of the Company, utilisation of loans and/or advances from/investment by holding Company in the subsidiary etc.

### Composition

Mr. Roshan Lal Nagar, an Independent Non-Executive Director, is the Chairman of the Audit Committee. Mr. Prakash Kumar Verdia, Independent Non-Executive Director and Mr. Sudhir Doshi, Executive Director are members of Audit Committee. The Company Secretary acts as the Secretary to the Committee.

### Meetings and Attendance Record

During the year under review, the Audit Committee met six times on May 04, 2019, May 28, 2019, August 10, 2019, September 07, 2019, November 09, 2019 and February 06, 2020. The requisite quorum was present at all the Meetings. The Meetings of the Audit Committee are also attended by the Chief Financial Officer, Internal Auditors and the Statutory Auditors as invitees. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 30, 2019.

The table below provides details of attendance at the Audit Committee Meetings:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. Roshan Lal Nagar	Independent, Non-Executive	Chairman	6	6
Mr. Prakash Kumar Verdia	Independent, Non-Executive	Member	6	6
Mr. Sudhir Doshi	Executive	Member	6	6

## 2. Nomination and Remuneration Committee

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, 2015.

### Broad Terms of Reference of the Committee inter-alia include:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other senior employees;
- Formulation of criteria for evaluation of Independent Directors, Committees of Board and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Recommending whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommending to the board, remuneration payable to senior management.

### Composition:

Mr. Prakash Kumar Verdia, Independent Non-Executive Director, is the Chairman of the Committee. The other members of the Remuneration and Nomination committee include Mr. Ravi Kumar Krishnamurthi and Mr. Roshan Lal Nagar, Independent Directors. The Company Secretary acts as the Secretary to the Committee.

### Meetings and Attendance Record:

The Committee met two times during the year 2019-2020 on May 27, 2019 and February 03, 2020. The requisite quorum was present at the Meetings. The Chairman of the Remuneration and Nomination Committee was present at the last Annual General Meeting of the Company.

The attendance at the said meetings is as under:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. Prakash Kumar Verdia	Independent, Non-Executive	Chairman	2	2
Mr. Ravi Kumar Krishnamurthi	Independent, Non-Executive	Member	2	1
Mr. Roshan Lal Nagar	Independent, Non-Executive	Member	2	2

### Remuneration to Directors

#### A. Non-Executive Independent Directors

The Non-Executive Independent Directors are paid remuneration by way of Sitting Fees for each meeting of the Board attended by them. None of the Non-executives Independent Directors has any material financial interest in the Company apart from the remuneration by way of fees received by them.

#### B. Executive Directors

The appointment and remuneration of Executive Directors i.e. CEO and Managing Director and Whole Time Director is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and Members of the Company and Agreement executed between them and the Company. The remuneration package of Executive Directors comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof.

Presently, the Company does not have a stock options scheme for its Directors.

### Detail of Remuneration paid to the Directors during 2019-2020 (Rs. in Lakhs)

#### (a) Non-Executive Independent Directors:

Name of the Director	Sitting Fees
Mr. Ravi Kumar Krishnamurthi	1.20
Mr. Prakash Kumar Verdia	0.90
Mr. Roshan Lal Nagar	0.90
Ms. Swati Yadav	0.90

## (b) Executive Directors

Particulars	Name of the Directors	
	Mr. Madhav Doshi, CEO & Managing Director	Mr. Sudhir Doshi, Whole Time Director
Term of Appointment	For a period of 3 years from May 01, 2018 to April 30, 2021	For a period of 3 years from July 28, 2017 to July 27, 2020. Approval of members for re-appointment for a further period of one year is being sought through Notice calling this AGM
Salary	51.22	28.80
Commission	-	-
Perquisites	3.88	1.28
Ex-Gratia	-	4.04
Company's Contribution to PF	4.73	3.46
Sitting Fees	-	-
Notice Period & Severance Fees	Three months' notice or three months' salary in lieu thereof	Three months' notice or three months' salary in lieu thereof

### Performance Evaluation

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors, the Director subject to evaluation, had not participated.

### 3. Stakeholders Relationship Committee

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI Listing Regulations, 2015.

#### The committee's role includes:

- Monitoring speedy redressal of requests/grievances received from the Investors relating to Transfer/Transmissions/Duplicate Shares, non-receipt of Shares, Annual Reports, Dividend, updating of Address and Bank details etc.
- To approve issue of Duplicate Shares
- To decide on waiver of documents / requirements prescribed in cases of:
  - a) Transmission of shares
  - b) Issue of duplicate share certificates
  - c) Recording of updation of signatures by shareholders
- Reviewing the manner and time-lines of dealing with complaint letter received from Securities and Exchange Board of India (SEBI), Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc. and action taken by your Company for redressing the same;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Such other matter as may be specified by the Board from time to time.

### Meetings:

The Stakeholders Relationship Committee met five times during the year on April 04, 2019, April 30, 2019, July 13, 2019, November 02, 2019 and February 03, 2020.

### Composition and Attendance Record:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. Prakash Kumar Verdia	Independent, Non-Executive	Chairman	5	5
Mr. Roshan Lal Nagar	Independent, Non-Executive	Member	5	5
Mr. Sudhir Doshi	Executive	Member	5	5

Ms. Priyanka Manawat, Company Secretary acts as Secretary to the Committee and is also Compliance Officer of the Company

### Investor Grievances Redressal Status

During the financial year 2019-20, the complaints and queries received from the shareholders were mainly pertaining to non-receipt of Dividend, non-receipt of Shares, issue of duplicate share certificates etc.

All the complaints were resolved to the satisfaction of the investors.

The status of Investors' Complaints as on March 31, 2020, is as follows:

No. of complaints as on April 1, 2019	Nil
No. of complaints received during the Financial Year 2019-2020	32
No. of complaints resolved upto March 31, 2020	32
No. of complaints pending as on March 31, 2020	Nil

To redress investor grievances, the Company has a dedicated E-mail ID: [investor.relations@madhavmarbles.com](mailto:investor.relations@madhavmarbles.com) to which investors may send their queries/complaints.

### 4. Corporate Social Responsibility Committee

The Board of Directors has constituted Corporate Social Responsibility Committee pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014 comprising of Mr. Prakash Kumar Verdia as Chairman of the Committee, Mr. Roshan Lal Nagar and Mr. Sudhir Doshi as members.

The role of CSR Committee includes formulating and recommending to the Board a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, as per Schedule VII to the Act; recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing and monitoring the CSR policy of the Company.

The Committee met twice during the year on May 04, 2019 and February 04, 2020. All the members attended the above meetings.

## General Body Meetings

(a) (i) The details of Annual General Meetings held during last three years are as under:

AGM	Day	Date	Time	Venue
30th	Monday	September 30, 2019	4:30 p.m.	Hotel Rajdarshan, 18, Pannadhai Marg, Udaipur
29th	Saturday	August 11, 2018	10:00 a.m.	Hotel Rajdarshan, 18, Pannadhai Marg, Udaipur
28th	Saturday	September 09, 2017	10:00 a.m.	Hotel Rajdarshan, 18, Pannadhai Marg, Udaipur

(ii) The details of Extra-Ordinary General Meeting held during last three years are as under:

Day	Date	Time	Venue
Friday	March 29, 2019	10:30 a.m.	Hotel Rajdarshan, 18, Pannadhai Marg, Udaipur
Thursday	May 30, 2019	10:30 a.m.	Hotel Rajdarshan, 18, Pannadhai Marg, Udaipur

(b) Special resolutions passed in the last three AGMs/EGMs

### AGM's

Date	Matter
September 30, 2019	<ul style="list-style-type: none"> <li>● Re-appointment of Mr. Ravi Kumar Krishnamurthi (DIN: 00464622) as an Independent Director</li> <li>● Re-appointment of Ms. Swati Yadav (DIN: 06572438) as an Independent Director of the Company</li> <li>● To approve continuation of payment of remuneration to Executive Directors who are Promoters/members of the promoter group in excess of threshold limits as per SEBI (LODR) (Amendment) Regulations, 2018</li> <li>● To seek approval of Shareholders, pursuant to applicable provisions of the Companies Act, 2013 and/or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for authorizing the Board to enter into related party transaction by giving loans to; and/or making investments in; and/or providing security / guarantee to secure obligations of, present and/or future Subsidiary and/or Associate of the Company upto an aggregate financial limit of Rs. 100 Crores</li> </ul>
August 11, 2018	<ul style="list-style-type: none"> <li>● Appointment of Mr. Madhav Doshi (DIN: 07815416) as Chief Executive Officer (CEO) and Managing Director of the Company</li> </ul>
September 09, 2017	<ul style="list-style-type: none"> <li>● Appointment of Mr. Sudhir Doshi (DIN: 00862707) as Whole Time Director of the Company</li> </ul>

### EGM

Date	Matter
May 30, 2019	<ul style="list-style-type: none"> <li>● Consent of Members for increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons/ Bodies Corporate</li> <li>● Consent of members to give loan to, and acquire by way of subscription, purchase or otherwise the securities of and provide guarantee and/or security in connection with loan taken/to be taken by Madhav Natural Stone Surfaces Private Limited (MNSSPL), a subsidiary of the Company</li> </ul>

Date	Matter
March 29, 2019	<ul style="list-style-type: none"> <li>To seek approval for entering into Related Party Transaction of providing loans and I or give guarantees and I or providing securities in connection with loans raised by Madhav Natural Stone Surfaces Private Limited, Subsidiary Company</li> <li>Re-appointment of Mr. Prakash Kumar Verdia (DIN: 02429305) as an Independent Director</li> <li>Re-appointment of Mr. Roshan Lal Nagar (DIN: 02416642) as an Independent Director</li> </ul>

### (c) Postal Ballot

No Special Resolution was passed through Postal Ballot during financial year 2019-20. Further, no Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

### Means of Communication

- The Un-audited quarterly/ half yearly financial results are announced within forty-five days of the close of the quarter and the audited financial results for the year end are announced within sixty days from the closure of the financial year as per the requirements of the Listing Regulations.
- The approved financial results are forthwith sent to the Stock Exchanges and are published in national English newspaper and in local Hindi newspaper, within forty-eight hours of approval thereof. Presently, the same are not sent to the shareholders separately.
- The Company's financial results are also displayed on the Company's website- [www.madhavmarbles.com](http://www.madhavmarbles.com). Investors Relation section on the Company's website also gives information on Unclaimed dividends, Corporate Governance Report, Shareholding pattern and other relevant information of interest to the investors.
- The Management Discussion and Analysis forms part of the Annual Report
- Compliances pursuant to the Listing Regulations and all other corporate communication to the Stock Exchanges are filed electronically through BSE's BSE Listing Centre and NSE's NEAPS portal.
- For Investor requests and grievances, the Company has designated the e-mail ID [investor.relations@madhavmarbles.com](mailto:investor.relations@madhavmarbles.com)

### General Shareholder Information:

**(a) Annual General Meeting to be held:**

Day: Saturday

Date: December 26, 2020

Time: 11:00 a.m.

Venue: Through Video Conferencing

**(b) Dates of Book Closure:**

December 19, 2020 to December 26, 2020 (Both days inclusive)

**(c) Financial Calendar:**

The Company follows April-March as the Financial Year.

Tentative schedule for declaration of Financial results during 2020-2021

First quarter ending June 30, 2020(Unaudited)	:	Declared on September 12, 2020
Second quarter and half year ending	:	
September 30, 2020 (Unaudited)	:	Declared on November 11, 2020
Third quarter and nine months ending	:	
December 31, 2020 (Unaudited)	:	On or before February 14, 2021
Fourth quarter and financial year ending	:	
March 31, 2021 (Audited)	:	On or before May 30, 2021



**(d) Listing details**

**Name of Stock Exchange and Stock Code**

BSE Limited (BSE) -515093

**Address**

BSE Limited , Phiroze  
Jeejeebhoy Towers,  
Dalal Street,Mumbai – 400001

National Stock Exchange of  
India Limited (NSE)- MADHAV  
Bandra (East),Mumbai –400051

“Exchange Plaza”,C-1, BlockG,  
Bandra KurlaComplex,

ISIN for depositories

INE925C01016

The Company has paid the Annual Listing fees to the stock exchanges for the year 2020-21.

**(e) Stock Market Price Data**

Month	BSE Limited			National Stock Exchange of India Limited		
	High	Low	Volume	High	Low	Volume
Apr- 2019	45.05	39.10	8417	44.50	38.80	41893
May- 2019	44.00	35.00	7598	42.80	35.25	74342
Jun- 2019	39.70	32.40	25088	39.75	32.50	41830
Jul- 2019	37.00	20.85	47322	37.45	20.35	75453
Aug- 2019	28.50	21.10	53806	28.90	20.60	52917
Sep- 2019	34.65	24.50	10369	32.90	24.10	51593
Oct- 2019	28.80	22.50	8306	27.70	21.75	36741
Nov- 2019	26.80	22.85	6711	26.00	22.30	64986
Dec- 2019	30.90	23.00	4111	31.00	23.15	47378
Jan- 2020	40.55	29.25	28917	41.15	28.40	201738
Feb- 2020	41.00	26.90	17964	42.00	26.05	216695
Mar- 2020	33.00	17.65	18546	31.90	17.5	111297

**(f) Registrar and Share Transfer Agents**

All the work related to share registry, both in physical and electronic form, is handled by the Company's Registrar and Transfer Agent at the address mentioned in the communication addresses section.

**(g) Share Transfer System**

As per direction of Securities and Exchange Board of India, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. This measure has come into effect from April 01, 2019.

Shareholders who are still holding share certificate(s) in physical form are advised to dematerialise their shareholding to facilitate transfers and avail other benefits of dematerialisation, which include easy liquidity, electronic transfer and elimination of any possibility of loss of documents and bad deliveries.

The Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities as per the requirement of Regulation 40(9) of the SEBI Listing Regulations. These certificates have been submitted to the Stock Exchanges.

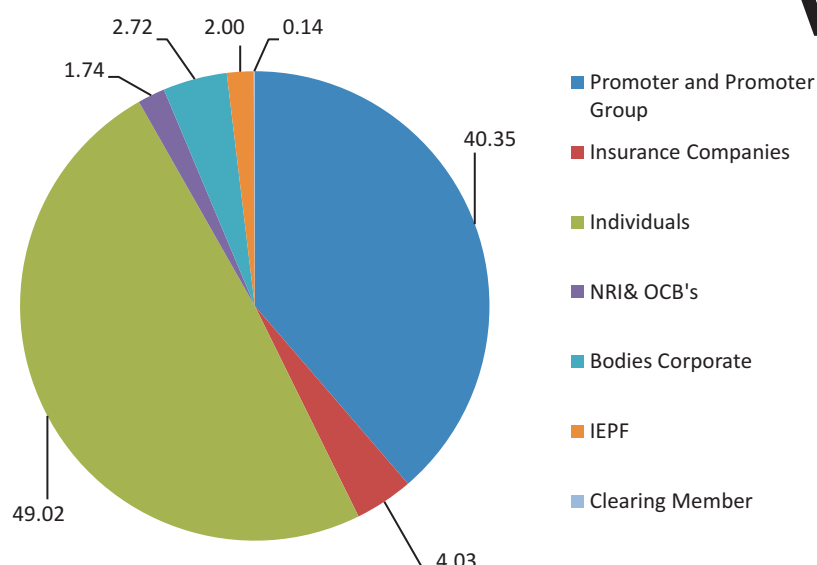
As stipulated by SEBI, a Company Secretary in Practice carried out an Audit, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. Such reconciliation of share capital audit report was submitted to Stock Exchanges on quarterly basis.

**(h) Distribution of Shareholding as on March 31, 2020**

Holding	Shareholders		Shares	
	Number	%	Number	%
1-100	4464	57.19	326964	3.65
101-200	1012	12.97	184860	2.07
201-300	447	5.73	123466	1.38
301-400	245	3.14	93305	1.04
401-500	576	7.38	284443	3.18
501-1000	479	6.14	398664	4.46
1001 and above	582	7.45	7535298	84.22
<b>Total</b>	<b>7805</b>	<b>100.00</b>	<b>8947000</b>	<b>100.00</b>

**(i) Categories of Shareholders as on March 31, 2020**

Category	No. of Folios	No. of Shares	%
Promoter and Promoter Group	22	3610453	40.35
Insurance Companies	1	360425	4.03
Bank/Financial Institutions	1	70	0.00
Individuals	7451	4385003	49.02
NRI & OCB's	251	155957	1.74
Bodies Corporate	62	243597	2.72
IEPF	1	179299	2.00
Clearing Member	16	12196	0.14
<b>Total</b>	<b>7805</b>	<b>8947000</b>	<b>100.00</b>



**(j) Dematerialisation of shares and liquidity**

The paid-up share capital of the Company is held by the Members as on March 31, 2020 as follows: 97.29% in an electronic form and 2.71% in physical form.

**(k) Transfer of Unpaid/Unclaimed amounts and shares to Investor Education and Protection Fund (IEPF)**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The details of unclaimed dividends and shares transferred to IEPF during the financial year 2019-20 are as follows:

Particulars	Amount of unclaimed dividend transferred	Number of shares transferred
2011-2012	INR 361660.00	14234 Shares

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) along with the fee prescribed to the IEPF authority with a copy to the Company.

**(l) Plant Locations**

**Granite and Stone Division**

Village Thoppur, Distt. Dharmapuri  
Tamil Nadu, INDIA

**Wind Mills**

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

Survey No. 149/151  
Velampatti Road, Pungamuthur Village  
Otanchatram Taluk, Dindigul Distt. Tamil Nadu, INDIA

(m) **Address for Correspondence**

With the Company:	With Registrar and Share Transfer Agents
<p>Ms. Priyanka Manawat, Company Secretary &amp; Compliance Officer First Floor, "Mumal Towers" 16, Saheli Marg Udaipur – 313001 (Raj.) Phone: 0294 2981666 E-mail: investor.relations@madhavmarbles.com</p>	<p>M/s Ankit Consultancy Pvt. Limited, Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) – 452 010 Phone: (0731) 2551745-46 E-mail: ankit_4321@yahoo.com rtaindore@gmail.com</p>

## Affirmations and Disclosures

### 1. Related Party Transactions

The required statements / disclosures, with respect to the related party transactions, are placed before the Audit Committee and to the Board of Directors, on quarterly basis in terms of Regulation 23(3) of the Listing Regulations. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive in nature.

The Company's major related party transactions are generally with its subsidiaries and associates. These transactions are entered into based on consideration of various business exigencies, such as synergy in operations, liquidity and capital resource of subsidiary and associates and all such transactions are on an arm's length basis.

All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis. None of the transactions with any of the related parties were in conflict with the interest of the Company.

The disclosure of transactions with the related parties set out in Notes to the Standalone Financial Statements, forming part of the Annual Report.

The Board of Directors has formulated a Policy on dealing with Related Party Transactions and it is posted on the website of the Company at <https://madhavmarbles.com/wp-content/uploads/2020/11/Policy-on-Related-Part-Transactions.pdf>

- 2. Details of remuneration paid to the employees of the Company, who are relatives of directors, as on March 31, 2020:** The total remuneration paid during 2019-2020 to Mrs. Riddhima Doshi, Spouse of CEO and Managing Director is Rs. 36.46 Lakhs.

### 3. Compliance with the Mandatory Requirements of the Listing Regulations

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations. It has obtained a certificate affirming the compliances from the Company's Statutory Auditors and the same is attached to the this Report.

### 4. Details of Non-compliance with regard to Capital Markets during the last three years

There have been no instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years

**5. Vigil Mechanism**

The Company has established a vigil mechanism/whistle blower policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud etc. and the same has been disclosed on the website of the Company. Further no personnel has been denied access to the Audit Committee.

**6. Certificate from Practicing Company Secretary:**

A certificate has been received from Ronak Jhuthawat & Co. Practising Company Secretaries, pursuant to Schedule V of the Listing Regulations, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

The same is annexed to this report.

