

**FINANCIAL HIGHLIGHTS**

(Rupees in Millions)

Year ended	2006	2007	2008	2009	2010
Profit and Loss Account					
Sales	737.44	887.55	829.57	581.65	636.02
Other Income	26.58	12.46	29.63	11.11	9.76
<i>Total Income</i>	764.02	900.01	859.20	592.76	645.78
Profit before Interest, Depreciation and Tax	220.25	212.90	151.65	91.53	94.13
Depreciation	32.18	37.38	41.85	47.87	46.19
Profit before Interest and Tax	188.07	175.52	109.80	43.66	47.94
Interest	11.69	24.28	46.94	28.72	13.56
Profit before Tax	176.38	151.24	62.86	14.94	34.38
<i>Profit after Tax and Prior period adj.</i>	152.96	136.10	37.27	16.12	32.23
Balance Sheet					
Net Fixed Assets	396.00	455.05	418.18	391.51	364.53
Investments	0.00	0.00	5.00	5.00	0.00
Net Current Assets	598.59	891.66	1002.36	936.47	853.72
<i>Total</i>	994.59	1346.73	1425.54	1332.98	1218.25
Share Capital	89.47	89.47	89.47	89.47	89.47
Reserves and Surplus	684.86	810.30	837.10	842.76	864.55
Miscellaneous expenditure not written off	0.00	3.07	3.07	2.86	2.14
Net Worth	774.33	896.70	923.50	929.37	951.88
Total Borrowings	155.83	386.30	439.17	344.11	211.97
Deferred Tax Liability	64.33	63.73	62.87	59.50	54.40
<i>Total</i>	994.59	1346.73	1425.54	1332.98	1218.25
Ratios					
Earning Per Share (Rs.)	17.10	15.21	4.17	1.80	3.60
Dividend (%)	10	20	10	10	10
Dividend Per Share (Rs.)	1.00	2.00	1.00	1.00	1.00
Dividend Payout (%)	6.08	13.15	24.01	55.50	27.76
Book Value Per Share (Rs.)	86.55	100.22	103.22	103.88	106.39
Return on Capital Employed (ROCE) (%)	21.90	14.37	8.14	3.44	4.16
Return on Net Worth (RONW) (%)	20.93	16.29	4.10	1.74	3.44
Fixed Assets Turnover (No. of times)	2.00	2.09	1.90	1.44	1.68
Working Capital Turnover (No. of times)	1.44	1.19	0.88	0.60	0.71
Net Profit as % of Total Income	18.87	15.12	4.34	2.72	5.00
Market Capitalisation	912.15	764.52	382.93	109.15	247.38

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

RONW is profit after tax divided by average networth.

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

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

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



Notice of Annual General Meeting

NOTICE is hereby given that the Twenty First Annual General Meeting of the Company will be held on Saturday, the 25th day of September, 2010 at 4.15 p.m. at Hotel Rajdarshan, Pannadhay Marg, Udaipur - 313001, (Raj.) to transact the following business:-

Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended March, 31, 2010 and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the year 2009-10.
3. To appoint a Director in place of Mr. Ravi Kumar Krishnamurthi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Nyati & Associates, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.

Special Business

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

“RESOLVED THAT pursuant to the provisions of Section 314(1)(b) read with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions of the Companies Act, 1956, consent of the members be and is hereby accorded to the appointment of Mrs. Riddhima Doshi, daughter in law of Mr. Ashok Doshi, Managing Director of the Company to hold an Office or Place of profit in the Company as Deputy Manager Finance (Granite Division) on a gross monthly remuneration of Rs. 44907 p.m. (Rupees Forty Four Thousand Nine Hundred Seven Only) as per the terms and conditions embodied in the draft appointment letter of which a copy is submitted before the meeting and initialed by the chairman for the purpose of identification.

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

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 & 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (the Act), consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. Ashok Doshi as



Managing Director of the Company for a further period of five years commencing from 1st May, 2010 upon the terms and conditions including remuneration as set out in the agreement dated 30th April, 2010 entered into between the Company and Mr. Ashok Doshi, a copy whereof, initialed by the chairman for the purpose of identification, has been submitted to this meeting, which agreement is hereby specifically approved.

