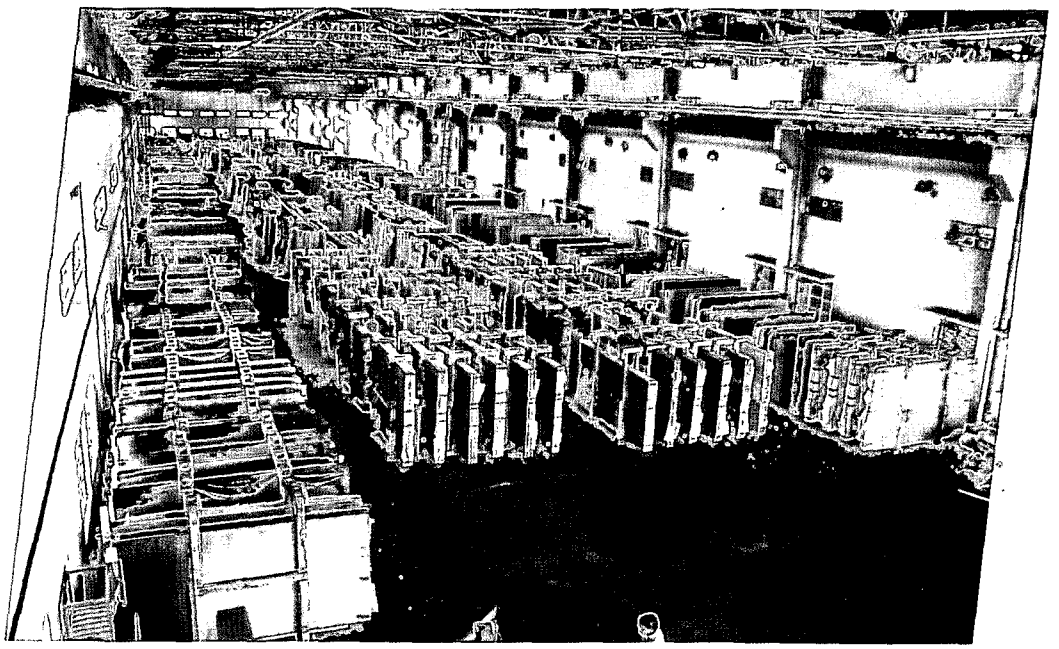
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MADHAV MARBLES & GRANITES LIMITED

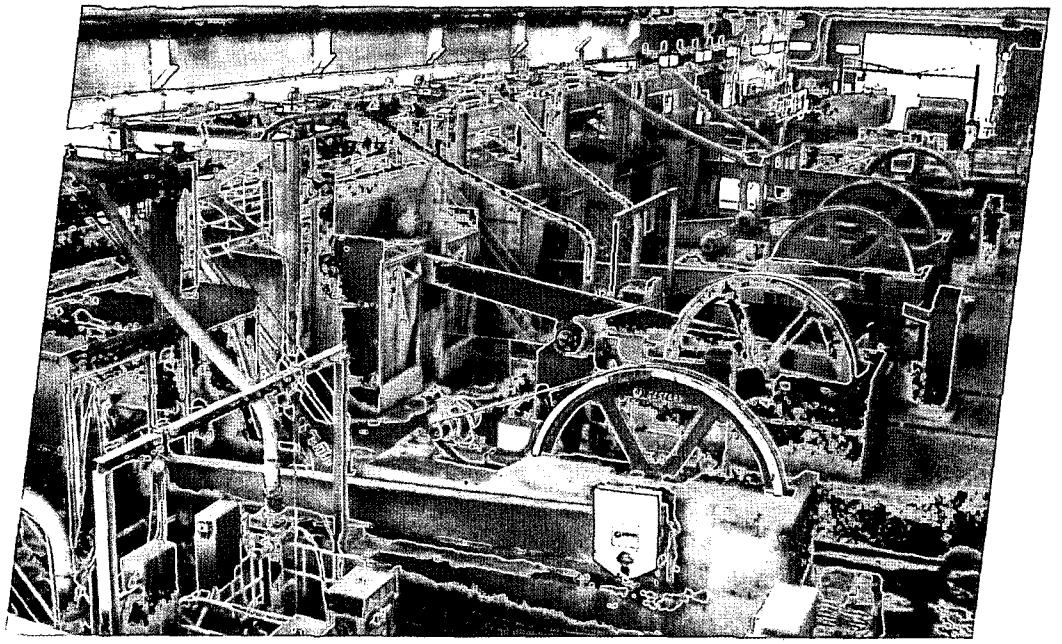
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Slab Storage