**7. Recommendation of any committee of the board which is mandatorily required:**

Any recommendations given by the committees of the Board are required to be placed before the Board. The Board has accepted all the recommendations by various committees of the Board during the financial year March 31, 2020.

**8. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

Particulars	Amount (INR in thousand)
Fees for audit and related services	135.00
Out of Pocket Expenses	19.40

**9. All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements.**

**10. No money was raised by the Company through public issue, rights issue etc. in the last financial year.**

**11. Role of the Company Secretary in overall governance process**

The Directors have access to the suggestions and services of the Company Secretary in ensuring an effective functioning of the Board and its Committees. The Company Secretary administers, attends and prepares minutes of the Board and the Committee proceedings in accordance with the statutory requirements as well as the norms of Corporate Governance.

**12. Subsidiary Companies**

All the Subsidiary Companies of the Company are managed by their respective Boards and the Management. The Board of Directors and Audit Committee of the Company review the minutes of the meetings, financial statements, investments made, significant transactions and arrangements of the unlisted subsidiary Companies in accordance with the SEBI Listing Regulations, 2015.

**13. Extent of compliance with the non-mandatory requirements: The Company complies with the following non-mandatory requirements:**

● **Separate posts of Chairman and CEO**

The positions of the Chairman of the Board and the Managing Director & Chief Executive Officer of the Company are held by separate individuals.

● **Reporting of the Internal Auditor**

The Internal Auditor directly reports to the Audit Committee

- **Audit Qualifications**

Company's financial statements are unqualified.

**14. Outstanding GDRs / ADRs / warrants or any convertible instruments, conversion dates and likely impact on equity:**

Not Applicable.

**15. Disclosure of commodity price risks or foreign exchange risk and hedging activities:**

Your Company manages foreign exchange risk with appropriate hedging activities consistent with the policies of the Company. Your Company uses forward exchange contracts to hedge against its foreign currency exposures. There are no materially uncovered exchange rate risks in the context of the Company's imports and exports.

The details of foreign exchange exposures as on March 31, 2020 are disclosed in the Notes to the Standalone financial statements.

**16. Certification by the Chief Executive Officer and the Chief Financial Officer**

The CEO and CFO of the Company had issued a certificate to the Board as prescribed under Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said certificate was placed before the Board at the meeting held on July 28, 2020 in which the accounts for the year ended March 31, 2020 were considered and approved by the Board.

**17. Declaration by the Chairman and Managing Director**

In accordance with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, all the Directors and Senior Management Personnel have, respectively, affirmed compliance with the Code of Conduct as approved and adopted by the Board.

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**Declaration**

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct for the year ended March 31, 2020.

Udaipur, July 28, 2020

Madhav Doshi  
**CEO and Managing Director**  
**DIN: 07815416**

## Form No. AOC-2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Account) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of the material contracts or arrangements or transactions at arm's length basis:

1	Name(s) of the Related Party	Madhav Natural Stone Surfaces Private Limited				
2	Nature of Relationship	Subsidiary of the Company				
3	Nature of contracts/ arrangements/ transactions	Capital Subscription	Loans and Advances	Rent Received	Reimbursement of Expenses	Interest on Unsecured Loan
4	Duration of Transactions	April 01, 2019 to March 31, 2020				
5	Salient terms of the contracts or arrangements or transactions including the value, if any:	Investment in Share Capital through Subscription of Equity Shares amounting to INR 40.00 Lakhs	Inter Corporate Loans and advances given of Rs. 260.26 Lakhs	Rent amounting to Rs.1.17 Lakhs received against sharing of office space	Reimbursement of expenditure incurred on behalf of Subsidiary amounting to Rs. 5.30 Lakhs	Interest on Unsecured Loan accounted amounting to INR 42.22 Lakhs
6	Date(s) of approval by the Board, if any:	Sept. 17, 2018 & April 30, 2019	May 04, 2019	Nov. 05, 2018 & Sept. 07, 2019	Sept. 26, 2018	May 04, 2019
7	Amount paid as advances, if any:	Nil				

1	Name(s) of the Related Party	Madhav Ashok Ventures Private Limited				
2	Nature of Relationship	Subsidiary of the Company				
3	Nature of contracts/ arrangements/ transactions	Capital Subscription	Loans and Advances	Rent Received	Reimbursement of Expenses	Interest on Unsecured Loan
4	Duration of Transactions	September 17, 2019 to March 31, 2020				
5	Salient terms of the contracts or arrangements or transactions including the value, if any:	Investment in Share Capital through Subscription of Equity Shares amounting to INR 60.00 Lakhs	Inter Corporate Loans and advances given of Rs. 927.00 Lakhs	Rent amounting to Rs.0.40 Lakhs received against sharing of office space	Reimbursement of expenditure incurred on behalf of Subsidiary amounting to Rs. 5.82 Lakhs	Interest on Unsecured Loan accounted amounting to INR 14.54 Lakhs
6	Date(s) of approval by the Board, if any:	Sept. 07, 2019	Aug. 10, 2019	Sept. 07, 2019	Sept. 07, 2019	Aug. 10, 2019
7	Amount paid as advances, if any:	Nil				

## Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Madhav Marbles and Granites Limited**  
First Floor, "Mumal Towers"  
16, Saheli Marg,  
Udaipur-313001

We have examined the relevant disclosures as submitted by the Directors of **Madhav Marbles and Granites Limited** having **CIN: L14101RJ1989PLC004903** and having its registered office at **First Floor, Mumal Towers, 16, Saheli Marg, Udaipur-313001** (hereinafter referred to as 'the Company') for the financial year 2020-2021 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority for the period ended as on March 31, 2020

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the financial year ended March 31, 2020.

For **Ronak Jhuthawat & Co**  
(Company Secretaries)

Place: Udaipur  
Date: 19.11.2020

**Ronak Jhuthawat**  
Proprietor  
FCS: 9738 CP: 12094  
UDIN- F009738B001257677



## Independent Auditor's Certificate on Corporate Governance

### To the Members

1. This certificate is issued in accordance with the terms of our engagement letter dated May, 04, 2019.
2. We have examined the compliance of conditions of corporate governance by Madhav Marbles and Granites Limited (the 'Company') for the year ended March 31, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

### Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended March 31, 2020. We 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

### Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **L.S. Kothari & Co.**  
**Chartered Accountants**  
Firm Registration No. 001450C

Camp: Udaipur, July 28, 2020

**Lalit Kothari**  
**Partner**  
Membership No.: 081407

## Independent Auditors' Report

To,  
The Members of  
**Madhav Marbles and Granites Limited**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of Madhav Marbles & Granites Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to financial statements including summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

## Description of Key Audit Matters

Key Audit Matters	How the matter was addressed in our audit
<b>REVENUE RECOGNITION</b>	
<p>Recognition of the company's revenue is complex due to several types of Export sales contracts, including generation and captive consumption of power.</p> <ul style="list-style-type: none"> <li>We focused on this area as recognition of revenue involves significant judgement and estimates made by Management including, whether contracts contain multiple performance obligations which should be accounted for separately and the most appropriate method for recognition of revenue for identified performance obligations. This comprises allocation of consideration to the individual performance obligations, assessing whether performance obligations under export sales contracts are satisfied at a point in time or over time. Further, it comprises the point in time when transfer of control has occurred regarding generation and sale of electricity which are accounted for over time.</li> <li>The Company has followed Ind AS-115 for recognizing revenue in the financial statements for the financial year 2019-20.</li> <li>We reviewed the Company's implementation of Ind AS 115, including changes to procedures, accounting guidelines, disclosures and systems to support correct revenue recognition. We reviewed and discussed the group accounting policy, &amp; disclosures with Management, including the key accounting estimates and judgements made by Management.</li> </ul>	<ul style="list-style-type: none"> <li>We tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognised, including controls over the generation and captive consumption of power at year-end.</li> <li>We read some sample of Export Sale contracts, also the contract between Madhav Marbles &amp; Granites Limited and Tamil Nadu Electricity Board to assess whether the method for recognition of revenue was relevant and consistent with Ind AS-115, and had been applied consistently. Where a contract contained multiple elements, we considered Management's judgements as to whether they comprised performance obligations that should be accounted for separately, and, in such cases, challenged the judgements made in the allocation of the consideration to each performance obligation.</li> <li>We evaluated the significant judgements and estimates made by Management in applying company's accounting policy to a sample of specific contracts and separable performance obligations of contracts, and we obtained evidence to support them, including details of contractual agreements, shipping bills, purchase orders, etc. For the contracts selected, we inspected original signed contracts and reconciled the revenue recognised to the underlying accounting records. We obtained a sample of Management's calculations for the recognition of revenue related to generation and captive consumption of power during the year as well as at the year-end.</li> </ul>
<b>DUES OF INCOME TAX AND INDIRECT TAX</b>	
<p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer to Note. no. (vii) of the ANNEXURE B of the Audit report on the Standalone Financial Statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>We had obtained understanding of key uncertain tax positions by obtaining details of completed tax assessments and demands for the year ended March 31, 2020 from the management.</li> <li>We along with our internal tax experts and appropriate senior management <ul style="list-style-type: none"> <li>➤ Discussed and evaluated the Management's underlying key assumptions in estimating the tax provision.</li> <li>➤ assessed management's estimate of the possible outcome of the disputed cases; and formed an opinion that we do not require any legal opinion from the expert in that field.</li> <li>➤ considered the effect of new information in respect of uncertain tax positions as at March, 31, 2020 to evaluate whether any change was required to management's position on these uncertainties.</li> </ul> </li> </ul>

## INVESTMENT

### Investment in Mutual Funds:

The Company has invested in various Quoted Mutual funds which is a financial asset for the company. Also, the company has followed Ind AS-109 and the investment in mutual funds has been recognized at market value as on March, 31 2020 and remeasurement gain/loss has been recognizes in profit & loss account.

Our procedures included, but were not limited to the following:

- Scrutiny of documents related to investment in mutual funds
- Obtained an understanding of management's process of recording of investments, profit/loss on sale of such investments, expenses etc. and evaluated it on the basis statements received from the intermediary
- Assessed the reasonableness & correct recording of the transactions based on statements available with the Company.

### Investment in Subsidiary:

During the financial year 2019-20, the Company has further subscribed 400000 shares of its subsidiary company **MADHAV NATURAL STONE SURFACES PRIVATE LIMITED**, being 81.98% of the total shares issued by the said company. Also, during the financial year 2019-20, the Company has subscribed 60000 shares of newly incorporated **MADHAV ASHOK VENTURES PRIVATE LIMITED**, being 60% of the total shares issued by the said company. The company has followed Ind AS-27 and the said investment has been recognized at Amortizing cost as on March, 31 2020 as the shares of the subsidiary companies are unquoted.

Our procedures included, but were not limited to the following:

- Obtained an understanding of management's process & methodology of investment in shares. We also tested whether any Loss allowance is required to be made and formed an opinion that there is no such requirement.
- Assessed the appropriateness of the methodology and valuation model used by the management.
- Assessed the reasonableness of the assumptions made by the management regarding the value of underlying shares.

## Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the company are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Materiality**

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

### **Communication with those charged with governance**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Standalone financial statements disclose the impact of pending litigations on the Standalone financial position of the company; Refer note no. 30 to the standalone financial statement.
    - ii) The Company did not have any long-term contracts including derivative contracts hence; the question of any material foreseeable losses does not arise;

- iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **L. S. KOTHARI & CO**  
Chartered Accountants  
ICAI Firm Registration No.001450C

**Lalit Kothari**  
Partner  
Membership No.: 081407  
UDIN : 20081407AAABV6181

Camp: Udaipur, July 28, 2020



## Annexure “A” to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Madhav Marbles & Granites Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **MADHAV MARBLES & GRANITES LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **L. S. KOTHARI & CO**  
Chartered Accountants  
ICAI Firm Registration No.001450C

**Lalit Kothari**  
Partner  
Membership No.: 081407  
UDIN : 20081407AAABV6181

Camp: Udaipur, July 28, 2020

## Annexure 'B' To The Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Madhav Marbles & Granites Limited of even date)

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, the inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable. 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. According to the information and explanations given to us, the Company has granted unsecured loan to one body corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, of dispute are Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account given below:

Name of the statute	Nature of the disputed dues	Amount Rs. (Lacs)	Period to which the amount relates	Forum where disputes are pending
Income Tax Act, 1961	Disallowance of claim of deduction u/s 80IA	91.99	A.Y. 2017-18	CIT (A)
Central Excise Duty	Disallowing Exemption/concession towards DTA sale under Notification No.23/2003 dated 31.3.2003	89.81	1st April 2008-30th November 2015	Central Excise & Service Tax Appellate Tribunal , Commissioner (Appeals)
Income Tax Act, 1961	Disallowance of claim of deduction u/s 80IA	31.54	A.Y. 2016-17	CIT(A)
<b>Departmental Appeal</b>				
Income Tax Act, 1961	Disallowance of claim of deduction u/s 80IA and personal expenses.	28.37	A.Y. 2013-14	ITAT
Income Tax Act, 1961	Relief granted by Commissioner of Income Tax (Appeals) for deduction u/s 80IA, 36(1)(iii) and contribution towards PF/ESI	35.67	A.Y. 2012-13	ITAT
Income Tax Act, 1961	Relief granted by Commissioner of Income Tax (Appeals) for deduction u/s 80IA, 36(1)(iii) and contribution towards PF/ESI	52.12	A.Y. 2011-12	ITAT
Income Tax Act, 1961	Relief granted by Commissioner of Income Tax (Appeals) for deduction u/s 80IA ,10B and allowance of expenses	36.14	A.Y. 2010-11	ITAT
Income Tax Act, 1961	Relief granted by ITAT for deduction u/s 36(1)(vii).	57.75	A.Y. 2004-05	Rajasthan High Court
Income Tax Act, 1961	Relief granted by ITAT for deduction u/s 36(1)(vii), 10B and 40(a)(ia).	27.32	A.Y. 2005-06	Rajasthan High Court
Income Tax Act, 1961	Relief granted by ITAT for deduction u/s 32 and 40(a)(ia).	07.44	A.Y. 2006-07	Rajasthan High Court
Income Tax Act, 1961	Relief granted by ITAT for deduction u/s 40(a)(ia) and allowance of expenses.	03.17	A.Y. 2007-08	Rajasthan High Court
Income Tax Act, 1961	Relief granted by ITAT for deduction u/s 40(a)(ia).	92.81	A.Y. 2008-09	Rajasthan High Court
Income Tax Act, 1961	Relief granted by ITAT for deduction u/s 40(a)(ia).	03.69	A.Y. 2009-10	Rajasthan High Court

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or due to debenture holders as at balance sheet date.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **L. S. KOTHARI & CO**  
Chartered Accountants  
ICAI Firm Registration No.001450C

**Lalit Kothari**  
Partner  
Membership No.: 081407  
UDIN : 20081407AAABV6181

Camp: Udaipur, July 28, 2020

# Madhav Marbles and Granites Limited

## Balance Sheet as at March 31, 2020

( ₹ in thousands )

Particulars	Note No.	As at 31/03/2020	As at 31/03/2019
<b>(1) ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2A	368,471.78	413,378.23
(b) Capital work-in-progress	2B	3,681.67	3,013.75
(c) Investment Property	-	-	-
(d) Goodwill	-	-	-
(e) Other Intangible assets	-	-	-
(f) Intangible assets under development	2C	-	268.38
(g) Biological Assets other than bearer plants	-	-	-
(h) Financial Assets			
(i) Investments	3	19,755.62	25,463.87
(ii) Trade receivables	4(i)	43,442.58	44,231.25
(iii) Loans	5(i)	156,986.90	145,520.22
(iv) Other financial assets	6(i)	6,408.07	186,648.89
(i) Deferred tax assets (net)	19	-	-
(j) Other non-current assets	7(i)	68,485.20	68,493.71
<b>(2) Current assets</b>			
(a) Inventories	8	251,644.02	271,916.98
(b) Financial Assets			
(i) Investments	-	-	-
(ii) Trade receivables	4(ii)	213,497.75	267,772.30
(iii) Cash and cash equivalents	9	6,426.77	14,418.91
(iv) Other Bank balances	10	72,462.54	2,694.90
(v) Loans	5(ii)	163,351.80	39,520.47
(vi) Other financial asset	6(ii)	-	-
(c) Current Tax Assets (Net)	11	12,849.56	19,214.74
(d) Other current assets	7(ii)	142,170.21	119,685.00
<b>Total Assets</b>		<b>1,529,634.47</b>	<b>1,622,241.60</b>

## Madhav Marbles and Granites Limited

( ₹ in thousands )

Particulars	Note No.	As at 31/03/2020	As at 31/03/2019
<b>(2) EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	12	89,470.00	89,470.00
(b) Other Equity	13	1,215,345.38	1,196,103.03
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14(i)	33,701.98	50,758.58
(ii) Trade payables	15(i)	883.85	900.46
(iii) Other financial liabilities		-	-
(b) Provisions	17(i)	3,096.04	2,886.10
(c) Deferred tax liabilities (Net)	19	41,501.94	44,995.94
(d) Other non-current liabilities	18(i)	1,631.59	6,723.05
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14(ii)	32,089.12	108,235.89
(ii) Trade payables	15(ii)	58,088.16	80,912.40
(iii) Other financial liabilities	16	2,391.24	2,694.90
(b) Other current liabilities	18(ii)	51,106.93	38,274.64
(c) Provisions	17(ii)	328.24	286.61
<b>Total Equity and Liabilities</b>		<b>1,529,634.47</b>	<b>1,622,241.60</b>

Notes forming part of the financial statements 1-49

In terms of our Audit Report attached  
For **L. S. KOTHARI & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 001450C

For and on behalf of the Board of Directors

Madhav Doshi  
Managing Director  
DIN: 07815416

**Lalit Kothari**  
Partner  
Membership No. 081407

Sudhir Doshi  
Whole Time Director  
DIN: 00862707

Camp: Udaipur, 28th July 2020

S. Panneerselvam  
Chief Financial Officer

Priyanka Manawat  
Company Secretary

# Madhav Marbles and Granites Limited

## Statement of Profit and Loss for the year ended March 31, 2020

(₹ in thousands)

	Particulars	Note No.	For the year ended 31/03/2020	For the year ended 31/03/2019
I	Revenue From Operations	20.	602848.01	769570.12
II	Other Income and Other gains\ (losses)	21.	67246.04	48884.54
<b>III</b>	<b>Total Income (I + II)</b>		<b>670094.05</b>	<b>818454.66</b>
<b>IV</b>	<b>EXPENSES</b>			
	Cost of materials consumed	22.	233428.57	290478.35
	Purchases of Stock-in-Trade	23.	52144.27	89073.71
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24.	(2243.93)	(24484.31)
	Cost of Sales (Realty)	25.	-	-
	Employee benefits expense	26.	98127.60	100240.28
	Finance costs	27.	11008.81	12988.24
	Depreciation and amortization expense	2A	48947.31	47598.75
	Other expenses	28.	196845.16	242410.13
	<b>Total expenses (IV)</b>		<b>638257.79</b>	<b>758305.15</b>
V	Profit/(loss) before exceptional items and tax (III- IV)		31836.26	60149.51
VI	Exceptional Items		-	-
<b>VII</b>	<b>Profit/(loss) before tax (V-VI)</b>		<b>31836.26</b>	<b>60149.51</b>
VIII	Income Tax expense:			
	(1) Current tax	29(i)	13511.21	8981.77
	(2) Deferred tax	29(ii)	(3493.93)	5049.29
<b>IX</b>	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>21818.98</b>	<b>46118.45</b>
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
<b>XIII</b>	<b>Profit/(loss) for the period (IX + XII)</b>		<b>21818.98</b>	<b>46118.45</b>



## Madhav Marbles and Granites Limited

( ₹ in thousands )

