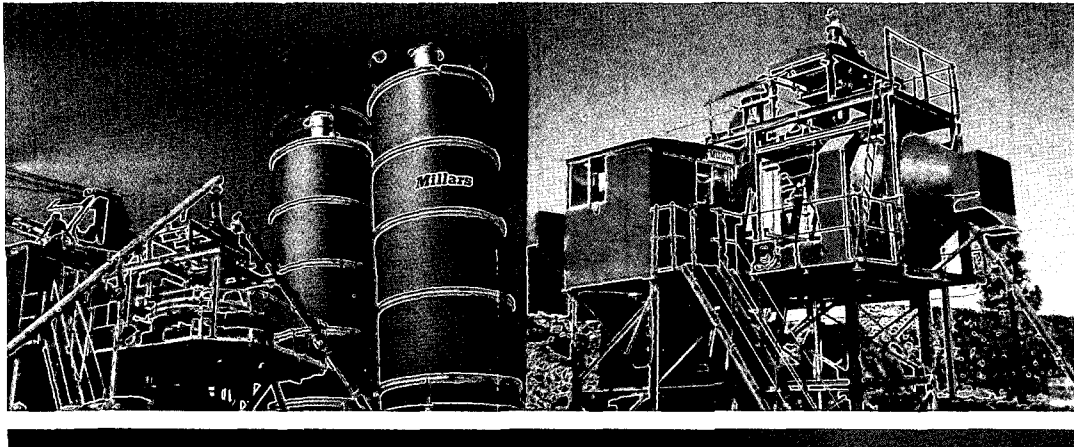




SKYLINE MILLARS LIMITED

(FORMERLY MILLARS INDIA LIMITED)



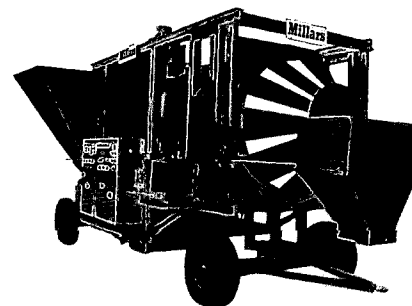
89th Annual Report
2008-2009

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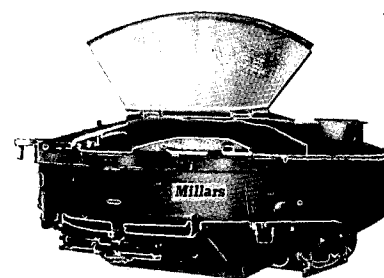


Board of Directors

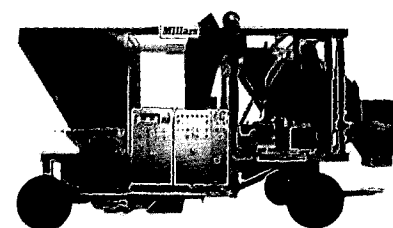
Name of the Directors	Designation
Mr. Anand J.Vashi	Independent Director & Chairman
Mr. Ashok J. Patel	Non-Executive Director
Mr. Vinod N. Joshi	Independent Director
Mr. Tarak A. Patel	Non-Executive Director
Mr. Jitendra M. Tater	Non-Executive Director
Mr. Jaysinh A. Dave	Non-Executive Director
Mr. Jatin V. Daisaria	Non-Executive Director
Mr. Upen M. Doshi	Additional Independent Director (w.e.f. 28.04.09)



General Manager (Marketing & Operations)	Pradeep R. Panchal
Financial Controller	Jinesh D. Shah
Dy. G.M. Finance & Company Secretary	Dhawal J. Vora
Bankers	Bank of Maharashtra IDBI Bank Limited ICICI Bank Limited Axis Bank Limited
Auditors	M/s Shah & Co. Chartered Accountants
Internal Auditors	M/s Arvind & Co. Chartered Accountants
Solicitors	M/s Vigil Juris Advocates, Solicitors & Notary



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Construction Equipments



NOTICE

NOTICE IS HEREBY GIVEN THAT THE **EIGHTY NINTH ANNUAL GENERAL MEETING** OF THE MEMBERS OF **SKYLINE MILLARS LIMITED** WILL BE HELD AT **BABASAHEB DAHANUKUR SABHA GRIHA, 6th FLOOR, ORICON HOUSE, 12 K. DUBHASH MARG (RAMPART ROW), FORT, MUMBAI 400 023** ON **TUESDAY, 29th SEPTEMBER, 2009 AT 11.00 A.M** TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date with the notes and schedules along with reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint Director in place of Mr. Ashok J. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Mr. Anand J. Vashi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Director in place of Mr. Vinod N. Joshi, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOVLED THAT Mr. Upen M. Doshi, whose term of office as an Additional Director pursuant to Section 260 of the Companies Act, 1956, expires at this Annual General Meeting and in respect of whom the Company has received notice in writing from members under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**On behalf of the Board of Directors
FOR SKYLINE MILLARS LIMITED**

Anand J. Vashi
(Chairman)

Mumbai, July 27th, 2009.

Registered Office:

24, Kurla-Kirol Road, P.B.No. 9208,
Chatkopar (West), Mumbai 400 086.