RESOLVED FURTHER THAT the remuneration payable to Mr. Ashok Doshi shall not exceed the overall ceiling of the total managerial remuneration as provided by the applicable sections and schedules of the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time.

RESOLVED FURTHER THAT the Board of directors be and are hereby authorized to alter or vary the remuneration within the provisions of Schedule XIII of the Companies Act, 1956, to the extent the Board of Directors may consider appropriate, as may be permitted or authorized in accordance with any provisions under the Companies Act, 1956 or schedule (s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/ or any rules or regulations there under and to do all such acts, deeds, things in order to give effect to this resolution or as otherwise considered by the Board to be in best interest of the company, as it may deem fit.”

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

Place: Udaipur
Date: August 07, 2010

Priyanka Manawat
Company Secretary



Notes:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE MEMBER OF THE COMPANY. PROXY/PROXIES TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- 2 The Register of Members and the Share transfer books of the Company will remain closed from September 18, 2010 to September 25, 2010 (both days inclusive) for the purposes of Annual General Meeting and payment of dividend, if any.
- 3 The Dividend for the year ended March 31, 2010, as recommended by the Board, if declared at the Annual General Meeting, will be paid on or after September 29, 2010, to the members who are holding their shares in physical form and whose names appear on the Company's Register of Members on September 25, 2010 and in respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the Depositories for this purpose as on September 18, 2010.
- 4 In terms of Section 205 A and 205 C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the payment of dividend is required to be transferred to the Investor Education and Protection Fund (IEPF). Members who have not encashed their dividend warrants for the year 2002-03 or thereafter are requested to write to the Company / Registrar and Share Transfer Agents.
- 5 The Registered office of the Company has been shifted to 11-A, Charak Marg, Ambamata Scheme, Udaipur -313001(Raj.). Any future correspondence to the Company should be made at the above mentioned address only.
- 6 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 get 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 or 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)
- 7 Non-resident Indian Shareholders are requested to inform us immediately, the change in their Residential Status on return to India for permanent settlement and the particulars of NRE Account, if not furnished earlier.
- 8 Members are requested to bring their copies of Annual Report to the meeting.
- 9 A member desirous of getting any further information on the accounts or operations of the Company, is requested to forward his / her queries to the Company at least five working days prior to the meeting, so that the required information will be made available at the meeting.
- 10 Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of directors seeking appointment/re-appointment at the Annual General Meeting is separately annexed hereto.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

The Explanatory Statement sets out the facts relating to Item No.5 & 6 of the accompanying notice dated August 07, 2010.

Item no. 5

The Board of Directors at their meeting held on 22nd January, 2010 approved the appointment of Mrs. Riddhima Doshi, daughter in law of Mr. Ashok Doshi, Managing Director of the company as Management Trainee with effect from 1st February, 2010 on a gross monthly remuneration of Rs. 44907/- p.m. as per the rules of the Company. Further Board of Directors at their meeting held on 18th June, 2010 promoted Mrs. Riddhima Doshi as Deputy Manager Finance (Granite Division).

As the total gross monthly remuneration to Mrs. Riddhima Doshi is Rs. 44907/- p.m., approval of members by way of Special resolution is required as per the provisions of section 314(1)(b) of the Companies Act, 1956.

A draft of the appointment letter containing the terms of the appointment of Mrs. Riddhima Doshi has been kept for inspection of the members between 2.00 p.m. to 4.00 p.m. on any working day upto the date of Annual General Meeting at the registered office of the Company.

The Board recommends the Special resolution at Item No. 5, for the approval of the members.

None of the directors is interested in the resolution except Mr. Ashok Doshi, Managing Director and Mr. Sudhir Doshi, Whole Time Director, who may be deemed to be concerned or interested in the proposed resolution as Mrs. Riddhima Doshi is relative of them.