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Gangsaw Plant

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BOARD OF DIRECTORS

RAJ SINGH DUNGARPUR
Chairman

C D GOPINATH

ARVIND LAXMAN APTE

AJAY INDRAJIT THAKORE

JAGDISH DASHORA

RAVI K. KRISHNAMURTHI

RAJ KUMAR BAPNA

SUDHIR DOSHI
Whole-time Director

ASHOK DOSHI
Managing Director

Bankers

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

Auditors

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

Registered Office

N H 8, Amberi
Udaipur (Raj.) 313 004

Works

Marble Division

Sukher Industrial Area
N H 8, Udaipur (Raj.)

Granite Division
Unit I & II

Village Thoppur
Distt. Dharampuri
Tamil Nadu

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

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MADHAV MARBLES & GRANITES LIMITED

Eighteenth Annual Report 2006 - 2007

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FINANCIAL HIGHLIGHTS

(Rupees in Millions)

Year ended	2003	2004	2005	2006	2007
Profit and Loss Account					
Sales	542.92	618.40	718.82	737.44	**887.55**
Other Income	14.50	5.65	9.81	26.58	**12.46**
Total Income	*557.42*	*624.05*	*728.63*	764.02	**900.01**
Profit before Interest, Depreciation, and Tax	123.56	143.65	182.58	220.25	**212.90**
Depreciation	29.46	29.60	26.65	32.18	**37.38**
Profit before Interest and Tax	94.10	114.05	155.93	188.07	**175.52**
Interest	19.34	11.70	12.25	11.69	**24.28**
Profit before Tax and extra-ordinary item	74.76	102.35	143.68	176.38	**151.24**
Profit after Tax, extra-ordinary item and prior period Adj.	*72.9*	105.30	117.53	152.96	**138.10**
Balance Sheet					
Net Fixed Assets	225.94	220.84	325.93	396.00	**455.05**
Investments	9.40	0.00	0.00	0.00	**0.00**
Net Current Assets	414.63	501.25	444.29	598.59	**891.66**
Total	*649.97*	*722.09*	*770.22*	*994.59*	***1346.73***
Share Capital	89.47	89.47	89.47	89.47	**89.47**
Reserves and Surplus	453.46	538.24	542.11	684.86	**810.30**
Miscellaneous expenditure not written off	(1.28)	(0.56)	(0.23)	0.00	**3.07**
Net Worth	541.65	627.15	631.35	774.33	**896.70**
Total Borrowings	80.01	69.70	87.90	155.83	**386.30**
Deferred Tax Liability	28.31	25.24	50.97	64.33	**63.73**
Total	*649.97*	*722.09*	*770.22*	*994.59*	***1346.73***
Ratios					
Earning Per Share (Rs.)	8.14	11.76	13.13	17.10	**15.2**
Dividend (%)	20	20	30	10	**20**
Dividend Per Share (Rs.)	2.00	2.00	3.00	1.00	**2.00**
Dividend Payout (%)	24.00	16.97	22.76	6.08	**13.15**
Book Value Per Share (Rs.)	60.54	70.10	70.56	86.55	**100.22**
Return on Capital Employed (ROCE) (%)	15.89	17.44	21.74	21.90	**14.37**
Return on Net Worth (RONW) (%)	14.56	18.04	18.74	20.93	**16.29**
Fixed Assets Turnover (No. of times)	2.42	2.77	2.63	2.00	**2.09**
Working Capital Turnover (No. of times)	1.35	1.35	1.52	1.44	**1.19**
Net Profit as % of Total Income	13.38	16.89	16.19	18.87	**15.12**
Market Capitalisation	114.97	210.70	562.32	912.15	**764.52**

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

RONW is profit after tax divided by average networth.

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

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

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

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Notice of Annual General Meeting

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Company will be held on Saturday, the 22nd day of September, 2007 at 4.15 p.m. at the Registered Office of the Company at N H 8, Amberi, Udaipur-313004 (Raj) to transact the following businesses:-

Ordinary Business:

1. To consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March,2007, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Arvind Laxman Apte, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. C. D. Gopinath, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s. Nyati & Associates, Chartered Accountants, Udaipur, as statutory auditors of the Company, and to fix their remuneration.