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. THE PROXIES, IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Register shall remain closed from Friday the 18th September, 2009 to Tuesday the 29th September, 2009 (both days inclusive).
4. The Dividend, after declaration, will be paid to those shareholders whose names stand on the Register of Members on 29th September, 2009. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares whose names appear in the list furnished by the Depositories at the end of business hour on 17th September, 2009. The dividend will be paid on and from 12th October, 2009.
5. The Securities and Exchanges Board of India has made it mandatory for all Companies to use the Bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the Bank account details, if available, on the payment instrument for distribution of dividend.
6. Explanatory statement under section 173(2) of the Companies Act, 1956 in respect of the Special Business set above is annexed.
7. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the meeting. Members are therefore, requested to bring their copies at the meeting.
8. Members are requested to produce the attendance slip sent along with the Annual Report, duly signed for admission to the meeting hall.
9. Members who are holding shares in identical order or names in more than one folio are requested to write to the Company to enable the Company to consolidate their holdings in one folio to facilitate better services.
10. Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, additional information relating to Directors recommended for appointment/re-appointment at the Annual General Meeting appears in the Directors' Report.
11. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least seven days before the date of the meeting, so that the information required may be made available at the meeting.
12. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Share Transfer Agent to facilitate better service.
 - a. Any change in their address/mandate/Bank details.
 - b. Particulars of their Bank accounts in case the same have not been sent earlier, and
 - c. Share certificate (s) held in multiple accounts in identical names and/or joint accounts in the same order of names for consolidation of such shareholdings into one account.



EXPLANATORY STATEMENT:

Pursuant to Section 173 (2) of the Companies Act, 1956.

Item No. 7

Mr. Upen M. Doshi was appointed as an additional Director w.e.f. 28th April, 2009 pursuant to Section 260 of the Companies Act, 1956. The said Director is holding office upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from members proposing the candidature of Mr. Upen M. Doshi for the office of the Director under section 257 of the Companies Act, 1956. The brief resume of the Director as required as per clause 49 of the Listing Agreement is annexed in the Annual Report.

The Board of Directors recommends the resolution for approval of the members.

None of the Directors is concerned or interested in the said resolution except Mr. Upen M. Doshi as it is relating to his own appointment.

**On behalf of the Board of Directors
FOR SKYLINE MILLARS LIMITED**

**Anand J. Vashi
(Chairman)**

Mumbai, July 27th, 2009.

Registered Office:

24, Kurla-Kirol Road, P.B.No. 9208,
Chatkopar (West), Mumbai 400 086.



Directors' Report

To The Members,

Your Directors are pleased to present the Eighty-Ninth Annual Report together with the Audited Statements of Accounts of the Company for the financial year ended 31st March, 2009.

FINANCIAL RESULTS

PARTICULARS	2008-09 (Rs. in lacs)	2007-08 (Rs. in lacs)
Sales & Other Income	<u>1737.19</u>	<u>2255.49</u>
	<u>1737.19</u>	<u>2255.49</u>
Profit before Interest, Depreciation & Taxation	<u>536.77</u>	<u>659.63</u>
1. Interest	(0.25)	(1.33)
2. Depreciation	(16.87)	(14.40)
3. Taxation	(86.41)	(77.00)
Profit / (Loss) after Interest, Depreciation & Taxation	<u>433.24</u>	<u>566.90</u>
Balance brought forward from the previous year	<u>959.13</u>	<u>543.35</u>
Amount available for Appropriation	<u>1392.37</u>	<u>1110.25</u>
APPROPRIATIONS:		
Transfer to General Reserve	44.00	57.00
Dividend: Interim	—	40.22
Final	80.45	40.22
Dividend Distribution Tax	<u>13.67</u>	<u>13.68</u>
	<u>138.12</u>	<u>151.12</u>
Balance carried to Balance Sheet	<u>1254.25</u>	<u>959.13</u>

DIVIDEND

Your Directors are pleased to recommend a Dividend of Re 0.20 ps (20%) per Equity Share of Re. 1/- each. The Dividend, if approved by the shareholders at the forthcoming Annual General Meeting would absorb Rs. 80.45 lacs out of the profits of the year. Dividend distribution tax payable by the company amounting to Rs. 13.67 lacs has been appropriated out of profits.

OPERATIONS

During the year under review your Company sales and other income have declined by 23% as compared from Rs. 2,255 lacs in the previous year to Rs. 1,737 lacs in the year under review.

Revenue from Construction Equipment Division have declined by 17% i.e. from Rs. 1,381 lacs to Rs. 1,143 lacs during this financial year and revenue from the Real Estate Division declined by 41% i.e. from Rs. 782 lacs to Rs. 461 lacs.

The Company has booked Profit After Tax (PAT) Rs. 433.24 lacs compared to Rs. 566.90 lacs in the previous year a decrease of almost 24% in PAT.

The Earning Per Share (EPS) of the Company has decreased from Rs. 1.41 to Rs. 1.09 per share (assuming Face Value of Re. 1/- per equity share for comparison), a decrease of 23% compared to the last financial year.

FIXED DEPOSITS

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



FINANCE

The Company has invested in various instruments such as listed equity shares, mutual funds & fixed deposits in Banks amounting to Rs. 538 lacs.

SIGNIFICANT EVENTS

The Company had signed a Term Sheet with Urban Kshetra Infrastructure Private Ltd (a wholly owned subsidiary of Urban Infrastructure Venture Capital Fund) proposing to jointly acquire Transferable Development Rights (T.D.R) and develop and construct one building (known as Building no 4) having approximate residential saleable area of about 10,993 Sq mtrs. at our Ghatkopar Project, situated at Kurla-Kirol Road, Vidyavihar, Mumbai. Due to overall slow down in the Realty Sector both the parties mutually decided to cancel the aforesaid Term Sheet. The construction work has already commenced by the Company with its own resources and is going on in full swing. This Project is expected to generate a good revenue for the Company and will strengthen the financial position of the Company.