	Particulars	Note No.	For the year ended 31/03/2020	For the year ended 31/03/2019
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XV</b>	<b>Total Comprehensive Income for the period (XIII + XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>21818.98</b>	<b>46118.45</b>
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		2.44	5.15
	(2) Diluted		2.44	5.15
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share (for discontinued & continuing operations)			
	(1) Basic		2.44	5.15
	(2) Diluted		2.44	5.15
	<b>Notes forming part of the financial statements</b>	<b>1-49</b>		

In terms of our Audit Report attached  
For **L. S. KOTHARI & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 001450C

For and on behalf of the Board of Directors

**Lalit Kothari**  
Partner  
Membership No. 081407

Madhav Doshi  
**Managing Director**  
DIN: 07815416

Sudhir Doshi  
**Whole Time Director**  
DIN: 00862707

Camp: Udaipur, 28th July 2020

S. Panneerselvam  
**Chief Financial Officer**

Priyanka Manawat  
**Company Secretary**

# Madhav Marbles and Granites Limited

## Statement of Changes in Equity for the year ended March 31, 2020

### A. Equity Share Capital

(₹ in thousands)

Balance at the beginning of the reporting period i.e. April 01, 2018	Changes in equity during the year 2018-19	Balance at the end of the reporting period i.e. March 31, 2019	Changes in equity during the year 2019-20	Balance at the end of the reporting period March 31, 2020
89470.00	-	89470.00	-	89470.00

### B. Other Equity

(₹ in thousands)

Particulars	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
<b>Balance as at April 01, 2018</b>	<b>889755.30</b>	<b>262157.29</b>	<b>1151912.59</b>
Changes in accounting policy or prior period errors	-	768.52	768.52
<b>Restated balance at the beginning of the reporting period</b>	<b>889755.30</b>	<b>262925.82</b>	<b>1152681.11</b>
Total Comprehensive Income for the year	-	46118.23	46118.23
Dividends	-	(2236.75)	(2236.75)
Dividend Distribution tax	-	(459.77)	(459.77)
Transfer From retained earnings	100000.00	(100000.00)	-
Any other change	-	-	-
<b>Balance as at March 31, 2019</b>	<b>989755.30</b>	<b>206347.53</b>	<b>1196102.83</b>
Changes in accounting policy or prior period errors	-	120.10	120.10
<b>Restated balance at the beginning of the reporting period</b>	<b>989755.30</b>	<b>206467.63</b>	<b>1196222.93</b>
Total Comprehensive Income for the year	-	21818.98	21818.98
Dividends	-	(2236.75)	(2236.75)
Dividend Distribution tax	-	(459.77)	(459.77)
Transfer to general reserve	-	-	-
Any other change	-	-	-
<b>Balance as at March 31, 2020</b>	<b>989755.30</b>	<b>225590.08</b>	<b>1215345.38</b>

In terms of our Audit Report attached  
For **L. S. KOTHARI & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 001450C

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**Lalit Kothari**  
Partner  
Membership No. 081407

Madhav Doshi  
**Managing Director**  
DIN: 07815416

Sudhir Doshi  
**Whole Time Director**  
DIN: 00862707

Camp: Udaipur, July 28, 2020

S. Panneerselvam  
**Chief Financial Officer**

Priyanka Manawat  
**Company Secretary**

# Madhav Marbles and Granites Limited

## Cash flow statement for the year ended March 31, 2020

(₹ in thousands)

PARTICULARS	As at 31/03/2020	As at 31/03/2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Total Comprehensive Income Before Tax and after exceptional items adjusted for:	<b>31836.25</b>	<b>60149.51</b>
Net Loss on investment carried at fair value through profit and loss	4454.18	1244.86
Prior period expenses/income not given effect in P&L	120.10	768.52
Depreciation and Amortization	48947.31	47598.78
(Profit) / Loss on sale/ written off of Fixed Assets	498.68	0.00
Interest Expense	11008.81	12988.24
Software written off	-	-
Bad Debts written off	3651.59	14190.86
Assets written off	-	-
Provision for Gratuity	1843.98	3110.95
Interest Income	(29260.34)	(28029.90)
Provision for Misc. Exp	-	500.00
Misc Balance Written Back	-	(2781.62)
Provision No Longer Required Written Back	(14441.25)	(262.21)
Foreign Exchange loss/(gain) (Net)	(21320.00)	(17621.59)
<b>Operating Profit Before Working Capital Changes</b>	<b>37339.31</b>	<b>91856.37</b>
Adjustments for (Increase)/ Decrease in Operating Assets:		
Inventories	20272.98	3122.61
Trade and other receivables *	(62404.67)	(56909.42)
Trade and other payables *	(16996.47)	(24553.67)
<b>Cash Generated from Operation</b>	<b>(21788.85)</b>	<b>13515.91</b>
Direct Taxes Paid / Tax Deducted at Source	(15343.11)	(9003.79)
<b>Net Cash Flow From Operating Activities (A)</b>	<b>(37131.96)</b>	<b>4512.12</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets & Capital W.I.P.	(4943.77)	(29458.04)
Proceed from Sale of Fixed Assets	4.69	-
Proceeds/(Purchase) of investment	11254.08	(4200.00)
Investment in subsidiary	(10000.00)	(3051.00)
Fixed Asset written off	-	-
Interest Received	32176.87	72912.32
<b>Net Cash Used in Investing Activities (B)</b>	<b>28491.87</b>	<b>36203.28</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of share capital	-	-
Long Term Borrowings / Repayments	(17056.61)	(19208.14)
Repayment to / Proceeds from Banks	(76146.77)	(3900.22)
Interest Expense	(11008.81)	(12988.24)
Dividend Payout	(2236.75)	(2236.75)
Tax on Dividend	(459.77)	(459.77)
<b>Net Cash Flow from/ (Used in) Financing Activities (C)</b>	<b>(106908.71)</b>	<b>(38793.12)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>(115548.80)</b>	<b>1922.28</b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<b>200695.75</b>	<b>198773.47</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE **</b>	<b>85146.95</b>	<b>200695.75</b>

\* Includes current and non-current

**Notes :**

- 1 Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard (IND AS-7) "Cash Flow Statements" as specified in the Companies (Indian Accounting Standard) (Amendment) Rules, 2017.
- 2 Purchase of Fixed Assets includes movement of capital work-in-progress during the year.
- 3 For Cash and Cash equivalents not available for immediate use as on the Balance Sheet date, see note no.6 of notes forming part of the financial statement.
- 4 Cash and Cash equivalent are reflected in the Balance Sheet as follows:

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
a) Cash and Cash Equivalents disclosed under current assets [Note No.9 & 10]	78889.31	17113.81
b) Cash and Cash Equivalents disclosed under non-current assets [Note No.6]	6257.64	183581.94
<b>** Total cash and cash equivalents as per cash flow statement</b>	<b>85146.95</b>	<b>200695.75</b>

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

In terms of our Audit Report attached  
For **L. S. KOTHARI & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 001450C

**Lalit Kothari**  
Partner  
Membership No. 081407

Camp: Udaipur, July 28, 2020

S. Panneerselvam  
**Chief Financial Officer**

For and on behalf of the Board of Directors

Madhav Doshi  
**Managing Director**  
**DIN: 07815416**

Sudhir Doshi  
**Whole Time Director**  
**DIN: 00862707**

Priyanka Manawat  
**Company Secretary**

**NOTES forming part of the financial statements for the year ended March 31, 2020**

**NOTE 1 COMPANY OVERVIEW**

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

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

The accounts have been prepared in accordance with the provisions of Companies Act 2013 and Indian Accounting Standards (Ind AS) and Disclosures thereon comply with requirements of Ind AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, MSMED Act, 2006, other pronouncement of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable.

“The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016”

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current – non-current classification of assets and liabilities.

**2.2 System of accounting**

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

**2.3 Use of Estimates**

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

**2.4 Property, Plants and Equipments, Depreciation/Amortization**

**A. Property, Plants and Equipments**

- i) The Property, Plants and Equipments are held for use in production, supply of goods or services or for administrative purposes. They are stated at their original cost net of tax/duty, credits availed, if any, including incidental expenditure related to acquisition and installation less accumulated depreciation. Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended and includes borrowing cost capitalized in accordance with the Company's Accounting Policy.

- ii) The Property, Plants and Equipments not ready for the intended use on the date of balance sheet including expenditure incurred pending for allocation is shown as “capital work-in-progress”.

#### **B. Depreciation**

Depreciation is provided on straight line method other than on freehold land and properties under construction less their residual values over their useful lives specified in Schedule II to the Companies Act 2013. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. There is no deviation in useful life as specified in Schedule II to the Companies Act 2013.

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. Intangible Assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as “Intangible assets under development”.

### **2.5 Financial instruments**

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### **Cash and cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

### **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

### **Financial liabilities**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

### **Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net of direct issue cost.

## **2.6 Borrowing Cost**

Borrowing costs that are attributable to the acquisition / construction of qualifying assets are capitalized as part of cost of such asset till such time as the asset is ready for its intended use or sale. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as expense in the period in which they are incurred.

## **2.7 Inventories**

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

## **2.8 Cash and Bank Balances**

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which are unrestricted for withdrawal and usage. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

## 2.9 Revenue Recognition

### a) Sales

- i) Sales of goods are recognized on dispatch and in accordance with the terms and conditions of the sale. Sale includes indirect taxes. Domestic sales are accounted for on dispatch from the point of sale corresponding to transfer of significant risks and rewards of ownership to the buyer. Export sales are recognized on the date of the mate's receipt/shipped on board signifying transfer of risks and rewards of ownership to the buyer as per terms of sale and initially recorded at the relevant exchange rates prevailing on the date of the transaction.
- ii) Sale from Realty 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. 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.

### b) Other Income

The Company recognizes income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

## 2.10 Impairment of Assets

At the end of each accounting year the carrying amount of property, plant and equipment intangible assets and financial assets is reviewed for impairment. Impairment, if any, is recognized where the carrying amount exceeds the recoverable amounts being the higher of net realizable price and value in use. An impairment loss is charged to Statement of Profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

## 2.11 Taxes on Income

Income tax expense for the year comprises of current tax and deferred tax. Current tax provision has been determined on the basis of relief, deductions etc. available under the Income Tax Act 1961 and Deferred tax is provided using balance sheet approach on temporary differences at the reporting date as difference between the tax base and the carrying amount of assets and liabilities. Deferred tax is recognized subject to the probability that taxable profit will be available against which the temporary differences can be reversed.

## 2.12 Foreign Currency Transactions

- 1) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.
- 2) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on year end date.
- 3) Non-monetary items denominated in foreign currency, (such as plant and equipment) are valued at the exchange rate prevailing on the date of transaction and carried at cost.
- 4) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.



### 2.13 Provision, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Contingent liabilities are disclosed when there is a present obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### 2.14 Employee Benefits

(a) Short term Employee benefits:

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

(b) Post employment benefits:

(i) Defined Contribution Plan

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

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

(ii) Defined Benefit Plans

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

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

(c) Leave encashment

Based on the leave rules of the company, employees are not permitted to accumulate leave.

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

### 2.15 Segment Accounting

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

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

#### **2.16 Earnings Per Share**

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

#### **2.17 Discontinued Operations**

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

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

## Notes forming part of the financial statements

### 2.A. Property, Plant and Equipment

(₹ in thousands)

A-1	Land Free hold	Land lease hold	Buildings	Plant and Equipment	Electrical Installation	Factory Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Mis. Fixed Assets	Site Development	Wind Mill - I	Wind Mill - II	Total
<b>Cost as at 1st April, 2019</b>	11408.25	-	182073.90	532371.64	36437.32	20095.87	9101.29	21719.76	8513.55	2594.38	486.85	2882.28	153962.43	55222.61	1036870.13
Additions	-	-	1662.06	490.27	-	69.29	1613.72	69.50	263.30	107.71	-	-	-	-	4275.85
Disposals	-	-	-	-	-	-	727.99	2311.52	1660.15	-	-	-	-	-	4699.66
<b>Cost as at 31 March, 2020</b>	11408.25	-	183735.96	532861.91	36437.32	20165.16	9987.02	19477.74	7116.70	2702.09	486.85	2882.28	153962.43	55222.61	1036446.32
<b>Accumulated Depreciation as at 1st April, 2019</b>	-	-	63554.21	396414.01	30090.31	10359.75	5942.43	14339.20	7388.28	2417.59	251.09	579.57	54886.66	37268.80	623491.90
Additions	-	-	5811.81	29483.48	760.47	1138.36	647.10	2031.51	632.26	118.15	41.71	45.44	6247.33	1989.69	48947.31
Disposals	-	-	-	-	-	-	691.59	2195.94	1577.14	-	-	-	-	-	4464.67
<b>Accumulated Depreciation as at 31 March, 2020</b>	-	-	69366.02	425897.49	30850.78	11498.11	5897.94	14174.77	6443.40	2535.74	292.80	625.01	61133.99	39258.49	667974.54
<b>Net Carrying amount as at 1st April, 2019</b>	11408.25	-	118519.69	135957.63	6347.01	9736.12	3158.86	7380.56	1125.27	176.79	235.76	2302.71	99075.77	17953.81	413378.23
<b>as at 31st March, 2020</b>	11408.25	-	114369.94	106944.42	5586.54	8667.04	4089.08	5302.97	673.30	166.35	194.05	2257.27	92828.44	15964.11	368471.78

## Notes forming part of the financial statements

( ₹ in thousands )

A-2	Land Free hold	Land lease hold	Buildings	Plant and Equipment	Electrical Installation	Factory Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Mis. Fixed Assets	Site Development	Wind Mill - I	Wind Mill - II	Total
Cost as at 1st April, 2018	11408.25	-	144528.35	424621.88	33377.11	15141.16	7982.25	16532.75	7587.32	2445.58	486.85	2882.28	153962.43	55222.61	876178.82
Additions	-	-	37545.55	10774.96	3060.21	4954.71	1119.04	5187.01	926.23	148.80	-	-	-	-	160716.51
Disposals	-	-	-	(25.20)	-	-	-	-	-	-	-	-	-	-	(25.20)
<b>Cost as at 31st March, 2019</b>	<b>11408.25</b>	<b>-</b>	<b>182073.90</b>	<b>532371.64</b>	<b>36437.32</b>	<b>20095.87</b>	<b>9101.29</b>	<b>21719.76</b>	<b>8513.55</b>	<b>2594.38</b>	<b>486.85</b>	<b>2882.28</b>	<b>153962.43</b>	<b>55222.61</b>	<b>1036670.13</b>
Accumulated Depreciation as at 1st April, 2018	-	-	57987.91	367517.37	29318.75	9402.86	5442.08	12276.65	7014.99	2272.20	207.77	534.13	48639.33	35279.11	575893.15
Additions	-	-	5566.30	28896.64	771.56	956.89	500.35	2062.55	373.29	145.39	43.32	45.44	6247.33	1989.69	47598.75
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation as at 31st March, 2019</b>	<b>-</b>	<b>-</b>	<b>63554.21</b>	<b>396414.01</b>	<b>30090.31</b>	<b>10359.75</b>	<b>5942.43</b>	<b>14339.20</b>	<b>7388.28</b>	<b>2417.59</b>	<b>251.09</b>	<b>579.57</b>	<b>54886.66</b>	<b>37268.80</b>	<b>623491.90</b>
Net Carrying amount as at 1st April, 2018	11408.25	-	86540.44	57104.51	4058.36	5738.30	2540.17	4256.10	572.33	173.38	279.08	2348.15	105323.10	19943.50	300285.67
<b>as at 31st March, 2019</b>	<b>11408.25</b>	<b>-</b>	<b>118519.69</b>	<b>135957.63</b>	<b>6347.01</b>	<b>9736.12</b>	<b>3158.86</b>	<b>7380.56</b>	<b>1125.27</b>	<b>229.25</b>	<b>235.76</b>	<b>2302.71</b>	<b>99075.77</b>	<b>17953.81</b>	<b>413378.23</b>

## Notes forming part of the financial statements

(₹ in thousands)

### 2.B. Capital work-in-progress

	As at 31/03/2020	As at 31/03/2019
Building Construction	564.24	2021.17
Factory Equipment	101.41	-
Plant and Machinery	1363.57	764.84
Electrical installation	1467.12	49.23
Preoperative Expenses	185.33	178.51
<b>Total</b>	<b>3681.67</b>	<b>3013.75</b>

### 2.C. Intangible asset under development comprises of software for the purpose of inventory control

	As at 31/03/2020	As at 31/03/2019
Computer Software	-	268.38
<b>Total</b>	<b>-</b>	<b>268.38</b>

### 3. Investments

	As at 31/03/2020	As at 31/03/2019
(A) Investments- Non- current	-	-
<b>NAME OF THE MUTUAL FUND</b>		
SBI Blue Chip Fund- Regular Plan Growth (Units as on 31.03.2020 - <b>0.00</b> , as on 31.03.2019- <b>137016.6020</b> )	-	5392.23
Birla Sun Life Pure Value Fund Growth (Units as on 31.03.2020 - <b>102602.049</b> , as on 31.03.2019 - <b>102602.049</b> )	3312.61	5383.63
Sundaram Rural India Fund Regular Growth (Units as on 31.03.2020 - <b>0.00</b> , as on 31.03.2019 - <b>146440.8350</b> )	-	6148.30
Sundaram S.M.I.L.E. Fund Regular Plan Growth (Units as on 31.03.2020 - <b>64584.766</b> , as on 31.03.2019 - <b>64584.766</b> )	3392.01	5488.71
<b>Total</b>	<b>6704.62</b>	<b>22412.87</b>
(B) Investments carried at Amortized Cost :		
Investment in Madhav Natural Stone Surfaces Private Limited	7051.00	3051.00
Investment in Madhav Ashok Ventures Private Limited	6000.00	-
<b>TOTAL (A + B)</b>	<b>19755.62</b>	<b>25463.87</b>

### 4. Trade receivables

	As at 31/03/2020	As at 31/03/2019
(i) Trade receivables- Non- current		
<b>Unsecured</b>		
Considered good	43442.58	44231.25
	<u>43442.58</u>	<u>44231.25</u>
(ii) Trade receivables- Current		
<b>Unsecured</b>		
Considered good	213497.75	267772.30
	<u>213497.75</u>	<u>267772.30</u>
<b>Total</b>	<b>256940.33</b>	<b>312003.55</b>

## Notes forming part of the financial statements

( ₹ in thousands )

### 5. Loans (Unsecured, Considered Good Unless Otherwise Stated):

	As at 31/03/2020	As at 31/03/2019
<b>(i) Non- current</b>		
(a) Security deposits	11445.10	10925.72
(b) Others	145541.80	134594.50
	<u>156986.90</u>	<u>145520.22</u>
<b>(ii) Current</b>		
(a) Security deposits	-	-
(b) Loans to related parties	162934.55	39100.00
(c) Others		
Others	417.25	420.47
	<u>163351.80</u>	<u>39520.47</u>
<b>Total</b>	<b>320338.70</b>	<b>185040.69</b>

### 6. Other financial assets

	As at 31/03/2020	As at 31/03/2019
<b>(i) Non- current</b>		
Balances with banks		
(i) In Term Deposit	-	177688.22
(ii) In Margin Money	6257.64	5893.71
(iii) Other Bank balances		
Interest accrued on fixed deposit/ Interest receivable	150.43	3066.96
	<u>6408.07</u>	<u>186648.89</u>
<b>(ii) Current</b>		
Balances with Banks - Term Deposits	-	-
	<u>-</u>	<u>-</u>
<b>Total</b>	<b>6408.07</b>	<b>186648.89</b>

## Notes forming part of the financial statements

( ₹ in thousands )