Special Business

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Dr. Sudhir Doshi, who was appointed as an Additional Director of the Company and who holds office till the date of this Annual General Meeting, pursuant to section 260 of the Companies Act, 1956, and in respect of whom the company has received a notice from a member under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

7. To Consider and, if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Article 143 of the Articles of Association of the Company and Sections 198, 269, 309, 310 and 311 read with schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals, consents and permissions as may be necessary, consent of the members be and is hereby accorded to the appointment of Dr. Sudhir Doshi, as the Whole Time Director of the Company not liable to retire by rotation for a period of five years with effect from 28th July, 2007, at a remuneration and on the terms and conditions as setout in the explanatory statement of item no. 7.

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

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

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

Camp, Mumbai
Date: 28th July,2007

Ashok Doshi
Managing Director

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Notes

1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY OR PROXIES SO APPOINTED NEED NOT BE A MEMBER OR MEMBERS AS THE CASE MAY BE OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY AND THE POWER OF ATTORNEY OR OTHER AUTHORITY, IF ANY, UNDER WHICH IT IS SIGNED OR A NOTARIALLY CERTIFIED COPY OF THAT POWER OR AUTHORITY SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.

2 The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Special Business as given in the notice annexed hereto.

3 The Register of Members and the Share transfer books of the Company will remain closed from 17th September 2007 to 22nd September 2007 (both days inclusive) for the purposes of Annual General Meeting and payment of dividend, if any.

4 The Dividend for the year ended March 31, 2007, as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after 27th September, 2007, to the members who are holding their shares in physical form and whose names appear on the Company's Register of Members on 22nd September, 2007 and in respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the Depositories for this purpose as on 17th September, 2007.

5 The Register of Directors' Shareholdings, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the Annual General Meeting.

6 Members who have not encashed their dividend warrant(s) for the year 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06 so far, if any, are requested to make their claims to the Company. No claim shall lie against the Company or the said fund in respect of the amounts remaining unclaimed once the unclaimed dividend is transferred to the Investor Education and Protection Fund (IEPF) of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956.

7 Members holding more than one share certificate in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to the Company for consolidating their holdings in one folio. The Share Certificates will be returned to the Members after making requisite changes thereon.

8 Members holding shares in dematerialized mode are requested to intimate all changes with respect to their bank details, mandate etc. to their respective Depository Participant (DP). These changes will automatically reflected in Company's records and those who holds shares in physical form should intimate their bank details and change of address, if any, etc. to the Company's Registrar and Share Transfer agent M/s Ankit Consultancy Pvt. Limited, 2nd Floor, Alankar Point, 4A Rajgarh Kothi, Gita Bhawan Square, Indore – 452 001 (M.P)

9 Non-resident Indian Shareholders are requested to inform us immediately, the change in their Residential Status on return

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to India for permanent settlement and the particulars of NRE Account, if not furnished earlier.

10 Members are requested to bring their copies of Annual Report to the meeting.

11 To avail the facility of nomination, members are requested to submit to the Company the nomination form, which may be supplied on request. In case of shares held in de-mat form, the nomination has to be lodged with Depository Participants (DPs).

12 Members / Bodies Corporate/ Proxies should bring the attendance slip duly filled in for attending the meeting.

13 A member desirous of getting any information on the accounts or operations of the Company, is requested to forward his / her queries to the Company at least five working days prior to the meeting, so that the required information will be made available at the meeting.

14 Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of directors seeking appointment/re-appointment at the Annual General Meeting, is separately annexed hereto.

Annexure to the Notice

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 6 and 7.

Dr. Sudhir Doshi, was appointed as an Additional Director by the Board at its meeting held on 28th July, 2007, in terms of section 260 of the Companies Act, 1956, and as per the provisions of this section he shall hold office upto the date of this Annual General Meeting. A notice has been received in writing from a member intending to propose his name as Director of the Company as required under section 257 of the Companies Act, 1956, along with the requisite deposit.

Dr. Sudhir Doshi, was further appointed as Whole Time Director of the Company at the aforesaid board meeting held on 28th July, 2007, for the period of five years w. e. f. 28th July, 2007.