The Company has envisaged three other Realty Projects but has faced certain roadblocks. In two of these Realty Projects the Company is going slow in view of the current recession in the market.

PREFERENTIAL ISSUE

As approved by the Members at the Company's Extra-Ordinary General Meeting held on January 2nd, 2007, the Company has issued and allotted 3,51,000 equity shares of Rs. 10/- each for cash at a premium of Rs. 70/- per share and 13,50,000 Fully Convertible Warrants (FCWs) of the Company on January 15th, 2007 to Skyline Group on Preferential Basis. During the Financial Year 2007-08, 13,50,000 FCWs were converted into 13,50,000 Equity Shares of Rs. 10/- each at a premium of Rs. 70/- per Equity Share. All the aforesaid Equity Shares have since been listed on the Stock Exchanges.

The funds generated by issue of the said 17,01,000 Equity Shares aggregated to Rs. 13.61 Crores, which were utilized as under;

(i) Deployed in the Ghatkopar Project	: Rs. 12.48 Crores
(ii) Deployed in other Realty Projects	: Rs. 1.13 Crores
Total	: Rs. 13.61 Crores

DIRECTORS

In accordance with Section 256 of the Companies Act, 1956, Mr. Ashok J. Patel, Mr. Anand J. Vashi and Mr. Vinod N. Joshi retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Upen M. Doshi has been appointed as an Additional Director on the Board of Directors of the Company in their meeting held on 28th April, 2009 and he holds the office up to the ensuing Annual General Meeting. The Company has received separate Notice under section 257 of the Companies Act, 1956 from shareholder for the candidature of Mr. Upen M. Doshi for the office of the Director of the Company along with the requisite fees.

A brief Resume of the Directors being appointed / re-appointed, as stipulated under clause 49 of the Listing Agreement, are given in the statement of corporate governance.

Mr. Narendra H. Bhatt, a Director of the Company resigned w.e.f. 21st February, 2009 and Mr. N.V. Subramanyam, a Director of the Company resigned w.e.f. 27th July, 2009. The Board of Directors is thankful for all their contribution to the Company during their tenure as Director's of the Company.

During the year under review Mr. Ashok J. Patel a promoter of the Company continued to be the Non-Executive Promoter Chairman of the Company and hence the Company ought to have at least one-half of the Board consisting of Independent Director.

Since Mr. Ashok J. Patel stepped down as the Chairman w.e.f. 20th February, 2009 and continued as a Non-Executive Promoter Director, there is now compliance of the provision of clause 49 I (A) (ii) of the Listing Agreement.

In the Board meeting held on 27th July, 2009 the Audit Committee of the board was also reconstituted so as to comply with clause 49 II (A) (i) of the listing Agreement. The reconstituted Audit Committee comprises of 1) Mr. Anand J. Vashi 2) Mr. Vinod N. Joshi 3) Mr. Upen M. Doshi and 4) Mr. Jaysinh A. Dave.



Directors' Responsibility Statement

Pursuant to provision of section 217 (2AA) of the Companies Act, 1956, the Directors confirm;

- a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) That 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 & fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period 1st April, 2008 to 31st March, 2009.
- c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That they have prepared the annual accounts on a going concern basis.

AUDITORS

M/s Shah & Co, Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting. The Company has received a certificate pursuant to the provisions of Section 224 (1)(B) of the Companies Act, 1956, regarding the eligibility for re-appointment of M/s Shah & Co, your Directors recommend their re-appointment.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance together with a certificate from the Statutory Auditors of the Company confirming the compliance as set out in the annexure forming part of the Annual Report.

REPORT ON ENERGY CONSERVATION AND RESEARCH AND DEVELOPMENT ACTIVITIES

Information relating to energy conservation, foreign exchange earnings and outgo and research and development activities undertaken by the Company in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in the Annexure to the Directors' Report.

DISCLOSURES OF PARTICULARS OF EMPLOYEES

There are no employees getting remuneration exceeding the prescribed limits, under section 217 (2A) of the Companies Act, 1956 as amended, read with the Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGEMENTS

The Board wishes to place on record their appreciation of the devoted services and contribution of their employees. The Directors place on record their appreciation for the continued support of the shareholders of the Company.

**On behalf of the Board of Directors
FOR SKYLINE MILLARS LIMITED**

**Anand J. Vashi
(Chairman)**

Mumbai, July 27th, 2009.



ANNEXURE TO THE DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY.

(a) energy conservation measures taken:

The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy.

(b) additional investments and proposals, if any, being implemented for reduction of consumption of energy:

(c) impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

(d) total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the Schedule to the said Rules.

The information required to be furnished as provided under Rule 2 of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for conservation of energy in Form-A does not apply to the Company as it does not fall under the category of Industries listed in Schedule.

B. TECHNOLOGY ABSORPTION.

I Research and Development:

1. Specific areas in which R & D carried out by the company:

2. Benefit derived as a result of the above R & D

3. Future plan of action

4. Expenditure on R & D:

(a) Capital

(b) Recurring

(c) Total

(d) Total R & D expenditure as a percentage of Total Turnover

1. The Company continues its efforts by internal up gradation program on Research & Development.

2. Computers are being used with latest software for design calculation in process engineering, drafting packages, etc.

3. Particulars of Imported Technology (imported during the last five years) - **NOT APPLICABLE**

II Technology, absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :

(a) Technology imported

(b) Year of import

(c) Has technology been fully absorbed

(d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.