### 7. Other assets

	As at 31/03/2020	As at 31/03/2019
<b>(i) Non- current</b>		
Advance to suppliers	10366.92	10375.43
Project advances	58,118.28	58118.28
	<b>68485.20</b>	<b>68493.71</b>
<b>(ii) Current</b>		
Advance to suppliers	38127.30	31376.50
Prepaid Expenses	3463.40	3443.18
Balances with government authorities		
VAT/ CST Receivable	6702.29	6702.29
Service Tax credit receivable	10049.31	10049.31
CENVAT Credit Receivable	-	-
Excise Duty Refundable	2733.82	3131.74
GST input tax credit	80236.42	64124.29
Others	857.67	857.69
	<b>142170.21</b>	<b>119685.00</b>
<b>Total</b>	<b>210655.41</b>	<b>188178.71</b>

### 8. Inventories

	As at 31/03/2020	As at 31/03/2019
Raw Material	39438.65	47728.15
Work-in-progress	14563.98	14069.49
Finished Goods	126422.20	124827.48
Stock in Trade		
Real Estate	31602.80	31602.80
Goods	471.82	471.82
Stores & Spares	36278.15	50112.85
Power Unit	154.53	-
Others	2712.17	3104.39
<b>Total</b>	<b>251644.02</b>	<b>271916.98</b>

## Notes forming part of the financial statements

(₹ in thousands)

### 9. Cash and cash equivalents

	As at 31/03/2020	As at 31/03/2019
Cash in hand	462.25	245.76
<b>Balances with banks:</b>		
In Current Accounts	3057.55	11427.29
In EEFC account	2906.97	2745.86
In Fixed Deposit (Less than 3 months Maturity)	-	-
<b>Total</b>	<b>6426.77</b>	<b>14418.91</b>

### 10. Other bank balances

	As at 31/03/2020	As at 31/03/2019
Term Deposit with original maturity more than 3 months but less than 12 months	70071.29	-
Earmarked balances with banks-Unpaid Dividend	2391.25	2694.90
<b>Total</b>	<b>72462.54</b>	<b>2694.90</b>

### 11. Current tax assets

	As at 31/03/2020	As at 31/03/2019
Advance tax	52388.62	49067.62
Tax deducted at source	7260.46	5770.54
Minimum Alternative Tax credit entitlement	5362.14	13559.31
Less: current tax payable	(5314.11)	(12382.86)
Less: current tax provision	(46847.55)	(36799.85)
<b>Total</b>	<b>12849.56</b>	<b>19214.74</b>



## Notes forming part of the financial statements

(₹ in thousands)

### 12. Equity Share Capital

	As at 31/03/2020	As at 31/03/2019
<b>(a) Authorised :</b>		
172,50,000 (Previous Year 172,50,000) Equity Shares of Rs.10/- each	172500.00	172500.00
75,000 (Previous Year 75,000) Cumulative Convertible Preference Shares of Rs.100/- each	7500.00	7500.00
	<b>180000.00</b>	<b>180000.00</b>
<b>(b) Issued, Subscribed and Paid Up:</b>		
89,47,000 (Previous Year 89,47,000) Equity Shares of Rs.10/- each fully paid up	<b>89470.00</b>	<b>89470.00</b>
	<b>89470.00</b>	<b>89470.00</b>
<b>(c) Reconciliation of number of Shares outstanding at the beginning and end of the year :</b>		
<b>Equity Shares :</b>		
Outstanding at the beginning of the year	8947.00	8947.00
Issued during the year	-	-
Outstanding at the end of the year	<b>8947.00</b>	<b>8947.00</b>

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

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

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

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

( In Thousands )

Name of Shareholder	As at 31/03/2020		As at 31/03/2019	
	No. of Shares held in the company	% of shares Held	No. of Shares held in the company	% of shares Held
Mumal Marketing (P) Ltd. (formerly known as Mumal Finance (P) Ltd.)	782600	8.75	782600	8.75
Aruna Doshi	725265	8.11	633437	7.08
Madhav Doshi	771008	8.62	713800	7.98
Subramanian P	-	-	740470	8.28
Sangeetha S.	741370	8.29	-	-

## Notes forming part of the financial statements

(₹ in thousands)

### 13. Other equity

	As at 31/03/2020	As at 31/03/2019
<b>Other equity consists of following</b>		
<b>(a) General reserve</b>		
(i) Opening balance	989755.30	889755.30
(ii) Transfer from surplus in Statement of Profit & Loss	-	100000.00
<b>Total (A)</b>	<b>989755.30</b>	<b>989755.30</b>
<b>(b) Retained earnings</b>		
(i) Opening balance	206347.53	262157.28
Total comprehensive income	21818.97	46118.45
Changes in accounting policy or prior period errors	120.10	768.52
Remeasurement of Defined Benefit Plans	-	-
(ii) Less: Appropriations	-	-
Dividend On Equity Shares	(2236.75)	(2236.75)
Dividend Distribution tax	(459.77)	(459.77)
Transfer To General Reserve	-	100000.00
<b>Total (B)</b>	<b>225590.08</b>	<b>206347.73</b>
<b>Closing balance of other equity (A + B)</b>	<b>1215345.38</b>	<b>1196103.03</b>

### 14. Borrowings

	As at 31/03/2020	As at 31/03/2019
<b>(i) Non-Current borrowings</b>		
<b>Term Loans repayable on demand</b>		
From banks	53873.68	69966.72
Less: Current Maturities of Long Term debt {refer Note 18 (iii)}	(20171.70)	(19208.14)
Others	-	-
<b>Total (A)</b>	<b>33701.98</b>	<b>50758.58</b>
<b>(ii) Current borrowings</b>		
<b>Loans repayable on demand</b>		
From banks*	25759.44	8033.57
Bank Overdrafts	-	100202.32
Packing Credit facility	6329.68	-
<b>Total (B)</b>		
<b>Total (A + B)</b>	<b>32089.12</b>	<b>108235.89</b>

The Term Loan comprises of Foreign Currency term loan from HDFC Bank Ltd. is secured against: (i) Equitable mortgage of the land and building situated at, Thoppur Village, Dharmapuri Taluk, Salem. as collateral security (ii) Hypothecation by way of first and exclusive charges on all present and future current assets inclusive of Stocks & book debts.

The loan is repayable in equated monthly instalments commencing from December 2017 till December 2022 and carrying interest rate @ LIBOR + 2.5%. The Loan is further secured by personal guarantee of Mr. Sudhir Doshi (Whole Time Director).

\*The cash credit facility availed from IDBI Bank Ltd. and secured by pledge of fixed deposits.

## Notes forming part of the financial statements

(₹ in thousands)

### 15. Trade payables

	As at 31/03/2020	As at 31/03/2019
<b>(i) Non- current</b>		
Due to Micro and Small Enterprises *	-	-
Other than dues to Micro and Small Enterprises	883.85	900.46
Acceptances	-	-
	<b>883.85</b>	<b>900.46</b>
<b>(ii) Current</b>		
Due to Micro and Small Enterprises *	-	6,166.41
Other than dues to Micro and Small Enterprises	58,088.16	74,745.99
Acceptances	-	-
	<b>58,088.16</b>	<b>80,912.40</b>
<b>Total</b>	<b>58,972.01</b>	<b>81,812.86</b>

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

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

\* Refer Note No.46

### 16. Other financial liability

	As at 31/03/2020	As at 31/03/2019
<b>Current</b>		
Unpaid/ unclaimed dividend	2391.24	2694.90
Interest payable	-	-
Others	-	-
<b>Total</b>	<b>2391.24</b>	<b>2694.90</b>

### 17. Provisions

	As at 31/03/2020	As at 31/03/2019
<b>(i) Non- current</b>		
Provisions for employee benefits		
- Provision for Gratuity	3096.04	2886.10
	<b>3096.04</b>	<b>2886.10</b>
<b>(ii) Current</b>		
Provisions for employee benefits		
(i) Provision for Gratuity	328.24	286.61
	<b>328.24</b>	<b>286.61</b>
<b>Total</b>	<b>3,424.28</b>	<b>3172.71</b>

## Notes forming part of the financial statements

(₹ in thousands)

### 18. Other liabilities

	As at 31/03/2020	As at 31/03/2019
<b>(i) Other Non- current liabilities</b>		
(a) Advance from customers	1631.59	6723.05
	<b>1631.59</b>	<b>6723.05</b>
<b>(ii) Other Current liabilities</b>		
(i) Advance from customers	10076.30	7233.86
(ii) Employees Benefit expenses payable	2317.63	4790.10
(iii) Current Maturities of long term Debt {refer Note 14 (i)}	20171.70	19208.14
(iv) Others		
(a) Statutory dues including PF and TDS	7090.15	3930.04
(b) others	11451.15	3112.50
	<b>51106.93</b>	<b>38274.64</b>
<b>Total</b>	<b>52738.52</b>	<b>44997.69</b>

### 19. Deferred tax assets/ liabilities

	As at 31/03/2020	As at 31/03/2019
<b>Deferred Tax Liabilities</b>		
On account of timing difference in:		
Depreciation	43086.27	47346.73
Others	-	-
<b>Gross deferred Tax Liability</b>	<b>43086.27</b>	<b>47346.73</b>
<b>Deferred Tax Asset</b>		
On account of timing difference in:		
Depreciation	21.14	-
Expenses	483.36	1309.74
Others	1079.83	1041.05
<b>Gross deferred Tax Assets</b>	<b>1584.33</b>	<b>2350.79</b>
<b>Net Deferred Tax (Assets)/Liabilities</b>	<b>41501.94</b>	<b>44995.94</b>

### 20. Revenue from operations

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
<b>(a) Sale of Products (Refer Note 2.9 and 36)</b>	628619.20	798057.19
Less:- Inter divisional transfers	27593.12	36793.15
	<b>601026.08</b>	<b>761264.04</b>
<b>(b) Other operating revenues</b>	1821.93	8306.08
<b>Total revenue from operations</b>	<b>602848.01</b>	<b>769570.12</b>

Notes forming part of the financial statements

(₹ in thousands)

## 21. Other income & other gains/(losses)

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
<b>(a) Other income</b>		
Interest income	29260.34	28029.90
Misc Balance Written Back	14441.25	3043.83
Rental Income	157.00	69.20
Bad Debts Recovered	1800.35	108.30
Miscellaneous Income	267.10	11.72
	<b>45926.04</b>	<b>31262.95</b>
<b>(b) Other gains\ (losses)</b>		
Net Gain on Foreign Currency Transactions & Translations	21320.00	17621.59
	<b>21320.00</b>	<b>17621.59</b>
<b>Total</b>	<b>67246.04</b>	<b>48884.54</b>

## 22. Cost of material consumed

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
<b>Opening Stock</b>		
Raw material	47728.15	79665.11
Packing material	3104.39	2079.70
Purchases & expenses	224746.96	259566.08
	<b>275579.50</b>	<b>341310.89</b>
<b>Less : Closing Stock</b>		
Raw material	39438.76	47728.15
Packing Material	2712.17	3104.39
	<b>42150.93</b>	<b>50832.54</b>
<b>Total raw material and packing material consumed</b>	<b>233428.57</b>	<b>290478.35</b>

## 23. Purchase of stock in trade

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Marble/Stone - Tiles / Slabs/ Block	26445.02	29988.50
Granite - Tiles / Slabs / Block	24034.49	26052.75
Quartz slabs	1664.76	33032.46
<b>Total</b>	<b>52144.27</b>	<b>89073.71</b>

## Notes forming part of the financial statements

(₹ in thousands)

### 24. Changes in inventories of Finished Goods, WIP & Stock-in-trade

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
<b>Opening balances</b>		
Finished Goods	124827.51	90419.12
Work-in-progress	14069.49	24415.86
Goods for Trade	471.82	49.50
Power	-	-
<b>Total Opening balances</b>	<b>139368.82</b>	<b>114884.48</b>
<b>Closing balances</b>		
Finished Goods	126422.20	124827.48
Work-in-progress	14563.98	14069.49
Goods for Trade	471.82	471.82
Power	154.53	-
<b>Total Closing balances</b>	<b>141612.75</b>	<b>139368.79</b>
<b>Total changes in inventories of finished goods, WIP, Stock-in-trade</b>	<b>(2243.93)</b>	<b>(24484.31)</b>

### 25. Cost of sales (Realty)

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
<b>Purchases Land Value</b>	-	-
Add : Cost of conversion, labour, material and other charges	-	-
<b>Total Cost</b>	-	-
Add : Opening Work in progress :	31602.80	31602.80
Less : Closing Work in progress :	31602.80	31602.80
<b>Cost of sales</b>	-	-

### 26. Employee benefit expenses

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Salary, Wages & Allowances	83577.94	84069.57
Welfare expenses	6282.48	6856.02
Contribution to Provident and other fund	8267.18	9314.69
<b>Total</b>	<b>98127.60</b>	<b>100240.28</b>

### 27. Finance cost

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Interest expenses	8217.02	9905.76
Other financial charges	2791.79	3082.48
<b>Total</b>	<b>11008.81</b>	<b>12988.24</b>

## Notes forming part of the financial statements

(₹ in thousands)

### 28. Other expenses

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Stores & Spares Consumed	67559.66	94156.34
Power & Fuel	31307.01	29555.96
<b>Repairs &amp; Maintenance</b>		
- Building	2088.86	5984.06
- Plant & Machinery	17677.95	23557.26
- Others	275.97	1122.46
<b>Other Manufacturing Expenses</b>		
Gas	1535.68	1301.04
Waste removal	581.85	768.58
Brazing Charges	564.31	533.65
Slab Netting Expenses	487.98	217.55
Block Setting Expenses	1787.10	3459.89
Freight & Cartage	589.29	732.92
Water Charges	793.60	477.60
Printing & Stationary	714.49	772.74
Postage, telegram, telephone	1171.40	1424.08
Conveyance & vehicle running and maintenance	2374.63	3114.72
Donation	-	5.00
Travelling	5886.49	6870.04
Legal, Professional & Consultancy	2122.97	2121.87
General Insurance	486.92	433.78
Selling expenses	36748.34	41776.23
Rent Expenses	900.00	612.00
Electricity Expenses	126.48	112.34
Subscription to Association	40.24	38.35
Annual Maintenance Charges	5874.87	5403.89
Security expenses	848.40	718.70
Office Maintenance	732.75	498.69
Claims & Rebate	2103.68	-
Secretarial Service Charges	120.00	-
Bad debts written off	3651.59	14190.86
Rates & taxes	1895.11	201.80
Net Loss on Investment carried at fair value through profit and loss	4454.18	1244.86
Payment to auditors	135.00	135.00
Assets Written Off	230.30	-
Software written off	268.38	-
Miscellaneous expenses	709.68	867.87
<b>Total</b>	<b>196845.16</b>	<b>242410.13</b>

## Notes forming part of the financial statements

(₹ in thousands)

### 29. Income tax expenses

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
<b>(i) Current tax</b>		
Tax on the profits of current year	5314.11	12382.87
Adjustments for tax of prior period	-	-
Add: MAT Credit Utilized	8197.10	-
Less: MAT credit entitlement	-	3401.10
	<b>13511.21</b>	<b>8981.77</b>
<b>(ii) Deferred tax</b>		
Decrease\Increase) in deferred tax asset	766.43	1190.72
(Decrease)\Increase) in deferred tax liability	(4260.36)	3858.57
	<b>(3493.93)</b>	<b>5049.29</b>

### 30. Contingent liabilities not provided for in respect of

Sr. No.	Particulars	As at 31/03/2020	As at 31/03/2019
1.	"Bank Guarantees/Letter of Credit issued by bank (Net of fixed deposit pledged)"	4075.00	4075.00
2.	Income Tax Liability (including penalty) that may arise in respect of matters which are pending in appeal	38345.84	49132.00
3.	Central Excise Liability (including penalty) that may arise of matters which are pending in appeal	25400.00	25400.00
4.	Bond executed in favour of customs, excise and DGFT authorities (Net of bank guarantee given)	81500.00	81500.00

### 31. Payment to Auditors

Sr. No.	Particulars	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
1.	As Auditor- Statutory Audit	135.00	135.00
2.	For Tax Audit	-	-
3.	For Taxation matters	-	-
4.	Other matters/ certification	-	10.00
5.	Reimbursement of out-of-pocket expenses	19.40	25.34
	<b>Total</b>	<b>154.40</b>	<b>170.34</b>

### 32. Earning Per Share

Particular	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Total Comprehensive Income (Rs.)	21,819.00	46,118.43
Weighted average number of equity shares outstanding (in thousands)	8,947.00	8,947.00
Nominal value of the shares (Rs.)	10.00	10.00
Basic & Diluted Earning per share (Rs.)	2.44	5.15



## Notes forming part of the financial statements

(₹ in thousands)

### 33. Related party disclosures:

Related party disclosures, as required by IND AS - 24 "Related Party Disclosures" 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. Ravi Kumar Krishnamurthi (Chairman)

**Managing Director and relatives** ; Mr. Madhav Doshi , Managing Director (w.e.f. 01.05.2018)

: Mrs. Riddhima Doshi, Wife of Madhav Doshi

**Whole-time Director** : Mr. Sudhir Doshi

(ii) In respect of the outstanding balance recoverable as at March 31, 2020, 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 (₹ in thousands)

Sr. No.	Name of the transacting related party	Nature of Relationship	Nature of Transaction	Volume of Transaction	Amount outstanding as on 31.03.2020
1.	Sudhir Doshi	Whole Time Director	Remuneration and Perquisites	3,757.29 (3,554.14)	Nil
2.	Madhav Doshi	Managing Director and CEO	Remuneration and Perquisites	5,982.46 (5,573.71)	Nil
3.	Riddhima Doshi	Wife of Madhav Doshi	Remuneration and Perquisites	3,646.35 (3,438.60)	Nil
4.	S.Panneerselvam	CFO (26-08-17 to 31-03-19)	Remuneration and Perquisites	927.61 (817.14)	Nil
5	Madhav Natural Stone Surfaces Private Limited	Subsidiary	Investment made in Subsidiary	4,000.00 (3,051.00)	7051.00
6	Madhav Natural Stone Surfaces Private Limited	Subsidiary	Reimbursement of Expenses	529.76 (471.88)	529.76
7	Madhav Natural Stone Surfaces Private Limited	Subsidiary	Rent received	117.00 (69.20)	72.00
8	Madhav Natural Stone Surfaces Private Limited	Subsidiary	Loan provided to subsidiary company	26,026.00 (39,100.00)	26026.00
9	Madhav Natural Stone Surfaces Private Limited	Subsidiary	Interest on Loan provided to subsidiary company	4,222.29	3800.06
10	Madhav Natural Stone Surfaces Private Limited	Subsidiary	Investment made in Subsidiary	6,000.00	6000.00
11	Madhav Ashok Ventues Private Limited	Subsidiary	Settlement of liability of the subsidiary company	582.48	582.48
12	Madhav Ashok Ventues Private Limited	Subsidiary	Rent received	40.00	40.00
13	Madhav Ashok Ventues Private Limited	Subsidiary	Loan provided to subsidiary company	92,700.05	92700.05
14	Madhav Ashok Ventues Private Limited	Subsidiary	Interest on Loan provided to subsidiary company	1,453.82	1308.44

Note : Previous year figures are given in brackets.