Item no. 6

In view of the contributions made by Mr. Ashok Doshi and his rich experience and expertise in managing the affairs of the company, the Board of Directors in their meeting held on 30th April, 2010 re-appointed Mr. Ashok Doshi as Managing Director of the company for a further period of five years commencing from 1st May, 2010 subject to the approval of the members in a general meeting.

The remuneration payable to Mr. Ashok Doshi was approved by remuneration committee of the Board of Directors. The material terms and conditions of the re-appointment as set out in the agreement dated 30th April, 2010 entered into between the company and Mr. Ashok Doshi are as follows:

1. The Managing Director shall, subject to superintendence, control and direction of the Board of Directors carry out such duties and exercise such powers as may be entrusted and delegated to him by the Board.
2. Period of agreement: Five years from 1st May, 2010



3. Remuneration

- 2.1 Basic Salary: Rs.180000/- per month with yearly increments to be decided by the Board of Directors.
- 2.2 Variable Pay: Performance linked bonus as may be decided by the Board of Directors from time to time subject to a maximum of 3% of the net profits of the company for each financial year and subject to overall limits as stipulated under section 198,309,310,311 read with schedule XIII of the Companies Act, 1956 and computed in the manner prescribed under section 349 and 350 of the Companies Act, 1956.

2.3 Perquisites

- a) Housing: Free furnished accommodation if the house is owned by the Managing Director or House rent allowance @ 30% of the Basic Salary in lieu of company provided accommodation.
- b) Reimbursement of expenses: On actual basis pertaining to electricity/gas/water /telephone and other miscellaneous expenses for the upkeep and maintenance of such accommodation
- (c) Medical Reimbursement: Actual expenses incurred by Mr. Ashok Doshi and his family.
- (d) Leave Travel Concession: For Mr. Ashok Doshi and his family subject to ceiling of Rs.3 lakhs per annum

Explanation:

For the purpose of (c) and (d) above, family means the spouse, the dependent children and the dependent parent of Mr. Ashok Doshi.

- (e) Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- (f) Personal Accident / Medical Insurance: Premium not to exceed Rs.20000/- per annum.
- (g) Company's Contribution towards Provident Fund: As per the rules of the Company. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent not taxable under the Income Tax Act 1961.
- (h) Gratuity: Gratuity payable shall not exceed half a month's salary for each completed year of service.
- (i) Provision of Car: Provision of car for use on Company's business will not be considered as perquisites.
- (j) Provision of Telephone: Provision of telephone at residence will not be considered as perquisites.
- (k) Encashment of leave: No encashment of leave is permissible.



- (l) Other benefits Reimbursement of all entertainment traveling and other expenses incurred for the business of the company.

- (m) Any other one time/periodic retirement allowance /benefits as may be decided by the Board at the time of retirement.

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.

4. Other Terms and Conditions

- In the event of loss or inadequacy of profits in any financial year(s), the Board of Directors shall revise the remuneration payable to Managing Director, during such financial year, in such manner as agreed to between the Board of Directors and the Managing Director and within the limits prescribed in this behalf under Schedule XIII to the Companies Act, 1956.
- No sitting fees shall be paid to the Managing Director for attending the meetings of the Board or any Committee meeting.
- The Managing Director shall not be liable to retire by rotation.
- 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.

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

The Board recommends the Ordinary Resolution at Item No. 6, for the approval of the members.

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

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

Place: Udaipur
Date: August 07, 2010

Priyanka Manawat
Company Secretary



Annexure to the Notice

Details of director seeking re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to clause 49 of the listing agreement with the Stock Exchanges)