C. FOREIGN EXCHANGE

The particulars of foreign exchange inflow and outflow are given in Schedule 12 forming part of the Financial Statements.

**On behalf of the Board of Directors
FOR SKYLINE MILLARS LIMITED**

**Anand J. Vashi
(Chairman)**

Mumbai, July 27th, 2009.



Management Discussion & Analysis

Overview & Business Outlook

A. Industry Structure & Development

In the midst of global recession India's growth despite its intrinsic strength has not remained untouched, public sentiment has been hit and there are general worriness in capital spending both at Institutional level as well as at personal level. Effect of this has been a fall in the production and sales across national boundaries.

B. Segment Wise Operational Performance

During the financial year ended 31st March, 2009 sales from the Construction Equipment Division amounted to Rs. 1,143 lacs as against Rs. 1,381 lacs during the previous year, a decline of 17% Profit before tax amounted to Rs. 519 lacs as against Rs. 643 lacs during the previous year, recorded decline of 19%.

Income from Real Estate Division during the year ended 31st March, 2009 was Rs. 461 lacs compared to Rs. 782 lacs in the previous year, recorded decline of 41 % and Profit Before Tax was Rs. 265 lacs compared to previous year profit of Rs. 444 lacs, a decline of 40 %.

The Company during the year ended 31st March, 2009 has recorded a Profit After Tax of Rs. 433 lacs compared to Rs. 566 lacs in the previous year and recorded decline of 24 % this is due to overall slow down in the economy.

C. Outlook

The infrastructure projects and real estate market is witnessing a slowdown owing to a global melt down. The Government's effort to give a big push to infrastructure spending and giving high priority to infrastructure development is a welcome move and augurs well for long term outlook of your Company.

It is widely accepted that India is in much better position than many other economies to achieve an early and fast recovery.

Construction Equipment

The markets for your Company's products continue to be competitive and are highly dependent on the investments in infrastructure projects in the country.

Real Estate

Real Estate industry had experienced phenomenal growth before the global melt down hit during the last year. Now Buyers are deferring their decision to acquire residential flats. Due to positive and timely measures initiated by the Government and RBI, availability of funds to Realty sector has improved with a decline in interest rates and buyer's confidence is restored but still the margin will remain under tremendous pressure.

D. Threats and concern

The markets for your Company's business have been going through a difficult period due to keen competition as well as because of external factors. However, it is expected that as the economy recovers with the infrastructure development in place, your Company should be able to perform satisfactorily.



E. Internal Control Systems and their adequacy

The Company has in place an effective and independent internal control system covering all areas of operations. A firm of Chartered Accountants with qualified and experience persons, has been engaged to conduct the Internal Audit of the Company. The Audit Committee at its periodic meeting, reviews observations and recommendations contained in Internal Audit Reports.

F. Human Resources and Industrial Relations

The Company firmly believes that the Human Resources are the valuable assets for growth and success. Satisfaction and morale of the employees remained high throughout the year. Industrial relations continue to be cordial.

G. Cautionary Statement

Statements made in the Report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include materials availability and their prices and domestic demand-supply conditions, changes in the Government regulations and tax policies, economic developments within India and other incidental and relevant factors.



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

Your Company continues to uphold its commitment to adhere to high standards of Corporate Governance. The Company strives to ensure transparency in all its operations, make disclosures and comply with various laws and regulations. Emphasis therefore, is on adding value to its shareholders, investors, employees, supplier's customers and the community.

The Company has laid down Code of Conduct, which binds all the board members and senior management of the Company. A declaration by the Chairman to this effect is appended to this report.

The Company has also adopted a Whistle Blower Policy to provide a mechanism to enable the employees to approach the Audit Committee of the Board of Directors for reporting the instances of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct, which may come to their knowledge.

BOARD OF DIRECTORS

The Board of the Company comprises of 8 (Eight) Directors, out of which 5 (five) are Non- Executive Directors and 3 (three) are Independent Non-Executive Directors, all are having wide range of skills and experience in the fields of management and industrial activities.

Name of Director	Category of Directorship	No. of Meetings held up to 31.03.2009	No. of Meetings Attended	Directorship in other Public Companies	Committee Position in other Public Companies	Attendance at last A.G.M
Mr. Anand J. Vashi (Appointed as Chairman w.e.f 28.04.2009)	Chairman Independent, Non-Executive	6	6	Nil	Nil	Yes
Mr. Ashok J. Patel (Resigned as Chairman w.e.f 20.02.2009)	Director Promoter, Non-Executive	6	5	5	1	Yes
Mr. Vinod N. Joshi	Director Independent, Non-Executive	6	6	Nil	Nil	Yes
Mr. Narendra H. Bhatt (Resigned w.e.f 21.02.2009)	Director Non- Independent, Non-Executive	6	6	3	Nil	Yes
Mr.N.V.Subramanyam (Resigned w.e.f 27.07.2009)	Director Independent, Non-Executive	6	5	Nil	Nil	Yes
Mr. Tarak A. Patel	Director Promoter, Non-Executive	6	3	2	Nil	Yes
Mr. Jitendra M. Tater	Director Promoter, Non-Executive	6	4	1	Nil	Yes
Mr. Jaysinh A. Dave	Director Promoter, Non-Executive	6	6	Nil	Nil	Yes
Mr. Jatin V. Daisaria	Director Promoter, Non-Executive	6	6	Nil	Nil	Yes
Mr. Upen M. Doshi (Appointed w.e.f 28.04.2009)	Additional Director Independent, Non-Executive	Nil	Nil	Nil	Nil	N.A

During the financial year 2008-09, Six Board Meetings were held on April 18th, 2008, July 29th, 2008, September 30th, 2008, October 21st, 2008, January 21st, 2009 and February 17th, 2009.