Dr. Sudhir Doshi, has vast experience in the processing and mining business of Marbles and Granites and he has been associated with the Company as an Export Manager for last fifteen years. He is instrumental in organizing the exhibitions all over the world for developing the export business of marbles and granites and during his tenure the export turnover of the Company has increased substantially. Therefore, the Board of Directors considered that it would be beneficial to appoint him as whole time director of the Company and have accordingly approved his appointment as Whole Time Director at its meeting held on 28th July, 2007 for a period of five years with effect from 28th July, 2007.

The terms and conditions as approved by the Board of Directors for the appointment of Dr. Sudhir Doshi, as Whole Time Director are as under:

Salary

Rs.55,000/- per month in the range of Rs.55,000 – Rs.65,000/-. The increments will be decided by the Board of Directors.

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:

(a) Club Fees:

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

(b) Personal Accident Insurance:

Premium not to exceed Rs.10,000/- per annum.

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(c) 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.

(d) Gratuity:

Gratuity payable will not exceed half a month's salary for each completed year of service.

Explanation:

For the purposes of the foregoing, perquisites shall be valued as per Income Tax Rules, 1962. In the absence of any such rule, perquisites shall be evaluated at actual cost.

The Whole-time Director so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board or of any Committee thereof.

In the event of loss or inadequacy of profits for any financial year, the Board of Directors shall revise the remuneration payable to Whole-time Director, during such financial year, in such manner as agreed to between the Board of Directors and the Whole-time Director and within the limits prescribed in this behalf under Schedule XIII to the Companies Act, 1956.

The terms and conditions of the said re-appointment and / or Agreement may be varied / enhanced from time to time by the Board of Directors as it may in its discretion deem fit within the maximum amounts payable to Whole-time Director as per Schedule XIII to the Companies Act, 1956, or any amendments made hereafter in this regard by the Central Government.

The appointment of Dr. Sudhir Doshi, as Director and Whole Time Director and remuneration requires the approval of the shareholders in terms of section 269 read with Schedule XIII and 309 of the Companies Act, 1956.

Accordingly, your Directors recommend the resolution as set out in Item No.6 and 7 of the Notice for your approval by way of passing Ordinary Resolutions.

The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to section 302 of the Companies Act, 1956.

Dr. Sudhir Doshi, the appointee and Mr. Ashok Doshi, being elder brother of Dr. Sudhir Doshi, may deemed to be interested or concerned in the resolution, except them, none of the other directors of the Company is in any way interested or concerned in the aforesaid resolutions.

The terms of appointment of Dr. Sudhir Doshi, as whole time director and other documents as referred in the notice will be available for inspection at the registered office of the Company on any working day between 11.00 a.m. and 1.00 p.m., till the date of Annual General Meeting

A detailed profile of Dr. Sudhir Doshi, is provided in the annexure attached herewith.

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

Camp, Mumbai
Date: 28th July, 2007

Ashok Doshi
Managing Director

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Annexure to the Notice

Additional information in respect of Directors seeking appointment / re-appointment at the Annual General Meeting.

Name	**Mr. Arvind Laxman Apte**
Date of Birth	24.10.1934
Qualification	B.A.
Expertise	He is an eminent businessman with rich experience in the field of Finance, Management and Corporate Affairs, his vast and diversified experience contributed immensely in the growth of the Company.
Directorship held in other Companies	• Sadhana Nitrochem Limited • Shanudeep Private Limited • Dr. Writer's Food Products Private Limited.
Chairman/Member of the Committee of the Board of Directors of the Company	–
Chairman/Member of the Committee of the Board of Directors of other Companies	–
Shareholding in the Company	1,000

Name	**Mr. C. D. Gopinath**
Date of Birth	01.03.1930
Qualification	B.Sc., M.A.
Expertise	He has vast experience in various fields of Business and Corporate Management. He was a Test Cricketer and played for India during 1950's and also been the Chairman of the National Cricket Selection Committee for around 6 years during 1970's. From 1971-99, he was the Consul for Norway and was conferred the "KINGHTHOOD" of the 1st Class of the Order of St.OLAV, By his Majesty, King of Norway, OLAV Vth in the year 1982. During 1976-77 he was Deputy President, ASSOCHAM, also Chairman of Madras Chamber of Commerce & Industry during 1976-77. He was Sherif of Madras in 1976-77. During 1971-79 and 1984-86 he was Trustee of Madras Port Trust,

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