## Notes forming part of the financial statements

(₹ in thousands)

### 34. Employee Benefits

#### a) Defined benefit plan - As per Actuarial Valuation on March 31, 2020

Particulars	31/03/2020	31/03/2019
<b>I Amount recognized in the Statement of Profit and Loss</b>		
Current Service Cost	1247.34	1094.63
Interest Cost	1396.75	1148.06
Expected Return on Plan Assets	(1323.56)	83.31
Actuarial (gain)/Loss on obligation	(1547.73)	2570.74
Expense/(Income) recognized in the Statement of Profit and Loss	(227.20)	4896.75
<b>II Actual return on plan assets</b>		
Expected Return on Plan Assets	1323.56	(83.31)
Actuarial gain/(loss) on Obligation	NIL	NIL
Actual Return on plan assets	1323.56	(83.31)
<b>III Amount recognized in the Balance Sheet</b>		
Present Value of Funded Obligation	19556.06	18623.36
Fair Value of Plan Assets	21137.01	18490.10
Net asset/(Liability) recognized in Balance Sheet (Included under provision for employee benefits Refer Note '17')	1580.95	(133.26)
<b>IV Change in the present value of obligation</b>		
Opening balance of present value of obligation	18623.36	14350.79
Interest Cost	1396.75	1148.06
Current Service Cost	1247.34	1094.63
Benefits Paid	(163.66)	(540.87)
Actuarial (gain)/loss on Obligation	(1547.73)	2570.74
Closing Balance of present value of obligation	19556.06	18623.36
<b>V Change in fair value of plan assets</b>		
Opening Balance of fair value of plan assets	18490.10	15194.90
Expected return on plan assets	1323.56	(83.31)
Contributions	1487.02	3919.38
Benefits Paid	(163.66)	(540.87)
Actuarial Gain/(loss) on plan assets	NIL	NIL
Closing balance of fair value of plan assets	21137.01	18490.10

#### (b) Actuarial Assumption

Particulars	% per annum	
	31.03.2020	31.03.2019
Discount Rate	8.00%	8.00%
Salary Escalation	8.00%	8.00%
Rate of return on plan assets	8.25%	8.25%

(c) The liability for leave encashment and compensated absences as at year end is Rs. Nil.

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

## Notes forming part of the financial statements

### 35. Segment reporting for the year ended 31/03/2020

#### (a) Information about Primary Business Segments

##### 1) Segment revenue : (₹ in thousands)

Particular	2019-20	2018-19
(a) Granite & Stone Division	602848.01	769570.12
(b) Realty Division	-	-
(c) Power Generation Unit	27593.12	36793.15
(d) Unallocated	-	-
<b>Total</b>	<b>630441.13</b>	<b>806363.27</b>
Less: Inter segment revenue	27593.12	36793.15
<b>Net Sales / Income from operations</b>	<b>602848.01</b>	<b>769570.12</b>

##### 2) Segment Results (Profit/ Loss)

Particular	2019-20	2018-19
(a) Granite & Stone Division	16284.17	36179.17
(b) Realty Division	-	-
(c) Power Generation Unit	13113.61	22935.02
(d) Unallocated	13447.30	14023.55
<b>Total</b>	<b>42845.08</b>	<b>73137.74</b>
Less: (I)Interest	11008.81	12988.24
(II)Other un allocable expenditure	-	-
Net of unallocable income	-	-
<b>Total Profit before Tax</b>	<b>31836.27</b>	<b>60149.50</b>

##### 3) Capital Employed (Segment assets less segment liabilities)

Segment Assets	2019-20	2018-19
(a) Granite & Stone Division	1150236.83	1367881.22
(b) Realty Division	31602.80	31602.80
(c) Power Generation Unit	196454.46	191394.89
(d) Unallocated	308525.59	173743.73
<b>Sub-Total</b>	<b>1686820.68</b>	<b>1764623.64</b>

Segment Liabilities	2019-20	2018-19
(a) Granite & Stone Division	254745.02	324652.96
(b) Realty Division	1150.00	350.00
(c) Power Generation Unit	45293.14	47782.48
(d) Unallocated	-	-
<b>Sub-Total</b>	<b>301188.16</b>	<b>372785.44</b>

Capital Employed	2019-20	2018-19
(a) Granite & Stone Division	895491.81	1043228.26
(b) Realty Division	30452.80	31252.80
(c) Power Generation Unit	151161.32	143612.41
(d) Unallocated	308525.59	173743.73
<b>Sub-Total</b>	<b>1385631.51</b>	<b>1391837.20</b>

## Notes forming part of the financial statements

(₹ in thousands)

### (b) Information about Secondary Business Segments

Revenue by Geographical Segment

i) Segment-wise Revenue

Particulars	2019-20			2018-19		
	Revenue from customers Outside India	Revenue from customers within India	Total Revenue	Revenue from customers Outside India	Revenue from customers within India	Total Revenue
(a) Granite & Stone Division	589648.02	13199.99	602848.01	747133.60	22436.51	769570.12
(b) Realty Division	-	-	-	-	-	-
(c) Power Generation Unit	-	27593.12	27593.12	-	36793.15	36793.15
(d) Unallocated	-	-	-	-	-	-
<b>Total Revenue</b>	<b>589648.02</b>	<b>40793.11</b>	<b>630441.13</b>	<b>747133.60</b>	<b>59229.66</b>	<b>806363.27</b>
Less: Inter segment revenue	-	-	27593.12	-	-	36793.15
<b>Net Sales / Income from operations</b>	-	-	<b>602848.01</b>	-	-	<b>769570.12</b>

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

## 36. Sales (Including Exports):

Particulars	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
<b>(A) Sale of Product (Manufactured)</b>		
Granite Tiles	200678.22	196855.34
Granite Slabs	326977.76	442861.46
<b>(B) Goods Traded In:</b>		
Rough Block	-	-
Marble Slabs	48420.00	95930.62
Marble Tiles	-	-
Granite Tile	-	1352.36
Granite Slabs	24950.10	24264.26
Quartz	-	-
Property development and other	-	-
<b>(C) Sale of Power :</b>	-	-
<b>Total</b>	<b>601026.08</b>	<b>761264.04</b>

## 37. Closing inventory

### 1) Finished Goods

Particulars	31/03/2020	31/03/2019
Granite Tiles	60726.02	57224.98
Granite Slabs	65695.91	67602.51
Real Estate	31602.80	31602.80
Power	154.53	-
<b>Total</b>	<b>158179.26</b>	<b>156430.29</b>

## Notes forming part of the financial statements

(₹ in thousands)

### 2) Traded Goods

Particulars	31/03/2020	31/03/2019
Marble /Granite Tiles / slabs	471.82	471.82
<b>Total</b>	<b>471.82</b>	<b>471.82</b>

### 3) Work in progress:

Particulars	31/03/2020	31/03/2019
Granites Tiles	4851.01	5811.54
Granites Slabs	9712.97	8257.95
<b>Total</b>	<b>14563.98</b>	<b>14069.49</b>

## 38. Disclosures of Derivatives:

(a) The particulars of derivative contracts entered into for hedging purposes outstanding as at March 31, 2020 are as under:

Foreign Currency	31/03/2020 Forward USD	31/03/2019 Forward EURO
For Hedging outstanding receivables:	700.00	250.00
	(Nil)	(200)

Note : Previous year figures are given in brackets.

(b) Un-hedged foreign currency exposures as at March 31, 2020 are as under:

Foreign Currency	31/03/2020 Forward USD	31/03/2020 Forward EURO	31/03/2020 Forward CAD
For uncovered risks: Receivables	819.19	621.48	Nil
	(2,288.40)	(787.74)	Nil

Note : Previous year figures are given in brackets.

## 39. Value of Imported / Indigenous Materials Consumed:

Particulars	For the Year Ended 31/03/2020		For the Year Ended 31/03/2019		
	%	Amount	%	Amount	
Raw Materials	-Imported	0.00%	0.00	5.65%	14888.88
	-Indigenous	100.00%	211760.77	94.35%	248747.91
		<b>100.00%</b>	<b>211,760.77</b>	<b>100.00%</b>	<b>263,636.79</b>
Stores & spares	-Imported	44.80%	30264.07	42.08%	39625.69
	-Indigenous	55.20%	37295.59	57.92%	54530.66
		<b>100.00%</b>	<b>67,559.66</b>	<b>100.00%</b>	<b>94,156.34</b>

## 40. Value of import on CIF basis:

Particulars	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Raw material	-	1391.23
Consumables & Stores & spares	13234.81	47688.44
Material purchased from Supplier's warehouse at ICD, Bangalore	8045.24	8660.80
Capital goods	1016.90	-
<b>Total</b>	<b>22296.95</b>	<b>57740.47</b>

## Notes forming part of the financial statements

(₹ in thousands)

### 41. Expenditure in Foreign Currency:

Particulars	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Travelling	2603.07	4084.02
Selling commission	83.90	161.26
Other expenses:	2493.57	1834.79
<b>Total</b>	<b>5180.54</b>	<b>6080.07</b>

### 42. Earning in Foreign exchange:

Particulars	31/03/2020	31/03/2019
On account of export calculated at FOB value (including third party exports Rs. 3648.61 previous year Rs. 7173.81 )	<b>587077.99</b>	<b>649085.71</b>

### 43. Remittance of Foreign Currency on account of dividends:

Particulars	31/03/2020	31/03/2019
No. of Share Holders	84	91
No. of Shares	32300	35800
Gross Amount (Rs. in thousands )	8.08	8.95
<b>Related to Year</b>	<b>2018-19</b>	<b>2017-18</b>

### 44. Prior period adjustment represent:

Sr. No.	Particulars	For the Year ended 31/03/2020	For the Year ended 31/03/2019
1	Debit relating to earlier year	-	-
2	Credit relating to earlier year	120.10	768.52
	<b>Total</b>	<b>120100</b>	<b>768522</b>

### 45. Financial Instruments - Accounting classifications and fair value measurements

Particulars	Carrying Amount	Fair value		
	As at 31/03/2020	Level 1	Level 2	Level 3
<b>Financial Assets at fair value through profit or loss</b>				
Investments in equity instruments	6704.62	6704.62	--	--

Particulars	Carrying Amount	Fair value		
	As at 31/03/2019	Level 1	Level 2	Level 3
<b>Financial Assets at fair value through profit or loss</b>				
Investments in equity instruments	22412.88	22412.88	--	--

## Notes forming part of the financial statements

(₹ in thousands)

46. The Group has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2020. The disclosure pursuant to the said Act is as under:

Particulars	2019-20	2018-19
Principal amount due to suppliers under MSMED Act	-	6,166.41
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-
Amount of further interest remaining due and payable even in the succeeding years	-	-
<b>Total</b>	<b>0.00</b>	<b>6,166.41</b>

47. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.
48. Previous year figures have been regrouped wherever necessary.
49. Figures have been rounded off to nearest Rupees.

### SIGNATURES TO THE NOTES '1' TO '49'

In terms of our Audit Report attached  
For **L. S. KOTHARI & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 001450C

**Lalit Kothari**  
Partner  
Membership No. 081407

Camp: July 28, 2020

For and on behalf of the Board of Directors

Madhav Doshi  
**Managing Director**  
DIN: 07815416

Sudhir Doshi  
**Whole Time Director**  
DIN: 00862707

S. Panneerselvam  
**Chief Financial Officer**

Priyanka Manawat  
**Company Secretary**

# Independent Auditors' Report

TO

THE MEMBERS OF

**MADHAV MARBLES & GRANITES LIMITED**

**Report on the Audit of Consolidated Financial Statements**

## **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of Madhav Marbles & Granites Limited (the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

## **Basis for opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.



Key Audit Matters	How the matter was addressed in our audit
<b>REVENUE RECOGNITION</b>	
<p>Recognition of the company's revenue is complex due to several types of Export sales contracts, including generation and captive consumption of power.</p> <ul style="list-style-type: none"> <li>We focused on this area as recognition of revenue involves significant judgement and estimates made by Management including, whether contracts contain multiple performance obligations which should be accounted for separately and the most appropriate method for recognition of revenue for identified performance obligations. This comprises allocation of consideration to the individual performance obligations, assessing whether performance obligations under export sales contracts are satisfied at a point in time or over time. Further, it comprises the point in time when transfer of control has occurred regarding generation and sale of electricity which are accounted for over time.</li> <li>The Company has followed Ind AS-115 for recognizing revenue in the financial statements for the financial year 2019-20.</li> <li>We reviewed the Company's implementation of Ind AS 115, including changes to procedures, accounting guidelines, disclosures and systems to support correct revenue recognition. We reviewed and discussed the group accounting policy, &amp; disclosures with Management, including the key accounting estimates and judgements made by Management.</li> </ul>	<ul style="list-style-type: none"> <li>We tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognised, including controls over the generation and captive consumption of power at year-end.</li> <li>We read some sample of Export Sale contracts, also the contract between Madhav Marbles &amp; Granites Limited and Tamil Nadu Electricity Board to assess whether the method for recognition of revenue was relevant and consistent with Ind AS-115, and had been applied consistently. Where a contract contained multiple elements, we considered Management's judgements as to whether they comprised performance obligations that should be accounted for separately, and, in such cases, challenged the judgements made in the allocation of the consideration to each performance obligation.</li> <li>We evaluated the significant judgements and estimates made by Management in applying company's accounting policy to a sample of specific contracts and separable performance obligations of contracts, and we obtained evidence to support them, including details of contractual agreements, shipping bills, purchase orders, etc. For the contracts selected, we inspected original signed contracts and reconciled the revenue recognised to the underlying accounting records. We obtained a sample of Management's calculations for the recognition of revenue related to generation and captive consumption of power during the year as well as at the year-end.</li> </ul>

<b>DUES OF INCOME TAX AND INDIRECT TAX</b>	
<p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>We had obtained understanding of key uncertain tax positions by obtaining details of completed tax assessments and demands for the year ended March 31, 2020 from the management.</li> <li>We along with our internal tax experts and appropriate senior management: <ul style="list-style-type: none"> <li>➤ Discussed and evaluated the Management's underlying key assumptions in estimating the tax provision.</li> <li>➤ Assessed management's estimate of the possible outcome of the disputed cases; and formed an opinion that we do not require any legal opinion from the expert in that field.</li> <li>➤ Considered the effect of new information in respect of uncertain tax positions as at March, 31, 2020 to evaluate whether any change was required to management's position on these uncertainties.</li> </ul> </li> </ul>

**INVESTMENT**

**Investment in Mutual Funds:**

The Company has invested in various Quoted Mutual funds which is a financial asset for the company. Also, the company has followed Ind As-109 and the investment in mutual funds has been recognized at market value as on March, 31 2020 and remeasurement gain/loss has been recognizes in profit & loss account.

Our procedures included, but were not limited to the following:

- Scrutiny of documents related to investment in mutual funds.
- Obtained an understanding of management’s process of recording of investments, profit/loss on sale of such investments, expenses etc. and evaluated it on the basis statements received from the intermediary.
- Assessed the reasonableness & correct recording of the transactions based on statements available with the Company.

**Information Other than the Consolidated Financial Statements and Auditor’s Report**

The Company’s Board of Directors is responsible for the preparation of other information. The other information comprise the information included in the Management Discussion and Analysis, Board’s Report including Annexure to Board’s Report, Corporate Governance and Shareholder’s Information, but does not include the consolidated financial statements and our auditor’s report report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the other information of the subsidiaries, audited by other auditors to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group, are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent, subsidiary companies, incorporated in India, have adequate internal financial controls systems in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

### **Materiality**

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

### **Communication with those charged with governance**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

The consolidated financial statement includes the financial information of 2 subsidiaries i.e. Madhav Natural Stone Surfaces Private Limited and Madhav Ashok Ventures Private Limited whose financial information reflect total assets of Rs. 23,00,05,721/- and 10,33,70,171/- as at March 31, 2020, and net cash inflows amounting to Rs.1,85,88,529/- and Rs. 7,90,878/- for the year ended on that date, as considered in the consolidated financial statements. The financial information of the subsidiary, have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of such other auditor. Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Parent, and the reports of the statutory auditors of subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”, which is based on the auditor’s reports of the Parent and its subsidiary companies, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of information and according to the explanations given to us, the remunerations paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - The Company did not have any long-term contracts including derivative contracts hence; the question of any material foreseeable losses does not arise;
  - There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and applicable subsidiary companies, to the extent incorporated in India.

For **L. S. KOTHARI & CO**  
Chartered Accountants  
(Firm’s Registration No. 001450C)

**Lalit Kothari**  
Partner  
(Membership No.70928)  
Place: Camp Udaipur  
Date; 28th July, 2020  
UDIN: 20081407AAAABW9523

Camp: Udaipur, July 28, 2020

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph “1(f)” under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of MADHAV MARBLES & GRANITES LIMITED (hereinafter referred to as “Parent”) and its subsidiary companies (the parent and its subsidiaries together referred to as the “Group”), which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, which are applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, which are companies incorporated in India.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of thereports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.



### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 2 subsidiary companies, which is company incorporated in India.

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 1 subsidiary company, which is company incorporated in India, whose financial information is unaudited and whose efficacy of internal financial controls over financial reporting of the Group is not affected as the financial information of such entities is not material to the Group.

Our opinion is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors and the financial information certified by the Management.

For **L. S. KOTHARI & CO**  
Chartered Accountants  
(Firm's Registration No. 001450C)

Camp: Udaipur, July 28, 2020

**Lalit Kothari**  
Partner  
(Membership No.70928)  
Place: Camp Udaipur  
Date; 28th July, 2020  
UDIN: 20081407AAAABW9523

# Madhav Marbles and Granites Limited

## Consolidated Balance Sheet as at March 31, 2020

(₹ in thousands)

Particulars	Note No.	As at 31/03/2020	As at 31/03/2019
<b>(1) ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2A	379058.73	423809.69
(b) Capital work-in-progress	2B	59447.71	8403.23
(c) Investment Property	-	-	-
(d) Goodwill	-	-	-
(e) Other Intangible assets	-	-	-
(f) Intangible assets under development	2C	-	268.38
(g) Biological Assets other than bearer plants	-	-	-
(h) Financial Assets			
(i) Investments	3	108228.92	22412.87
(ii) Trade receivables	4(i)	43441.56	44231.07
(iii) Loans	5(i)	156985.91	145520.22
(iv) Other financial assets	6(i)	25114.47	186648.89
(i) Deferred tax assets (net)	19	-	-
(j) Other non-current assets	7(i)	68485.20	70933.65
<b>(2) Current assets</b>			
(a) Inventories	8	251644.02	271916.98
(b) Financial Assets			
(i) Investments	-	-	-
(ii) Trade receivables	4(ii)	211995.67	267282.72
(iii) Cash and cash equivalents	9	7306.96	14430.00
(iv) Other Bank balances	10	72483.54	2715.90
(v) Loans	5(ii)	1658.25	1761.47
(vi) Other financial asset	6(ii)	-	855.77
(c) Current Tax Assets (Net)	11	12972.49	19214.76
(d) Other current assets	7(ii)	285920.31	169379.57
<b>Total Assets</b>		<b>1684743.74</b>	<b>1649785.17</b>

## Madhav Marbles and Granites Limited

(₹ in thousands)

Particulars	Note No.	As at 31/03/2020	As at 31/03/2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	12	89470.00	89470.00
(b) Other Equity	13	1214271.36	1196103.03
<b>Non Controlling Interest</b>	<b>13(ii)</b>	<b>4832.97</b>	<b>1549.00</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14(i)	156582.55	50758.58
(ii) Trade payables	15(i)	883.84	900.46
(iii) Other financial liabilities	-	-	-
(b) Provisions	17(i)	3096.04	2886.10
(c) Deferred tax liabilities (Net)	19	40968.17	44995.94
(d) Other non-current liabilities	18(i)	1631.59	6723.05
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14(ii)	48882.13	140137.03
(ii) Trade payables	15(ii)	60413.46	80951.74
(iii) Other financial liabilities	16	2391.24	2694.90
(b) Other current liabilities	18(ii)	60992.15	32328.73
(c) Provisions	17(ii)	328.24	286.61
<b>Total Equity and Liabilities</b>		<b>1684743.74</b>	<b>1649785.17</b>
<b>Notes forming part of the financial statements</b>		<b>1-49</b>	

In terms of our Audit Report attached  
For **L. S. KOTHARI & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 001450C

For and on behalf of the Board of Directors

**Lalit Kothari**  
Partner  
Membership No. 081407

Madhav Doshi  
**Managing Director**  
DIN: 07815416

Sudhir Doshi  
**Whole Time Director**  
DIN: 00862707

Camp: Udaipur, July 28, 2020

S. Panneerselvam  
**Chief Financial Officer**

Priyanka Manawat  
**Company Secretary**

# Madhav Marbles and Granites Limited

## Statement Of Profit And Loss For The Year Ended March 31, 2020

(₹ in thousands)