All relevant information such as production, sales, financial results, capital expenditure proposals, statutory dues position, etc are as a matter of routine, placed before the Board for its approval / information.



COMMITTEES OF DIRECTORS

a) AUDIT COMMITTEE

The Board of Directors in their meeting held on January 28th, 2008 reconstituted the Audit Committee and the composition of the Audit Committee along with the attendance of the members of the Audit Committee is as follows;

Name of the Director	Designation	Nos. of Meetings held up to 31.03.2009	Nos. of Meetings Attended
Mr. Anand J. Vashi	Chairman	4	4
Mr. Narendra H. Bhatt (Resigned w.e.f 21.02.2009)	Member	4	4
Mr. N. V. Subramanyam (Resigned w.e.f 27.07.2009)	Member	4	4
Mr. Jitendra M. Tater	Member	4	3
Mr. Jaysinh A. Dave	Member	4	4

During the financial year 2008-09, four Audit Committee Meetings were held on April 18th, 2008, July 29th, 2008, October 21st, 2008 and January 21st, 2009.

The broad terms of reference of the Audit Committee are as per following;

- Approving and implementing the Audit procedures and techniques.
- Reviewing financial reporting systems, internal control systems and control procedures.
- Ensuring compliance with regulatory guidelines.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct and sufficient.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with management about the adequacy of the internal control systems.
- Reviewing the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

The minutes of the Audit Committee were placed before the Board.



b) SHAREHOLDERS' GRIEVANCE COMMITTEE

The Board of Directors in their meeting held on January 28th, 2008 reconstituted the composition of the Shareholders' Grievance Committee along with the attendance of the members of the Shareholders' Grievance Committee is as follows;

Name of the Director	Designation	Nos. of Meetings held up to 31.03.2009	Nos. of Meetings Attended
Mr. Anand J. Vashi	Chairman	4	4
Mr. Vinod N. Joshi	Member	4	4
Mr. Tarak A. Patel	Member	4	2
Mr. Jatin V. Daisaria	Member	4	4

During the financial year 2008-09, four Shareholders' Grievance Committee Meetings were held on April 18th, 2008, July 29th, 2008, October 21st, 2008 and January 21st, 2009.

The Committee looks into redressing the investors' grievances / complaints viz. non receipt of transferred shares, non-receipt of dividends, etc.

The Company has received 44 complaints from Shareholders / Investors which have been resolved to the satisfaction of the complainants. None of the investors' complaints was pending unresolved as on 31st March, 2009.

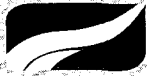
The minutes of the Shareholders' Grievance Committee were placed before the Board.

c) REMUNERATION COMMITTEE

The composition of the Remuneration Committee constituted by the Board of Directors is as follows;

Name of the Director	Designation
Mr. Anand J. Vashi	Chairman
Mr. Jitendra M. Tater	Member
Mr. Narendra H. Bhatt (Resigned w.e.f 21.02.2009)	Member
Mr. Jatin V. Daisaria	Member

The Company does not have any Managing Director / Whole-Time Executive Director and is not making any payments to its Directors by way of commission or otherwise except sitting fees for attending Meeting. Therefore, there was no meeting of the Remuneration Committee during the financial year 2008-09.



The details of sitting fees paid to the Directors for attending the Board / Committee Meetings of the Company during the year under review are as follows:

Name of the Directors	Sitting Fees paid (in Rs.)
Mr. Ashok J. Patel	1,00,000
Mr. Anand J. Vashi	2,00,000
Mr. Vinod N. Joshi	1,60,000
Mr. N. V. Subramanyam (Resigned w.e.f 27.07.2009)	1,40,000
Mr. Narendra H. Bhatt (Resigned w.e.f 21.02.2009)	1,60,000
Mr. Tarak A. Patel	80,000
Mr. Jitendra M. Tater	1,10,000
Mr. Jaysinh A. Dave	1,60,000
Mr. Jatin V. Daisaria	1,60,000

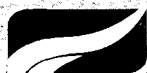
GENERAL SHAREHOLDER INFORMATION

1 Details of the last three Annual General Meetings are given below;

Financial Year	Date	Time	Venue	Special Resolution(s)
2007-08	30/09/2008	11.00 a.m.	Babasaheb Dahanukar Sabha Griha, 6 th Floor, Orion House, 12 K Dubash Marg, (Rampart Row), Fort, Mumbai 400 023	1. Subdivision of Shares from Rs.10/- per share into 10 Equity Shares of Re. 1/- each. 2. Amendments in to Memorandum and Articles of Association
2006-07	24/09/2007	11.00 a.m.	Babasaheb Dahanukar Sabha Griha, 6 th Floor, Orion House, 12 K Dubash Marg, (Rampart Row), Fort, Mumbai - 400 023.	1. Increase in the authorised share capital and consequential amendments in Memorandum and Articles of Association. 2. Change of name of the Company. 3. Amendments in to Articles of Association.
2005-06	26/10/2006	11.00 a.m.	Babasaheb Dahanukar Sabha Griha, 6 th Floor, Orion House, 12 K Dubash Marg, (Rampart Row), Fort, Mumbai 400 023	Nil