Name of Director	Mr. Ravi Kumar Krishnamurthi	Mr. Ashok Doshi
Date of Birth	January 17, 1946	May 21, 1950
Date of Initial Appointment	November 16, 2002	May 10, 1995
Qualification	B.A, L.L.B.	B.Sc.
Expertise	Vast experience in the field of Corporate Law.	Vast experience in the field of Marketing and also in managing the affairs of the Company.
No. of Shares held in the Company as on 31.03.2010	Nil	493900
Directorships held in other Companies as on 31.03.2010	1) Altair (India) Private Ltd 2) Emkay Global Financial Services Ltd. (Formerly called Emkay Share & Stock Brokers Ltd. 3) Emkay Commotrade Ltd.	1) Rajdarshan Industries Ltd. 2) Rajdarshan Hotel P. Ltd. 3) Rupal Holdings P. Ltd. 4) Shri Madhav Hotels P. Ltd. 5) Lark Finance & Investments P. Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company as on 31.03.2010	Nil	Nil
Chairman/Member of the Committee of the Board of Directors of other Companies as on 31.03.2010	1) Member of Audit Committee, Remuneration/Compensation Committee and Chairman of Investor Grievance & Share Transfer Committee of Emkay Global Financial Services Ltd. 2) Member of Audit Committee of Emkay Commotrade Ltd.	Nil



DIRECTORS' REPORT

The Directors have great pleasure in presenting the Twenty First Annual Report and the Audited Accounts for the year ended March 31, 2010.

FINANCIAL HIGHLIGHTS

	(Rupees in Millions)	
Details	Year ended 31.03.2010	Year ended 31.03.2009
Net sales and other income	645.78	592.76
Profit before interest and depreciation	94.13	91.53
Interest	13.56	28.72
Depreciation	46.19	47.87
Profit before tax	34.38	14.94
Provision for taxation		
Current tax	5.84	1.69
Deferred tax	(5.10)	(3.37)
Fringe Benefit Tax	0.00	0.33
Profit after tax	33.64	16.29
Add / (Less) Provision no longer required	0.00	0.00
Prior period adjustment	(1.41)	(0.17)
Surplus brought forward from previous year	463.00	457.35
Total	495.23	473.47
Proposed dividend (10%)	8.95	8.95
Tax on proposed dividend	1.49	1.52
Transfer to general reserve	15.00	0.00
Surplus in Profit & Loss Account	469.80	463.00

Performance Review

The performance of the company in the year 2009- 2010 has significantly improved as compared to the previous year. The net sales increased by 9.35 % to Rs.636.02 million from Rs.581.65 million in the previous year. The company posted a net profit after tax of Rs.33.64 million as against Rs.16.29 million in the previous year registering an increase of 106.51%.

Dividend

The Board of Directors have pleasure in recommending a dividend of Re. 1 per share on 8947000 Equity Shares of Rs. 10 each for the year

ended March 31, 2010. The dividend, if approved by the shareholders, would involve an total outflow of Rs.10.44 million including dividend tax of Rs.1.49 million. Dividend will be paid to those shareholders whose name appear in the register of members of the Company as on September 25, 2010 and to the beneficial holders as on September 18, 2010.

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

Finance

During the year under review, the company has not availed any Corporate loan from Banks and Financial Institutions.

Directors Responsibility Statement

The Directors hereby confirm that:

- in the preparation of the Annual Accounts for the FY 2009-10, applicable Accounting Standards have been followed and that there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit of the Company for that period;
- they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the Annual Accounts of the Company on a "going concern" basis.

Management Discussion and Analysis Report

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



Company during the Financial Year under review as well as future prospects.

Corporate Governance

A report on Corporate Governance along with a Certificate from the Auditors of the Company regarding the compliance of conditions stipulated under clause 49 of the listing Agreement is annexed hereto.

Fixed Deposits

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

Directors

Mr. Ravi Kumar Krishnamurthi, director retires by rotation and being eligible offers himself for re-appointment.

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

Auditors

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

Auditor's Report

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

Other Mandatory Requirements

Pursuant to the requirements of the Listing Agreements with the Stock Exchanges and the Accounting Standards in terms of Section 211 (3A) of the Companies Act, 1956 details of Segment-wise revenue, results and capital employed (AS-17), Related Party Transactions (AS-18), Deferred

Taxation (AS-22) and Impairment of Assets (AS-28) have been incorporated in and / or annexed with the Accounts.

Energy, Technology and Foreign Exchange

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

Particulars of Employees

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

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

Acknowledgement

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

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

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

Ashok Doshi Sudhir Doshi
Managing Director Whole Time Director

Place: Udaipur

Date: August 07, 2010