Particulars	Note No.	For the year ended 31/03/2020	For the year ended 31/03/2019
I Revenue From Operations	20	603053.87	769570.12
II Other Income and Other gains\ (losses)	21	67246.03	48884.54
<b>III Total Income (I + II)</b>		<b>670299.90</b>	<b>818454.66</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	22	233428.57	290478.35
Purchases of Stock-in-Trade	23	52350.26	89073.71
Changes in inventories of finished goods,	24	(2243.93)	(24484.31)
Stock-in -Trade and work-in-progress		-	-
Cost of Sales (Realty)	25	-	-
GST/Excise duty expenses		-	-
Employee benefits expense	26	98155.60	100240.28
Finance costs	27	12462.63	12988.24
Depreciation and amortization expense	2A	48947.32	47598.75
Other expenses	28	197687.00	242410.13
<b>Total expenses (IV)</b>		<b>640787.45</b>	<b>758305.15</b>
<b>V Profit/(loss) before exceptional items and tax (III- IV)</b>		<b>29512.45</b>	<b>60149.51</b>
VI Exceptional Items		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>29512.45</b>	<b>60149.51</b>
VIII Income Tax expense:			
(1) Current tax	29(i)	13511.21	8981.76
(2) Deferred tax	29(ii)	(4027.69)	5049.29
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>20028.93</b>	<b>46118.46</b>
X Profit/(loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
<b>XIII Profit/(loss) for the period (IX + XII)</b>		<b>20028.93</b>	<b>46118.46</b>

# Madhav Marbles and Granites Limited

## Consolidated Statement of Profit and Loss for the year ended March 31, 2020 (cont.)

(₹ in thousands)

Particulars	Note No.	For the year ended 31/03/2020	For the year ended 31/03/2019
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>XV Total Comprehensive Income for the period (XIII + XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>20028.93</b>	<b>46118.46</b>
Allocation of Total Comprehensive Income			
-Parent		20744.96	46118.46
-NCI (Non Controlling Interest)		(716.03)	-
XVI Earnings per equity share (for continuing operation):			
(1) Basic		2.24	5.15
(2) Diluted		2.24	5.15
XVII Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
XVIII Earnings per equity share (for discontinued & continuing operations)			
(1) Basic		2.24	5.15
(2) Diluted		2.24	5.15
<b>Notes forming part of the financial statements</b>	<b>1-49</b>		

In terms of our Audit Report attached  
For **L. S. KOTHARI & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 001450C

**Lalit Kothari**  
Partner  
Membership No. 081407

Camp: Udaipur, July 28, 2020

S. Panneerselvam  
Chief Financial Officer

For and on behalf of the Board of Directors

Madhav Doshi  
Managing Director  
DIN: 07815416

Sudhir Doshi  
Whole Time Director  
DIN: 00862707

Priyanka Manawat  
Company Secretary

# Madhav Marbles and Granites Limited

## Statement of Changes in Equity for the year ended March 31, 2020

### A. Equity Share Capital

(₹ in thousands)

Balance at the beginning of the reporting period i.e. April 01, 2018	Changes in equity during the year 2018-19	Balance at the end of the reporting period i.e. March 31, 2019	Changes in equity during the year 2019-20	Balance at the end of the reporting period March 31, 2020
89470.00	-	89470.00	-	89470.00

### B. Other Equity

(₹ in thousands)

Particulars	Reserves and Surplus		Non-Controlling Interest	Total
	General reserve	Retained Earnings		
<b>Balance as at April 01, 2018</b>	<b>889755.30</b>	<b>262157.29</b>	-	<b>1151912.59</b>
Changes in accounting policy or prior period errors	-	768.52	-	768.52
Restated balance at the beginning of the reporting period	<b>889755.30</b>	<b>262925.81</b>	-	<b>1152681.11</b>
Total Comprehensive Income for the year	-	46118.45	-	46118.45
Dividends	-	(2236.75)	-	(2236.75)
Dividend Distribution tax	-	(459.77)	-	(459.77)
Acquisition of Share Capital in Subsidiary	-	-	1549.00	1549.00
Transfer From retained earnings	100000.00	(100000.00)	-	-
Any other change	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>989755.30</b>	<b>206347.74</b>	<b>1549.00</b>	<b>1197652.04</b>
Changes in accounting policy or prior period errors	-	120.10	-	120.10
Restated balance at the beginning of the reporting period	<b>989755.30</b>	<b>206467.84</b>	<b>1549.00</b>	<b>1197772.14</b>
Total Comprehensive Income for the year	-	20744.95	(716.03)	20028.92
Dividends	-	(2236.75)	-	(2236.75)
Dividend Distribution tax	-	(459.77)	-	(459.77)
Acquisition of Share Capital in Subsidiary	-	-	4000.00	4000.00
Transfer to general reserve	-	-	-	-
Any other change	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>989755.30</b>	<b>224516.27</b>	<b>4832.97</b>	<b>1219104.54</b>

In terms of our Audit Report attached  
For **L. S. KOTHARI & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 001450C

For and on behalf of the Board of Directors

**Lalit Kothari**  
Partner  
Membership No. 081407

Madhav Doshi  
Managing Director  
DIN: 07815416

Sudhir Doshi  
Whole Time Director  
DIN: 00862707

Camp: Udaipur, July 28, 2020

S. Panneerselvam  
Chief Financial Officer

Priyanka Manawat  
Company Secretary

# Madhav Marbles and Granites Limited

## Cash flow statement for the year ended March 31, 2020

PARTICULARS	As at 31/03/2020	As at 31/03/2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Total Comprehensive Income Before Tax and after exceptional items adjusted for:</b>	<b>29512.45</b>	<b>60149.51</b>
Net Loss on investment carried at fair value through profit and loss	4454.18	1244.86
Prior period expenses/income not given effect in P&L	120.10	768.52
Depreciation and Ammortization	48947.32	47598.75
(Profit) / Loss on sale/ written off of Fixed Assets	498.67	-
Interest Expense	12462.63	12988.24
Bad Debts written off	3651.59	14190.86
Provision for Gratuity	1843.98	3110.95
Interest Income	(29260.33)	(28029.90)
Provision for Misc. Exp	-	500.00
Misc Balance Written Back	-	(2781.62)
Provision No Longer Required Written Back	(14441.25)	(262.21)
Foreign Exchange loss/(gain) (Net)	(21320.00)	(17621.59)
<b>Operating Profit Before Working Capital Changes</b>	<b>36469.34</b>	<b>91856.37</b>
Adjustments for (Increase)/ Decrease in Operating Assets:		
Inventories	20272.96	3122.61
Trade and other receivables *	(155975.54)	(111210.69)
Trade and other payables *	(16829.92)	(10792.38)
<b>Cash Generated from Operation</b>	<b>(116063.16)</b>	<b>(27024.09)</b>
Direct Taxes Paid / Tax Deducted at Source	(15466.04)	(9003.76)
<b>Net Cash Flow From Operating Activities (A)</b>	<b>(131529.20)</b>	<b>(36027.85)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets & Capital W.I.P.	(53036.22)	(45278.97)
Proceed from Sale of Fixed Assets	4.69	0.00
Proceeds/(Purchase) of investment	11254.07	(4200.00)
Investment in Subsidiary/Joint Venture	(101524.30)	0.00
Interest Received	32176.87	72912.32
<b>Net Cash Used in Investing Activities (B)</b>	<b>(111124.89)</b>	<b>23433.35</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of share capital	4000.00	1549.00
Long Term Borrowings / Repayments	199832.45	32584.86
Repayment to / Proceeds from Banks	(42220.70)	(3900.22)
Interest Expense	(12462.63)	(12988.24)
Dividend Payout	(2236.75)	(2236.75)
Tax on Dividend	(459.77)	(459.77)
<b>Net Cash Flow from/ (Used in) Financing Activities (C)</b>	<b>146452.60</b>	<b>14548.88</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>(96201.49)</b>	<b>1954.38</b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<b>200727.85</b>	<b>198773.47</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE **</b>	<b>104526.36</b>	<b>200727.85</b>

\* Includes current and non-current

**Notes:**

- 1 Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard (IND AS-7) "Cash Flow Statements" as specified in the Companies (Indian Accounting Standard) (Amendment) Rules, 2017.
- 2 Purchase of Fixed Assets includes movement of capital work-in-progress during the year.
- 3 For Cash and Cash equivalents not available for immediate use as on the Balance Sheet date, see note no.6 of notes forming part of the financial statement.
- 4 Cash and cash equivalent are reflected in the Balance Sheet as follows :

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
a) Cash and Cash Equivalents disclosed under current assets [Note No.9 & 10]	79790.50	17145.91
b) Cash and Cash Equivalents disclosed under non-current assets [Note No.6]		
<b>** Total cash and cash equivalents as per cash flow statement</b>	24735.86	183581.94
	<u><b>104526.36</b></u>	<u><b>200727.85</b></u>

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

In terms of our Audit Report attached  
For **L. S. KOTHARI & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 001450C

For and on behalf of the Board of Directors

**Lalit Kothari**  
Partner  
Membership No. 081407

Madhav Doshi  
**Managing Director**  
**DIN: 07815416**

Sudhir Doshi  
**Whole Time Director**  
**DIN: 00862707**

Camp: Udaipur, July 28, 2020

S. Panneerselvam  
**Chief Financial Officer**

Priyanka Manawat  
**Company Secretary**



**NOTES forming part of the financial statements for the year ended March 31, 2020**

**NOTE 1 COMPANY OVERVIEW**

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

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

The accounts have been prepared in accordance with the provisions of Companies Act 2013 and Indian Accounting Standards (Ind AS) and Disclosures thereon comply with requirements of Ind AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, MSMED Act, 2006, other pronouncement of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable.

“The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016”

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current – non-current classification of assets and liabilities.

**2.2 System of accounting**

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

**2.3 Use of Estimates**

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

**2.4 Property, Plants and Equipments, Depreciation/Amortization**

**A. Property, Plants and Equipments**

- i) The Property, Plants and Equipments are held for use in production, supply of goods or services or for administrative purposes. They are stated at their original cost net of tax/duty, credits availed, if any, including incidental expenditure related to acquisition and installation less accumulated depreciation. Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended and includes borrowing cost capitalized in accordance with the Company's Accounting Policy.

- ii) The Property, Plants and Equipments not ready for the intended use on the date of balance sheet including expenditure incurred pending for allocation is shown as “capital work-in-progress”.

#### **B. Depreciation**

Depreciation is provided on straight line method other than on freehold land and properties under construction less their residual values over their useful lives specified in Schedule II to the Companies Act 2013. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. There is no deviation in useful life as specified in Schedule II to the Companies Act 2013.

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. Intangible Assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as “Intangible assets under development”.

### **2.5 Financial instruments**

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### **Cash and cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

### **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

### **Financial liabilities**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

### **Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net of direct issue cost.

## **2.6 Borrowing Cost**

Borrowing costs that are attributable to the acquisition / construction of qualifying assets are capitalized as part of cost of such asset till such time as the asset is ready for its intended use or sale. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as expense in the period in which they are incurred.

## **2.7 Inventories**

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

## **2.8 Cash and Bank Balances**

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which are unrestricted for withdrawal and usage. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

## 2.9 Revenue Recognition

### a) Sales

- i) Sales of goods are recognized on dispatch and in accordance with the terms and conditions of the sale. Sale includes indirect taxes. Domestic sales are accounted for on dispatch from the point of sale corresponding to transfer of significant risks and rewards of ownership to the buyer. Export sales are recognised on the date of the mate's receipt/shipped on board signifying transfer of risks and rewards of ownership to the buyer as per terms of sale and initially recorded at the relevant exchange rates prevailing on the date of the transaction.
- ii) Sale from Realty 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. 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.

### b) Other Income

The Company recognizes income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

## 2.10 Impairment of Assets

At the end of each accounting year the carrying amount of property, plant and equipment intangible assets and financial assets is reviewed for impairment. Impairment, if any, is recognized where the carrying amount exceeds the recoverable amounts being the higher of net realizable price and value in use. An impairment loss is charged to Statement of Profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

## 2.11 Taxes on Income

Income tax expense for the year comprises of current tax and deferred tax. Current tax provision has been determined on the basis of relief, deductions etc. available under the Income Tax Act 1961 and Deferred tax is provided using balance sheet approach on temporary differences at the reporting date as difference between the tax base and the carrying amount of assets and liabilities. Deferred tax is recognized subject to the probability that taxable profit will be available against which the temporary differences can be reversed.

## 2.12 Foreign Currency Transactions

- 1) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.
- 2) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on year end date.
- 3) Non-monetary items denominated in foreign currency, (such as plant and equipment) are valued at the exchange rate prevailing on the date of transaction and carried at cost.
- 4) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

### 2.13 Provision, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Contingent liabilities are disclosed when there is a present obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### 2.14 Employee Benefits

(a) Short term Employee benefits:

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

(b) Post employment benefits:

(i) Defined Contribution Plan

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

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

(ii) Defined Benefit Plans

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

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

(c) Leave encashment

Based on the leave rules of the company, employees are not permitted to accumulate leave.

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

### 2.15 Segment Accounting

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

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

#### **2.16 Earnings Per Share**

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

#### **2.17 Discontinued Operations**

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

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

## Notes forming part of the financial statements

### 2A. Property, Plant and Equipment

(₹ in thousands)

A-1	Land Free hold	Land lease hold	Buildings	Plant and Equipment	Electrical Installation	Factory Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Mis. Fixed Assets	Site Development	Wind Mill - I	Wind Mill - II	Total
Cost as at 1st April, 2019	21787.25	-	182073.90	532371.64	36437.32	20095.87	9101.29	21719.76	8513.55	2646.84	486.85	2882.28	153962.43	55222.61	1047301.59
Additions	134.50	-	1662.07	489.94	-	69.29	1971.03	69.50	263.29	107.71	-	-	-	-	4767.33
Disposals	-	-	-	-	-	-	(1049.99)	(2311.52)	(1660.15)	-	-	-	-	-	(5021.66)
<b>Cost as at 31 March, 2020</b>	<b>21921.75</b>	<b>-</b>	<b>183735.97</b>	<b>532861.58</b>	<b>36437.32</b>	<b>20165.16</b>	<b>10022.33</b>	<b>19477.74</b>	<b>7116.69</b>	<b>2754.55</b>	<b>486.85</b>	<b>2882.28</b>	<b>153962.43</b>	<b>55222.61</b>	<b>1047047.26</b>
Accumulated Depreciation as at 1st April, 2019	-	-	63554.21	396414.01	30090.31	10359.75	5942.43	14339.20	7388.28	2417.59	251.09	579.57	54886.66	37268.80	623491.90
Additions	-	-	5811.81	29483.48	760.47	1138.36	647.10	2031.52	632.27	118.14	41.71	45.44	6247.33	1989.69	48947.32
Disposals	-	-	-	-	-	-	(711.99)	(2195.94)	(1577.14)	-	-	-	-	-	(4485.07)
Adjustments	-	-	-	-	-	-	23.75	-	-	10.63	-	-	-	-	-
<b>Accumulated Depreciation as at 31 March, 2020</b>	<b>-</b>	<b>-</b>	<b>69366.02</b>	<b>425897.49</b>	<b>30850.78</b>	<b>11498.11</b>	<b>5901.29</b>	<b>14174.78</b>	<b>6443.41</b>	<b>2546.36</b>	<b>292.80</b>	<b>625.01</b>	<b>61133.99</b>	<b>39258.49</b>	<b>667954.15</b>
Net Carrying amount as at 1st April, 2019	-	-	118519.69	135957.63	6347.01	9736.12	3158.86	7380.56	1125.27	229.25	235.76	2302.71	99075.77	17953.81	423809.68
<b>as at 31st March, 2020</b>	<b>21921.75</b>	<b>-</b>	<b>114369.95</b>	<b>106964.09</b>	<b>5586.54</b>	<b>8667.05</b>	<b>4121.04</b>	<b>5302.96</b>	<b>673.28</b>	<b>208.19</b>	<b>194.05</b>	<b>2257.27</b>	<b>92828.44</b>	<b>15964.12</b>	<b>379056.73</b>

**Notes forming part of the financial statements**  
**A2. Property, Plant and Equipment**

(₹ in thousands)

A-1	Land Free hold	Land lease hold	Buildings	Plant and Equipment	Electrical Installation	Factory Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Mis. Fixed Assets	Site Development	Wind Mill - I	Wind Mill - II	Total
<b>Cost as at 1st April, 2018</b>	11408.25	-	144528.35	424621.88	33377.11	15141.16	7982.25	16532.75	7587.32	2445.58	486.85	2882.28	153962.43	55222.61	876178.82
Additions	10379.00	-	37545.55	107774.96	3060.21	4954.71	1119.04	5187.01	926.23	201.26	-	-	-	-	171147.97
Disposals	-	-	-	(25.20)	-	-	-	-	-	-	-	-	-	-	(25.20)
<b>Cost as at 31 March, 2019</b>	<b>21787.25</b>	<b>-</b>	<b>182073.90</b>	<b>532371.64</b>	<b>36437.32</b>	<b>20095.87</b>	<b>9101.29</b>	<b>21719.76</b>	<b>8513.55</b>	<b>2646.84</b>	<b>486.85</b>	<b>2882.28</b>	<b>153962.43</b>	<b>55222.61</b>	<b>1047301.59</b>
<b>Accumulated Depreciation as at 1st April, 2018</b>	-	-	57987.91	367517.37	29318.75	9402.86	5442.08	12276.65	7014.99	2272.20	207.77	534.13	48639.33	35279.11	575893.15
Additions	-	-	-	-	-	-	-	-	-	-	-	45.44	6247.33	1989.69	47598.75
Disposals	-	-	5566.30	28896.64	771.56	956.89	500.35	2062.55	373.29	145.39	43.32	-	-	-	-
<b>Accumulated Depreciation as at 31 March, 2019</b>	<b>-</b>	<b>-</b>	<b>63554.21</b>	<b>396414.01</b>	<b>30090.31</b>	<b>10359.75</b>	<b>5942.43</b>	<b>14339.20</b>	<b>7388.28</b>	<b>2417.59</b>	<b>251.09</b>	<b>579.57</b>	<b>54886.66</b>	<b>37268.80</b>	<b>623491.90</b>
<b>Net Carrying amount as at 1st April, 2018</b>	11408.25	-	86540.44	57104.51	4058.36	5738.30	2540.17	4256.10	572.33	173.38	279.08	2348.15	105323.10	19943.50	300285.67
<b>as at 31st March, 2019</b>	<b>21787.25</b>	<b>-</b>	<b>118519.69</b>	<b>135957.63</b>	<b>6347.01</b>	<b>9736.12</b>	<b>3158.86</b>	<b>7380.56</b>	<b>1125.27</b>	<b>229.25</b>	<b>235.76</b>	<b>2302.71</b>	<b>99075.77</b>	<b>17953.81</b>	<b>423809.69</b>



## Notes forming part of the financial statements (cont.)

### 2B. Capital work-in-progress

	As at 31/03/2020	As at 31/03/2019
Building Construction	26999.00	7335.93
Furniture	-	3.32
Factory Equipment	-	-
Office Equipments	101.40	-
Plant and Machinery	3830.76	836.24
Electrical installation	1467.12	49.23
Expenditure Pending Capitalisation	27049.43	178.51
<b>Total</b>	<b>59447.71</b>	<b>8403.23</b>

### 2C. Intangible asset under development comprises of software for the purpose of inventory control

	As at 31/03/2020	As at 31/03/2019
Computer Software	-	268.38
<b>Total</b>	<b>-</b>	<b>268.38</b>