- i. An Extra-Ordinary General meeting was held on 2nd January, 2007 at Walchand Hirachand Hall, 4th Floor, Indian Merchants Chamber, IMC Marg, Churchgate, Mumbai-400 020 for passing a special resolution under section 81(1A) for issue of Equity Shares / Fully Convertible Warrants on preferential basis.
- ii. The Company passed an ordinary resolution on 10th March, 2008 pursuant to section 293(1) (a) of the Companies Act, 1956 for obtaining shareholders consent for authority to Directors to sell, lease, mortgage, transfer, and/or otherwise dispose of the whole or any part of the Company's undertaking, pursuant to section 192A of the Companies Act, 1956, read with the Companies (Passing of the resolution by Postal Ballot) Rules, 2001. Mr. Hemant Shetye, partner of HS Associates was appointed as the Scrutinizer for the Postal Ballot process.

The results of the Postal Ballot were announced by the Chairman of the Company on 15th March, 2008.



- 2. The Financial year of the Company is from April to March and schedule for the financial year 2009-10 is given below:**

First quarter results (30 th June)	End of July, 2009.
Mailing of Annual Reports	1 st week of September, 2009.
Annual General Meeting	29 th September, 2009.
Payment of Dividend	12 th October, 2009.
Second quarter results (30 th September)	End of October, 2009.
Third quarter results (31 st December)	End of January, 2010.
Fourth quarter Results	End of April, 2010.

- 3. Date of Book Closure:** 18th September, 2009 to 29th September, 2009.

- 4. Listing on Stock Exchange:** Bombay Stock Exchange Limited. (Code 505650)
Ahmedabad Stock Exchange (Code 1310).

- 5. Dematerialization:** ISIN Number **INE178E01026**.

The shares of the Company are under demat trading. The Company has made necessary arrangements with CDSL and NSDL for demat facility and almost 85.44% of the Company's share capital is in demat form as on 31st March, 2009.

Month	Bombay Stock Exchange(**)	
	High (Rs.)	Low (Rs.)
April, 2008	147.35	119.30
May, 2008	148.00	110.00
June, 2008	145.90	96.00
July, 2008	127.65	85.05
August, 2008	134.95	108.20
September, 2008	145.00	118.80
October, 2008 (***)	130.00	9.00
November, 2008 (***)	11.60	5.73
December, 2008(***)	8.65	5.97
January, 2009(***)	9.92	5.99
February, 2009(***)	6.32	5.14
March, 2009(***)	6.27	4.58

(**The above said Information has been sourced from Bombay Stock Exchange)

(***The Equity Shares of the Company were Sub-Divided from Rs.10/- into 10 Equity Shares of Re.1 /- w.e.f 06th November, 2008)

- 6. Registrar & Share Transfer Agent:** Link Intime India Private Limited
(Formerly Intime Specturm Registry Limited)
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West), Mumbai 400 078.
Tel no: -91-22- 2594 6970 to 78 Fax no: - 91-22-2594 6969
Email: - mumbai@linkintime.co.in / helpline@linkintime.co.in
www.linkintime.co.in

- 7. Share Transfer System:**

The entire share transfer requests lodged with the Registrar & Share Transfer Agent are processed within a maximum period of 30 days provided all the documents are submitted.



8. Shareholding Pattern as on 31st March, 2009.

Category	No. of shares held	% of paid up capital
Promoters (Including persons acting in concert)	2,87,14,830	71.39
Indian Institutional Investors	Nil	Nil
Mutual funds & UTI	Nil	Nil
Banks / Financial Institutions & Insurance companies	1,000	0.00
Foreign Institutional Investors	Nil	Nil
General Public	1,03,79,503	25.80
Private Corporate Bodies	10,28,755	2.56
Others	1,00,162	0.25
Total	4,02,24,250	100.00

9. Distribution of shareholding as on 31st March, 2009.

No of Equity Shares Held. (Face Value of Re.1/- Each)	No of shareholders	Percentage of Shareholdings	Total Nos of Shares	Percentage of shares held.
1 - 500	1,661	35.81	6,65,173	1.65
501 - 1000	1,500	32.34	13,77,755	3.42
1001 - 2000	732	15.78	12,87,701	3.20
2001 - 3000	235	5.07	6,46,955	1.61
3001 - 4000	95	2.05	3,58,340	0.89
4001 - 5000	141	3.04	6,90,624	1.72
5001 - 10000	145	3.13	11,52,744	2.87
10001 - 999999	129	2.78	3,40,44,958	84.64
Total	4638	100.00	4,02,24,250	100.00

10. The Name & address of the Compliance Officer;

Mr. Dhawal J. Vora - Dy. C.M. Finance & Company Secretary
Corporate Office : 4th floor, Churchgate House, 32-34, Veer Nariman Road, Fort, Mumbai-400 001.
Tel.: (022) 2204 7470, 2283 1375 Fax: (022) 2204 9408 email: shares@skylinemillarsltd.com

11 Disclosures:

a) Related Party Transactions

The details of all transactions with related parties were placed before the Audit Committee and Board Meeting on quarterly basis.

b) Disclosure of Accounting Treatment

In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

c) Code of Conduct

The Company adopted the Code of Conduct for Directors and Senior Management Personnel. The code had been communicated to the Directors and Members of the Senior Management and the compliance of the same has been affirmed by them. A declaration to that effect by the Chairman has been enclosed in the Annual Report.



d) Non-Compliance

There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchange, SEBI or any other Statutory Authority, on any matter relating to the Capital Markets, during the last three years except in the financial year 2007-08, when SEBI had issued a notice for alleged violation of Regulation 6(2), 6(4) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and under 8(3) of the aforesaid regulation for the years 1997 till 2006. The Company had filed suitable reply to a High Power Committee, appointed by SEBI and the matter has been disposed of by SEBI vide their consent order dated December 13th, 2007.

So far as the constitution of the Board is concerned the Company had received notice from the Bombay Stock Exchange and hence w.e.f 20th February, 2009, Mr. Ashok J. Patel stepped down as the Chairman of the Board of Directors and an Independent Director, Mr. Anand J. Vashi has been appointed as the Chairman w.e.f 28th April, 2009 and in view thereof the constitution of the Board now complies with the proportion of Independent Directors required under the Listing Agreement.

In the board meeting held on 27th July, 2009 the Audit Committee of the board was also reconstituted so as to comply with clause 49 II (A) (i) of the listing Agreement.

The reconstituted Audit Committee comprises of 1) Mr. Anand J. Vashi 2) Mr. Vinod N. Joshi 3) Mr. Upen M. Doshi and 4) Mr. Jaysinh A. Dave.

e) Financial Controller certificate as per clause 49 of the Listing Agreement

Financial Controller has duly submitted a certificate to the Board as required under Clause 49(V) of the Listing Agreement, which is appended herewith.

f) Management Discussion and Analysis

Management Discussion and Analysis Report forms part of this Annual Report and includes discussions on various matters specified under Clause 49 of the Listing Agreement.

g) Listing Fees

The Company has already made payment of listing fees to the Stock Exchanges where it is listed in compliance with the provisions of the Listing Agreement.

h) Implementation of Code of Conduct for Insider Trading.

Skyline Millars Limited has adopted Code of Conduct for Insider Trading, which is based on the SEBI framework and is stringent than the statutory code being enforced by the SEBI. Skyline Millars Limited follows strict guidelines in respect of insiders' stock trading and related disclosures. Periodic disclosures have been obtained from all the Directors and Designated Employees.

i) Means of Communication

The Company has 4,638 shareholders as on 31st March, 2009. The main channel of communication to the shareholders is through Annual Report which includes inter alia, the Directors' Report, the Report on Corporate Governance and audited financial results.

The website of the Company www.skylinemillarsltd.com acts as the primary source of information regarding the operations of the Company. Quarterly financial results are being displayed on the Company's website.

The Annual General Meeting is the principal forum for face to face communication with shareholders, where the Board responds to the specific queries of the shareholders.

Quarterly results are approved by the Board of Directors and submitted to the Stock Exchanges in terms of the requirements of clause 41 of the Listing Agreement.

Quarterly results are published within 48 hours after the Board Meeting in any one of the prominent English publications such as the Free Press Journal and one of the prominent vernacular publications such as Navshakti (Marathi).

No presentation was made during the year either to the Institutional Investors or to the analysts.



12. Address for correspondence:

Shareholders may correspond all matters relating to transfer / dematerialization of shares, payment of dividend and any other query relating to shares of the Company with the Registrar and Share Transfer Agent, at the address given below;

Link Intime India Private Limited

(formerly Intime Specturm Registry Limited)

C-13, Pannalal Silk Mills Compound,

L.B.S Marg, Bhandup (West), Mumbai 400 078

Tel no: -91-22- 2594 6970 to 78 Fax no :- 91-22-2594 6969

Email: - mumbai@linkintime.co.in/helpline@linkintime.co.in

www.linkintime.co.in

**On behalf of the Board of Directors
FOR SKYLINE MILLARS LIMITED**

**Anand J. Vashi
(Chairman)**

Mumbai, July 27th, 2009.

Declaration

The Board has laid down the code of conduct for all Board Members and Senior Management of the Company. The Board Members and Senior Management personnel have affirmed compliance with the code of conduct for and in respect of the financial year 2008-09.

**On behalf of the Board of Directors
FOR SKYLINE MILLARS LIMITED**

**Anand J. Vashi
(Chairman)**

Mumbai, July 27th, 2009.



Annexure - I

Disclosures regarding Appointment / Re-appointment of Directors;

1) Profile of Mr. Ashok J. Patel

1.	Name of the Director	Mr. Ashok J. Patel
2.	Date of birth	06.09.1944
3.	Education qualification	Degree in Mechanical Engineering from the University of Manchester and Masters in Business Administration degree from Columbia University
4.	Date of appointment on the Board	17.03.1972
5.	Category of Director	Non- Executive Promoter Director
6.	Area of experience	Industrialist
7.	Names of other Directorships in Public Limited Company	5
8.	Number of shares held	7,85,230

2) Profile of Mr. Anand J. Vashi

1.	Name of the Director	Mr. Anand J. Vashi
2.	Date of birth	06.04.1953
3.	Education qualification	B. Com (Hons.), F.C.A.
4.	Date of appointment on the Board	22.05.1993
5.	Category of Director	Non-Executive Independent Director
6.	Area of experience	Practising Chartered Accountant and senior partner of a firm of Chartered Accountants.
7.	Names of other Directorships in Public Limited Company	Nil
8.	Number of shares held	11,000