### 3. Investments

	As at 31/03/2020	As at 31/03/2019
<b>Investments- Non- current</b>		
(A) Investments carried at fair value through profit or loss		
Mutual Funds (quoted)		
<b>NAME OF THE MUTUAL FUND</b>		
SBI Blue Chip Fund- Regular Plan Growth (Units as on 31.03.2020-0, as on 31.03.2019- 137016.6020)	-	5392.23
Birla Sun Life Pure Value Fund Growth (Units as on 31.03.2020 -102602.049, as on 31.03.2019-102602.0490)	3312.61	5383.63
Sundaram Rural India Fund Regular Growth (Units as on 31.03.2020 - 0, as on 31.03.2019-146440.8350)	-	6148.30
Sundaram S.M.I.L.E. Fund Regular Plan Growth (Units as on 31.03.2020 - 64584.766, as on 31.03.2019- 64584.766)	3392.01	5488.71
<b>Total</b>	<b>6704.62</b>	<b>22412.87</b>
Investment in Madhav Natural Stone Surfaces Private Limited	-	-
Investment in Madhav Ashok Ventures Private Limited	-	-
Investments in Joint Venture (fully paid up)	101524.30	-
<b>TOTAL (A+B)</b>	<b>108228.92</b>	<b>22412.87</b>

## Notes forming part of the financial statements (cont.)

(₹ in thousands)

### 4. Trade receivables

	As at 31/03/2020	As at 31/03/2019
<b>(i) Trade receivables- Non- current</b>		
<b>Unsecured</b>		
Considered good	43441.56	44231.07
	<b>43441.56</b>	<b>44231.07</b>
<b>(ii) Trade receivables- Current</b>		
<b>Unsecured</b>		
Considered good	211995.67	267282.72
	<b>211995.67</b>	<b>267282.72</b>
<b>Total</b>	<b>255437.23</b>	<b>311513.79</b>

### 5. Loans (Unsecured, Considered Good Unless Otherwise Stated):

	As at 31/03/2020	As at 31/03/2019
<b>(i) Non- current</b>		
(a) Security deposits	11445.11	10925.72
(b) Loans to related parties	-	-
(c) Others	145540.80	134594.50
	<b>156985.91</b>	<b>145520.22</b>
<b>(ii) Current</b>		
(a) Security deposits	1241.00	1341.00
(b) Loans to related parties	-	-
(c) Others		
-Other branches/divisions	-	-
-Others	417.25	420.47
	<b>1658.25</b>	<b>1761.47</b>
<b>Total</b>	<b>158644.16</b>	<b>147281.69</b>

### 6. Other financial assets

	As at 31/03/2020	As at 31/03/2019
<b>(i) Non- current</b>		
Balances with banks		
(i) In Term Deposit	-	177688.22
(ii) In Margin Money	6257.64	5893.71
(iii) Other Bank balances	18478.22	-
Fixed deposits having maturity more than 12 months	-	-
Interest accrued on fixed deposit/ Interest receivable	378.61	3066.96
	<b>25114.47</b>	<b>186648.89</b>
<b>(ii) Current</b>		
Interest accrued on fixed deposit/ Interest receivable	-	855.77
	<b>-</b>	<b>855.77</b>
<b>Total</b>	<b>25114.47</b>	<b>187504.66</b>

## Notes forming part of the financial statements (cont.)

(₹ in thousands)

### 7. Other assets

	As at 31/03/2020	As at 31/03/2019
<b>(i) Non- current</b>		
Advance to suppliers	68485.20	10375.43
Project advances	-	58118.28
Preoperative Expenses	-	2439.94
	<b>68485.20</b>	<b>70933.65</b>
<b>(ii) Current</b>		
Advance to suppliers	180554.83	81863.49
Prepaid Expenses	3463.40	3443.18
Due From Joint Venture (Madhav Surfaces FZC LLC)	204.80	0.00
Balances with government authorities		
VAT/ CST Receivable	6702.29	6702.29
Service Tax credit receivable	10049.31	10049.31
Excise Duty Refundable	2733.82	3131.74
GST input tax credit	81339.95	64179.51
Others	871.91	10.05
	<b>285920.31</b>	<b>169379.57</b>
<b>Total</b>	<b>354405.51</b>	<b>240313.22</b>

### 8. Inventories

	As at 31/03/2020	As at 31/03/2019
Raw Material	39438.65	47728.15
Work-in-progress	14563.98	14069.49
Finished Goods	126422.20	124827.48
Stock in Trade	-	-
Real Estate	31602.80	31602.80
Goods	471.82	471.82
Stores & Spares	36278.15	50112.85
Power Units	154.53	-
Others	2712.17	3104.39
<b>Total</b>	<b>251644.02</b>	<b>271916.98</b>

## Notes forming part of the financial statements (cont.)

(₹ in thousands)

### 9. Cash and cash equivalents

	As at 31/03/2020	As at 31/03/2019
Cash in hand	556.59	255.12
<b>Balances with banks:</b>		
In Current Accounts	3843.39	11429.02
In EEFC account	2906.98	2745.86
In Fixed Deposit (Less than 3 months to Maturity)	-	-
<b>Total</b>	<b>7306.96</b>	<b>14430.00</b>

### 10. Other bank balances

	As at 31/03/2020	As at 31/03/2019
Term Deposit with original maturity more than 3 months but less than 12 months	70071.30	-
Balance in Unpaid share application account	21.00	21.00
Earmarked balances with banks-Unpaid Dividend	2391.24	2694.90
<b>Total</b>	<b>72483.54</b>	<b>2715.90</b>

### 11. Current tax assets

	As at 31/03/2020	As at 31/03/2019
Advance tax	52388.62	49067.61
Tax deducted at source	7383.39	5770.53
Minimum Alternative Tax credit entitlement	5362.14	13559.31
Less: current tax payable	(5314.11)	(12382.86)
Less: current tax provision	(46847.55)	(36799.85)
<b>Total</b>	<b>12972.49</b>	<b>19214.76</b>

## Notes forming part of the financial statements (cont.)

### 12. Equity Share Capital

	As at 31/03/2020	As at 31/03/2019
<b>(a) Authorised :</b>		
172,50,000 (Previous Year 172,50,000) Equity Shares of Rs.10/- each	172500.00	172500.00
75,000 (Previous Year 75,000) Cumulative Convertible Preference Shares of Rs.100/- each	7500.00	7500.00
	<b>180000.00</b>	<b>180000.00</b>
<b>(b) Issued, Subscribed and Paid Up:</b>		
89,47,000 (Previous Year 89,47,000) Equity Shares of Rs.10/- each fully paid up	<b>89470.00</b>	<b>89470.00</b>
	<b>89470.00</b>	<b>89470.00</b>
<b>(c) Reconciliation of number of Shares outstanding at the beginning and end of the year :</b>		
<b>Equity Shares :</b>		
Outstanding at the beginning of the year	8947.00	8947.00
Issued during the year	-	-
Outstanding at the end of the year	<b>8947.00</b>	<b>8947.00</b>

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

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

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

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

(in thousands)

Name of Shareholder	As at 31/03/2020		As at 31/03/2019	
	No. of Shares held in the company	% of shares Held	No. of Shares held in the company	% of shares Held
Mumal Marketing (P) Ltd. (formerly known as Mumal Finance (P) Ltd.)	782.60	8.75	782.60	8.75
Aruna Doshi	725.27	8.11	633.44	7.08
Madhav Doshi	771.01	8.62	713.80	7.98
Subramanian P	-	-	740.47	8.28
Sangeeta S	741.37	8.29	-	-

## Notes forming part of the financial statements (cont.)

(₹ in thousands)

### 13.(i) Other equity

	As at 31/03/2020	As at 31/03/2019
<b>Other equity consists of following</b>		
<b>(a) General reserve</b>		
(i) Opening balance	989755.30	889755.30
(ii) Transfer from surplus in Statement of Profit & Loss	-	100000.00
<b>Total (A)</b>	<b><u>989755.30</u></b>	<b><u>989755.30</u></b>
<b>(b) Retained earnings</b>		
(i) Opening balance	206347.53	262157.28
Total comprehensive income	20744.95	46118.45
Changes in accounting policy or prior period errors	120.10	768.52
Remeasurement of Defined Benefit Plans	-	-
(ii) Less: Appropriations		
Dividend On Equity Shares	(2236.75)	(2236.75)
Dividend Distribution tax	(459.77)	(459.77)
Transfer To General Reserve	-	(100000.00)
<b>Total (B)</b>	<b><u>224516.06</u></b>	<b><u>206347.74</u></b>
<b>Closing balance of other equity Total (A + B)</b>	<b><u>1214271.36</u></b>	<b><u>1196103.03</u></b>

### 13.(ii) Non-controlling Interest

	As at 31/03/2020	As at 31/03/2019
Share capital	5549.00	1549.00
Add: Reserve & Surplus	(716)	-
<b>Closing balance of other equity</b>	<b><u>4832.97</u></b>	<b><u>1549.00</u></b>

Notes forming part of the financial statements (cont.)

(₹ in thousands)

**14. Borrowings**

	As at 31/03/2020	As at 31/03/2019
<b>(i) Non-Current borrowings</b>		
Term Loans (Secured)		
From banks	176754.25	69966.72
Less: Current Maturities of Long Term debt {refer Note 13 (b)}	(20171.70)	(19208.14)
Others	-	-
<b>Total (A)</b>	<b>156582.55</b>	<b>50758.58</b>
<b>(ii) Current borrowings</b>		
Loans repayable on demand		
Secured		
From banks*	25759.44	-
Current Maturities of long term Debt	-	19208.14
Bank Overdrafts	-	108235.89
Packing Credit facility	6329.69	-
From Directors	16793.00	12693.00
<b>Total (B)</b>	<b>48882.13</b>	<b>140137.03</b>
<b>Total (A + B)</b>	<b>205464.68</b>	<b>190895.61</b>

\* Note: The Bank Overdraft facility is availed from IDBI Bank Limited and HDFC Bank. The Bank Overdraft facility availed from IDBI Bank Limited is secured by pledge of fixed deposits. The Bank Overdraft facility availed from HDFC Bank is secured by mortgage of assets.

The Term Loan comprises of Foreign Currency loan from HDFC Bank Ltd. which is secured against:  
(i) Equitable mortgage of the land and building situated at, Thoppur Village, Dharmapuri Taluk, Salem as collateral security,  
(ii) Hypothecation by way of first and exclusive charges on all present and future current assets inclusive of Stocks & book debts.  
The loan is repayable in equated monthly instalments commencing from December 2017 till December 2022 and carrying interest rate @ LIBOR + 2.5%. The Loan is further secured by personal guarantee of Mr.Sudhir Doshi (Whole Time Director).

\* Note: The cash credit facility is availed from IDBI Bank Limited and secured by pledge of fixed deposits.

## Notes forming part of the financial statements (cont.)

(₹ in thousands)

### 15. Trade payables

	As at 31/03/2020	As at 31/03/2019
<b>(i) Non- current</b>		
Due to Micro and Small Enterprises *	-	-
Other than dues to Micro and Small Enterprises	883.84	900.46
Acceptances	-	-
	<b>883.84</b>	<b>900.46</b>
<b>(ii) Current</b>		
Due to Micro and Small Enterprises *	-	6166.41
Other than dues to Micro and Small Enterprises	60413.46	74785.33
Acceptances	-	-
	<b>60413.46</b>	<b>80951.74</b>
<b>Total</b>	<b>61297.30</b>	<b>81852.20</b>

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

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

\*Refer Note No. 46

### 16. Other financial liability

	As at 31/03/2020	As at 31/03/2019
<b>Current</b>		
Unpaid/ unclaimed dividend	2391.24	2694.90
<b>Total</b>	<b>2391.24</b>	<b>2694.90</b>

### 17. Provisions

	As at 31/03/2020	As at 31/03/2019
<b>(i) Non- current</b>		
Provisions for employee benefits		
(i) Provision for Gratuity	3096.04	2886.10
	<b>3096.04</b>	<b>2886.10</b>
<b>(ii) Current</b>		
Provisions for employee benefits		
(i) Provision for Gratuity	328.24	286.61
(ii) Provision for CSR Expenses	-	-
	<b>328.24</b>	<b>286.61</b>
<b>Total</b>	<b>3424.28</b>	<b>3172.71</b>



Notes forming part of the financial statements (cont.)

(₹ in thousands)

## 18. Other liabilities

	As at 31/03/2020	As at 31/03/2019
<b>(i) Other Non- current liabilities</b>		
(a) Advance from customers	1631.59	6723.05
	<b>1631.59</b>	<b>6723.05</b>
<b>(ii) Other Current liabilities</b>		
(i) Advance from customers	10074.30	7233.89
(ii) Employees Benefit expenses payable	2317.64	4950.04
(iii) Current Maturities of long term Debt	20171.70	-
(iv) Others	-	-
(a) Statutory dues including PF and TDS	7513.75	3958.70
(b) others	20914.76	16186.10
	<b>60992.15</b>	<b>32328.73</b>
<b>Total</b>	<b>62623.74</b>	<b>39051.78</b>

## 19. Deferred tax assets/ liabilities

	As at 31/03/2020	As at 31/03/2019
<b>Deferred Tax Liabilities</b>		
On account of timing difference in:		
Depreciation	43086.27	47346.73
Others	-	-
<b>Gross deferred Tax Liability</b>	<b>43086.27</b>	<b>47346.73</b>
<b>Deferred Tax Asset</b>		
On account of timing difference in:		
Depreciation	21.14	-
Expenses	484.96	1309.74
Others	1612.00	1041.05
<b>Gross deferred Tax Assets</b>	<b>2118.10</b>	<b>2350.79</b>
<b>Net Deferred Tax (Assets)/Liabilities</b>	<b>40968.17</b>	<b>44995.94</b>

## 20. Revenue from operations

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
<b>(a) Sale of Products (Refer Note 2.9 &amp; 36)</b>	628825.05	798057.19
Less:- Inter divisional transfers	27593.12	36793.15
	<b>601231.93</b>	<b>761264.04</b>
<b>(b) Other operating revenues</b>	1821.94	8306.08
<b>Total revenue from operations</b>	<b>603053.87</b>	<b>769570.12</b>

## Notes forming part of the financial statements (cont.)

(₹ in thousands)

### 21. Other income & other gains\ (losses)

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
<b>(a) Other income</b>		
Interest income	29260.33	28029.90
Profit on sale of asset	-	-
Balance written off	-	-
Misc Balance Written Back	-	2781.62
Rental Income	157.00	69.20
Bad Debts Recovered	1800.35	108.30
Provision No Longer Required Written Back	14441.25	262.21
Miscellaneous Income	267.10	11.72
	<b>45926.03</b>	<b>31262.95</b>
<b>(b) Other gains\ (losses)</b>		
Net Gain on Foreign Currency Transactions & Translations	21320.00	17621.59
Provision no longer Required written back	-	-
Net gain on investment carried at fair value through profit and loss	-	-
	<b>21320.00</b>	<b>17621.59</b>
<b>Total</b>	<b>67246.03</b>	<b>48884.54</b>

### 22. Cost of material consumed

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
<b>Opening Stock</b>		
Raw material	47728.15	79665.11
Packing material	3104.39	2079.70
Purchases & expenses	224746.96	259566.08
	<b>275579.50</b>	<b>341310.89</b>
<b>Less : Closing Stock</b>		
Raw material	39438.76	47728.15
Packing Material	2712.17	3104.39
	<b>42150.93</b>	<b>50832.54</b>
<b>Total raw material and packing material consumed</b>	<b>233428.57</b>	<b>290478.35</b>

### 23. Purchase of stock in trade

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Marble/Stone - Tiles / Slabs/ Block	26651.01	29988.50
Granite - Tiles / Slabs / Block	24034.49	26052.75
Quartz slabs	1664.76	33032.46
<b>Total</b>	<b>52350.26</b>	<b>89073.71</b>

Notes forming part of the financial statements (cont.)

(₹ in thousands)

## 24. Changes in inventories of Finished Goods, WIP & Stock in Trade

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
<b>Opening balances</b>		
Finished Goods	124827.51	90419.12
Work-in-progress	14069.49	24415.86
Goods for Trade	471.82	49.50
Power	-	-
<b>Total Opening balances</b>	<b>139368.82</b>	<b>114884.48</b>
<b>Closing balances</b>		
Finished Goods	126422.20	124827.48
Work-in-progress	14563.98	14069.49
Goods for Trade	471.82	471.82
Power	154.53	-
<b>Total Closing balances</b>	<b>141612.75</b>	<b>139368.79</b>
<b>Total changes in inventories of finished goods, WIP, Stock-in-trade</b>	<b>(2243.93)</b>	<b>(24484.31)</b>

## 25. Cost of sales (Realty)

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
<b>Purchases Land Value</b>	-	-
Add : Cost of conversion, labour, material and other charges	-	-
<b>Total Cost</b>	-	-
Add : Opening Work in progress :	31602.80	31602.80
Less : Closing Work in progress :	31602.80	31602.80
<b>Cost of sales</b>	-	-

## 26. Employee benefit expenses

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Salary, Wages & Allowances	83605.94	84069.57
Welfare expenses	6282.48	6856.02
Contribution to Provident and other fund	8267.18	9314.69
<b>Total</b>	<b>98155.60</b>	<b>100240.28</b>

## 27. Finance cost

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Interest expenses	9670.84	9375.05
Other financial charges	2791.79	3613.19
<b>Total</b>	<b>12462.63</b>	<b>12988.24</b>

## Notes forming part of the financial statements (cont.)

(₹ in thousands)

### 28. Other expenses

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Stores & Spares Consumed	67559.66	94156.34
Power & Fuel	31307.01	29555.96
<b>Repairs &amp; Maintenance</b>		
- Building	2088.86	5984.06
- Plant & Machinery	17677.95	23557.26
- Others	275.97	1122.46
<b>Other Manufacturing Expenses</b>		
-Gas	1535.68	1301.04
-Waste removal	581.85	768.58
-Brazing Charges	564.31	533.65
-Slab Netting Expenses	487.98	217.55
-Block Setting Expenses	1787.10	3459.89
-Freight & Cartage	589.29	732.92
-Water Charges	793.60	477.60
Printing & Stationary	715.36	772.74
Postage, telegram, telephone	1171.76	1424.08
Conveyance & vehicle running and maintenance	2374.63	3114.72
Donation	0.00	5.00
Travelling	6273.65	6870.04
Interest on GST	0.89	0.00
Legal, Professional & Consultancy	2232.03	2121.87
General Insurance	486.92	433.78
Selling expenses	36748.34	41776.23
Rent Expenses	900.00	612.00
Electricity Expenses	126.45	112.34
Subscription to Association	40.24	38.35
Annual Maintenance Charges	5874.87	5403.89
Security expenses	848.40	718.70
Claims & Rebate	2103.68	-
Secretarial Service Charges	120.00	-
Office Maintenance	732.75	498.69
Office Rent	40.00	-
Bad debts written off	3651.59	14190.86
ROC Filing Fees	270.90	—
Rates & taxes	1895.11	201.80
Net Loss on Investment carried at fair value through profit and loss	4454.18	1244.86
Assets Written Off	230.30	-
Software written off	268.38	-
Payment to auditors	165.00	135.00
Miscellaneous expenses	712.31	867.87
<b>Total</b>	<b>197687.00</b>	<b>242410.13</b>

## Notes forming part of the financial statements (cont.)

(₹ in thousands)

### 29. Income tax expenses

	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
<b>(i) Current tax</b>		
Tax on the profits of current year	5314.11	12382.86
Adjustments for tax of prior period	-	-
Add: MAT Credit Utilized	8197.10	-
Less: MAT credit entitlement	-	3401.10
	<b>13511.21</b>	<b>8981.76</b>
<b>(ii) Deferred tax</b>		
Decrease/(Increase) in deferred tax asset	232.67	1190.72
(Decrease)/Increase in deferred tax liability	(4260.36)	3858.57
	<b>(4027.69)</b>	<b>5049.29</b>

### 30. Contingent liabilities not provided for in respect of

(₹ in thousands)

Sr. No.	Particulars	As at 31/03/2020	As at 31/03/2019
1.	"Bank Guarantees/Letter of Credit issued by bank (Net of fixed deposit pledged)"	4075.00	4075.00
2.	Income Tax Liability (including penalty) that may arise in respect of matters which are pending in appeal	38345.84	49132.00
3.	Central Excise Liability (including penalty) that may arise of matters which are pending in appeal	25400.00	25400.00
4.	Bond executed in favour of customs, excise and DGFT authorities (Net of bank guarantee given)	81500.00	81500.00

### 31. Payment to Auditors

Sr. No.	Particulars	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
1.	As Auditor- Statutory Audit	135.00	135.00
2.	For Tax Audit	-	-
3.	For Taxation matters	-	-
4.	Other matters/ certification	-	10.00
5.	Reimbursement of out-of-pocket expenses	19.40	25.34
	<b>Total</b>	<b>154.40</b>	<b>170.34</b>

### 32. Earning Per Share

Particular	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Total Comprehensive Income (Rs.)	20028.93	46118.45
Weighted average number of equity shares outstanding	8947.00	8947.00
Nominal value of the shares (Rs.)	10	10
Basic & Diluted Earning per share (Rs.)	2.24	5.15

## Notes forming part of the financial statements (cont.)

(₹ in thousands)

### 33. Related party disclosures:

Related party disclosures, as required by IND AS - 24 "Related Party Disclosures" 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. Ravi Kumar Krishnamurthi (Chairman)

**Managing Director and relatives** : Mr. Madhav Doshi, Managing Director

: Mrs. Riddhima Doshi, Wife of Madhav Doshi

**Whole-time Director** : Mr. Sudhir Doshi

(ii) In respect of the outstanding balance recoverable as at 31st March 2020, 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

(₹ in thousands)

Sr. No.	Name of the transacting related party	Nature of Relationship	Nature of Transaction	Volume of Transaction	Amount outstanding as on 31.03.2020
1.	<b>Sudhir Doshi</b>	Whole Time Director	Remuneration and Perquisites	3757.29	Nil
				(3554.14)	
2.	<b>Madhav Doshi</b>	Managing Director and CEO	Remuneration and Perquisites	5982.46	Nil
				(5573.71)	
3.	<b>Riddhima Doshi</b>	Wife of Madhav Doshi	Remuneration and Perquisites	3646.35	Nil
				(3438.60)	
4.	<b>S.Panneerselvam</b>	CEO	Remuneration and Perquisites	927.61	Nil
				(817.14)	

Note : Previous year figures are given in brackets.

## Notes forming part of the financial statements (cont.)

(₹ in thousands)

### 34. Employee Benefits

#### a) Defined benefit plan - As per Actuarial Valuation on March 31, 2020

Particulars	For the Year Ended	For the Year Ended
	31/03/2020	31/03/2019
<b>I Amount recognized in the Statement of Profit and Loss</b>		
Current Service Cost	1247.34	1094.63
Interest Cost	1396.75	1148.06
Expected Return on Plan Assets	(1323.56)	83.31
Actuarial (gain)/Loss on obligation	(1547.73)	2570.74
Expense/(Income) recognized in the Statement of Profit and Loss	(227.20)	4896.75
<b>II Actual return on plan assets</b>		
Expected Return on Plan Assets	1323.56	(83.31)
Actuarial gain/(loss) on Obligation	NIL	NIL
Actual Return on plan assets	1323.56	(83.31)
<b>III Amount recognized in the Balance Sheet</b>		
Present Value of Funded Obligation	19556.06	18623.36
Fair Value of Plan Assets	21137.01	18490.10
Net asset/(Liability) recognized in Balance Sheet (Included under provision for employee benefits Refer Note '17')	1580.95	(133.26)
<b>IV Change in the present value of obligation</b>		
Opening balance of present value of obligation	18623.36	14350.79
Interest Cost	1396.75	1148.06
Current Service Cost	1247.34	1094.63
Benefits Paid	(163.66)	(540.87)
Actuarial (gain)/loss on Obligation	(1547.73)	2570.74
Closing Balance of present value of obligation	19556.06	18623.36
<b>V Change in fair value of plan assets</b>		
Opening Balance of fair value of plan assets	18490.10	15194.90
Expected return on plan assets	1323.56	(83.31)
Contributions	1487.02	3919.38
Benefits Paid	(163.66)	(540.87)
Actuarial Gain/(loss) on plan assets	NIL	NIL
Closing balance of fair value of plan assets	21137.01	18490.10

#### (b) Actuarial Assumption

Particulars	% per annum	
	31.03.2020	31.03.2019
Discount Rate	8.00%	8.00%
Salary Escalation	8.00%	8.00%
Rate of return on plan assets	8.25%	8.25%

(c) The liability for leave encashment and compensated absences as at year end is Rs. Nil.

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

## Notes forming part of the financial statements (cont.)

### 35. Segment reporting for the year ended 31/03/2020

#### (a) Information about Primary Business Segments

##### 1) Segment revenue : (₹ in thousands)

Particular	For the Year Ended 2019-20	For the Year Ended 2018-19
(a) Granite & Stone Division	603053.86	769570.12
(b) Realty Division	-	-
(c) Power Generation Unit	27593.12	36793.15
(d) Unallocated	-	-
<b>Total</b>	<b>630646.98</b>	<b>806363.27</b>
Less: Inter segment revenue	27593.12	36793.15
<b>Net Sales / Income from operations</b>	<b>603053.86</b>	<b>769570.12</b>

##### 2) Segment Results (Profit/ Loss)

Particular	2019-20	2018-19
(a) Granite & Stone Division	15414.16	36179.17
(b) Realty Division	-	-
(c) Power Generation Unit	13113.61	22935.02
(d) Unallocated	13447.30	14023.55
<b>Total</b>	<b>41975.07</b>	<b>73137.74</b>
Less: (I)Interest	12462.63	12988.24
(II)Other un allocable expenditure Net of unallocable income	-	-
<b>Total Profit before Tax</b>	<b>29512.44</b>	<b>60149.50</b>

##### 3) Capital Employed (Segment assets less segment liabilities)

Segment Assets	2019-20	2018-19
(a) Granite & Stone Division	1468282.98	1434984.51
(b) Realty Division	31602.80	31602.80
(c) Power Generation Unit	196454.46	191394.89
(d) Unallocated	145591.04	17343.73
<b>Sub-Total</b>	<b>1841931.28</b>	<b>1831725.93</b>

Segment Liabilities	2019-20	2018-19
(a) Granite & Stone Division	283750.88	390207.25
(b) Realty Division	1150.00	350.00
(c) Power Generation Unit	45293.14	47782.48
(d) Unallocated	-	-
<b>Sub-Total</b>	<b>330194.02</b>	<b>438339.74</b>

Capital Employed	2019-20	2018-19
(a) Granite & Stone Division	1184532.11	104477.26
(b) Realty Division	30452.80	31252.80
(c) Power Generation Unit	151161.32	143612.41
(d) Unallocated	145591.04	173743.73
<b>Sub-Total</b>	<b>1511737.27</b>	<b>1393385.95</b>



## Notes forming part of the financial statements (cont.)

(₹ in thousands)

### (b) Information about Secondary Business Segments

Revenue by Geographical Segment

i) Segment-wise Revenue

Particulars	For the Year Ended 2019-20			For the Year Ended 2018-19		
	Revenue from customers Outside India	Revenue from customers within India	Total Revenue	Revenue from customers Outside India	Revenue from customers within India	Total Revenue
(a) Granite & Stone Division	589648.02	13405.84	603053.86	747133.60	22436.51	769570.12
(b) Realty Division	-	-	-	-	-	-
(c) Power Generation Unit	-	27593.12	27593.12	-	36793.15	36793.15
(d) Unallocated	-	-	-	-	-	-
<b>Total Revenue</b>	<b>589648.02</b>	<b>40988.96</b>	<b>630646.98</b>	<b>747133.60</b>	<b>59229.66</b>	<b>806363.27</b>
Less: Inter segment revenue			27593.12			36793.15
<b>Net Sales / Income from operations</b>			<b>603053.86</b>			<b>769570.12</b>

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

## 36. Sales (Including Exports):

Particulars	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
<b>(A) Sale of Product (Manufactured)</b>		
Granite Tiles	200678.22	196855.34
Granite Slabs	326977.76	442861.46
<b>(B) Goods Traded In:</b>		
Rough Block	-	-
Marble Slabs	48625.85	91558.71
Marble Tiles	-	-
Granite Tile	-	1352.36
Granite Slabs	24950.10	24264.26
Quartz	-	4371.91
Property development and other	-	-
<b>(C) Sale of Power :</b>	-	-
<b>Total</b>	<b>601231.93</b>	<b>761264.04</b>

## 37. Closing inventory

### 1) Finished Goods

Particulars	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Granite Tiles	60726.02	57224.98
Granite Slabs	65695.91	67602.51
Real Estate	31602.80	31602.80
Power	154.53	-
<b>Total</b>	<b>158179.50</b>	<b>156430.29</b>

## Notes forming part of the financial statements (cont.)

(₹ in thousands)

### 2) Traded Goods

Particulars	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Marble /Granite Tiles / slabs	471.82	471.82
<b>Total</b>	<b>471.82</b>	<b>471.82</b>

### 3) Work in progress:

Particulars	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Granites Tiles	4851.01	5811.54
Granites Slabs	9712.97	8257.95
<b>Total</b>	<b>14563.98</b>	<b>14069.49</b>

## 38. Disclosures of Derivatives:

(a) The particulars of derivative contracts entered into for hedging purposes outstanding as at March 31, 2020 are as under:

Foreign Currency	31/03/2020 Forward USD	31/03/2020 Forward EURO
For Hedging outstanding receivables:	700.00	250.00
	(Nil)	(200.00)

Note : Previous year figures are given in brackets.

(b) Un-hedged foreign currency exposures as at March 31,2020 are as under :

Foreign Currency	31/03/2020 Forward USD	31/03/2020 Forward EURO	31/03/2020 Forward CAD
For Uncovered risks : Receivables	8191.94	621.47	Nil
	(2288.40)	(787.74)	Nil

Note : Previous year figures are given in brackets.

## 39. Value of Imported / Indigenous Materials Consumed:

Particulars	For the Year Ended 31/03/2020		For the Year Ended 31/03/2019		
	%	Amount	%	Amount	
Raw Materials	-Imported	0.00%	-	5.65%	14888.88
	-Indigenous	100.00%	211760.77	94.35%	248747.91
		<b>100.00%</b>	<b>211760.77</b>	<b>100.00%</b>	<b>263,636.79</b>
Stores & spares	-Imported	44.80%	30264.07	42.08%	39625.69
	-Indigenous	55.20%	37295.59	57.92%	54530.66
		<b>100.00%</b>	<b>67,559.66</b>	<b>100.00%</b>	<b>94,156.34</b>

## 40. Value of import on CIF basis:

Particulars	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Raw material	-	1391.23
Consumables & Stores & spares	13234.81	47688.44
Material purchased from Supplier's warehouse at ICD, Bangalore	8045.24	8660.80
Capital goods	1016.90	-
<b>Total</b>	<b>22296.95</b>	<b>57740.47</b>

## Notes forming part of the financial statements (cont.)

(₹ in thousands)

### 41. Expenditure in Foreign Currency:

Particulars	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
Travelling	2603.07	4084.02
Selling commission	83.90	161.26
Other expenses:	2493.57	1834.79
<b>Total</b>	<b>5180.54</b>	<b>6080.07</b>

### 42. Earning in Foreign exchange:

Particulars	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
On account of export calculated at FOB value (including third party exports Rs. 3648.61 previous year Rs. 7173.81)	<b>587077.99</b>	<b>649085.71</b>

### 43. Remittance of Foreign Currency on account of dividends:

Particulars	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
No. of Share Holders	84	91
No. of Share	32300	35800
Gross Amount (Rs.)	8.08	8.95
<b>Related to Year</b>	<b>2018-19</b>	<b>2017-18</b>

### 44. Prior period adjustment represent:

Sr. No.	Particulars	For the Year ended 31/03/2020	For the Year ended 31/03/2019
1	Debit relating to earlier year	0	0
2	Credit relating to earlier year	120.10	768.52
	<b>Total</b>	<b>120.10</b>	<b>768.52</b>

### 45. Financial Instruments - (Accounting classifications and fair value measurements)

Particulars	Carrying Amount	Fair value		
	As at 31/03/2020	Level 1	Level 2	Level 3
<b>Financial Assets at fair value through profit or loss</b>				
Investments in equity instruments	6704.62	6704.62	--	--
Particulars	Carrying Amount	Fair value		
	As at 31/03/2019	Level 1	Level 2	Level 3
<b>Financial Assets at fair value through profit or loss</b>				
Investments in equity instruments	22412.88	22412.88	--	--

## Notes forming part of the financial statements (cont.)

(₹ in thousands)

**46. The Group has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2019. The disclosure pursuant to the said Act is as under:**

Particulars	For the Year Ended 2019-20	For the Year Ended 2018-19
Principal amount due to suppliers under MSMED Act	-	6,166.41
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-
Amount of further interest remaining due and payable even in the succeeding years	-	-
<b>Total</b>	<b>-</b>	<b>6,166.41</b>

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

**48. The Company named "Madhav Natural Stone Surfaces Private Limited" was incorporated on 12/10/2018 and Company named "Madhav Ashok Ventures Private Limited" was incorporated on 16/09/2019 as a subsidiary of the company. Hence yearly consolidated figures for 2019-20 has been provided.**

**49. Figures have been rounded off to nearest Rupees.**

### SIGNATURES TO THE NOTES '1' TO '49'

In terms of our Audit Report attached  
For **L. S. KOTHARI & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 001450C

**Lalit Kothari**  
Partner  
Membership No. 081407

Camp: Udaipur, July 28, 2020

For and on behalf of the Board of Directors

Madhav Doshi  
**Managing Director**  
DIN: 07815416

Sudhir Doshi  
**Whole Time Director**  
DIN: 00862707

S. Panneerselvam  
**Chief Financial Officer**

Priyanka Manawat  
**Company Secretary**

## Form AOC - 1

### To the Consolidated Financial Statements for the year ended March 31, 2020

Statement containing salient features of the financial statements of subsidiaries, associate companies and joint ventures

		Part A: Subsidiaries		(Rs. In million)
Sr. No.	Name of the Subsidiary	Madhav Natural Stone Surfaces Private Limited	Madhav Ashok Ventures Private Limited	
1	The date since when subsidiary was acquired	Incorporated on October 12, 2018	Incorporated on September 17, 2019	
2	Reporting period for the subsidiary concerned, if different from the Holding company's reporting period	Same as reporting period of Madhav Marbles and Granites Limited	Same as reporting period of Madhav Marbles and Granites Limited	
3	Reporting currency	Indian Rupee	Indian Rupee	
4	Share Capital	8.60	10.00	
5	Reserves and Surplus	-	(1.79)	
6	Total Assets	230.01	103.37	
7	Total Liabilities	221.41	95.16	
8	Investments	-	101.52	
9	Turnover	-	0.21	
10	Profit before Taxation	-	(2.32)	
11	Provision for Taxation	-	-	
12	Profit after Taxation	-	(2.32)	
13	Proposed dividend (including tax thereon)	-	-	
14	Extent of shareholding (in percentage)	81.99%	60.00%	

### Part B: Associate Companies and Joint Ventures

Not Applicable
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For and on behalf of the Board of Directors  
 Madhav Doshi  
**CEO and Managing Director**  
 DIN: 07815416

S. Panneerselvam  
**Chief Financial Officer**

Priyanka Manawat  
**Company Secretary**

Sudhir Doshi  
**Whole Time Director**  
 DIN: 00862707

Udaipur, July 28, 2020





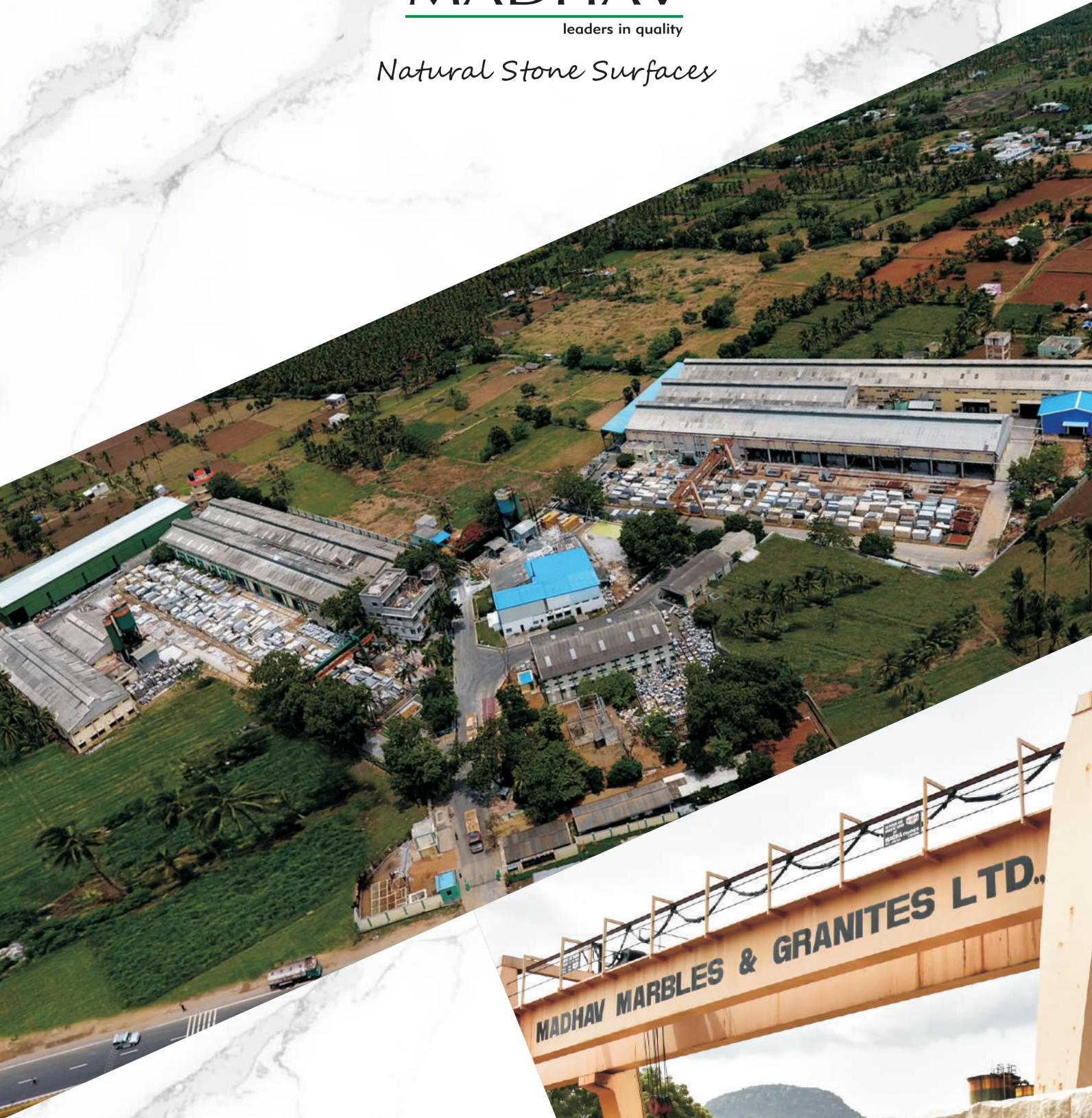


TM

# MADHAV

leaders in quality

*Natural Stone Surfaces*



## Madhav Marbles and Granites Limited

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