3) Profile of Mr. Vinod N. Joshi

1.	Name of the Director	Mr. Vinod N. Joshi
2.	Date of birth	12.11.1954
3.	Education qualification	B. Mech
4.	Date of appointment on the Board	25.07.1997
5.	Category of Director	Non-Executive Independent Director
6.	Area of experience	Management Consultant
7.	Names of other Directorships in Public Limited Company	Nil
8.	Number of shares held	1,000



4) Profile of Mr. Upen Mugatbhai Doshi

1.	Name of the Director	Mr. Upen M. Doshi
2.	Date of birth	30.07.1959
3.	Education qualification	B.Sc., PGDMMT, M.M.S (Finance)
4.	Date of appointment on the Board as Additional Director	28.04.2009
5.	Category of Director	Non-Executive Additional - Director
6.	Areas of experience	Investments & Wealth Management
7.	Names of other Directorships in Public Limited Company	Nil
8.	Number of shares held	Nil

Annexure - II

Compliance Certificate from the Statutory Auditors of the Company.

As required by clause 49 of the Listing Agreement, the certificate from a Statutory Auditors of the Company is given as an Appendix to the report on Corporate Governance.

**On behalf of the Board of Directors
FOR SKYLINE MILLARS LIMITED**

**Anand J. Vashi
(Chairman)**

Mumbai, July 27th, 2009.



AUDITORS' REPORT ON CORPORATE GOVERNANCE

TO THE MEMBERS OF SKYLINE MILLARS LIMITED

We have examined the compliance of conditions of Corporate Governance by **SKYLINE MILLARS LIMITED** (formerly known as Millars India Limited) for the year ended 31st March, 2009 as stipulated in clause 49 of the Listing Agreement entered into with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except that the requirements under clause 49 I (A) (ii) and 49 II (A) (i) of the Listing Agreement have not been complied during the year under review.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share Registrars and reviewed by Shareholders/Investors Grievance Committee.

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

Mumbai, July 27th, 2009.

For **SHAH & CO.**,
Chartered Accountants

(**H. N. SHAH**)
Partner
Membership No : 8152

FINANCIAL CONTROLLER CERTIFICATION AS REQUIRED BY CLAUSE 49(V) OF THE LISTING AGREEMENT

As required by sub-clause V of Clause 49 of the Listing Agreement with the Stock Exchange, I certify that for the financial year ended 31st March, 2009, the Company has complied with the requirements of the said sub-clause.

FOR SKYLINE MILLARS LIMITED

Jinesh D. Shah
Financial Controller

Mumbai, July 27th, 2009.



AUDITORS' REPORT

TO THE MEMBERS OF SKYLINE MILLARS LIMITED

We have audited the attached Balance Sheet of SKYLINE MILLARS LIMITED (Formerly known as MILLARS INDIA LIMITED) as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments referred to above, we state that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
- c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956.
- e) On the basis of the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to the Note No. 8(b) in respect of non provision of interest on overdue sums to SSI Undertakings and read together with the other notes in schedule 12 give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet of the State of affairs of the Company as at 31st March, 2009.
 - ii) In the case of the Profit and Loss Account of the "PROFIT" of the Company for the year ended on that date.
 - iii) In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date;

Mumbai, July 27th, 2009

FOR SHAH & CO.,
Chartered Accountants

(H. N. SHAH)
Partner

Membership No: 8152



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph (3) of our Report of even date)

- 1 a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) As explained to us, most of the assets have been physically verified by the Management during the year. We are informed that no material discrepancies have been noticed on such verification.
c) There has been no disposal of substantial part of fixed assets during the year.
- 2 a) The Stock of finished goods, stores, spares and raw materials have been physically verified by the Management at the end of the year or after the close of the year.
b) The procedure of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to books records were not material and the same have been properly dealt with in the books of accounts.
- 3 a) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of clause 4 (iii) (a) to (d) of the Companies (Auditors' Report) Order, 2003 are not applicable for the year under report.
b) The Company has not taken any loans secured/unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (e) to (g) of the Companies (Auditors' Report) Order, 2003 are not applicable for the year under report.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores, raw material including components and fixed assets and with regard to the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal control system.
- 5 a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and having regard to the explanations that in few cases of purchase where the items are of a special nature for which no comparable quotations are available, transactions made in pursuance of contracts or arrangements entered in the register, maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.
6. The Company has not accepted any deposits from the Public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company Law Board.
7. The Company has an internal audit system which in our opinion is commensurate with the size of the Company and the nature of its business.
8. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.

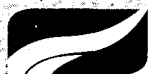


- 9 a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts, payable in respect of Income Tax, Wealth Tax, Sales Tax, Service tax, Customs Duty, Excise Duty and cess were in arrears as at 31st, March, 2009 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Excise Duty and Service Tax which have not been deposited on account of any dispute.
10. The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses in the financial year under report or in the immediately preceding financial year.
11. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institutions/Banks. The Company has not issued any debentures.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not obtained any term loans during the year.
17. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, there are no funds raised on short-term basis which have been used for long-term investment.
18. During the year under report, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

Mumbai, July 27th, 2009

For SHAH & CO.,
Chartered Accountants

(H. N. SHAH)
Partner
Membership No : 8152



FIVE YEARS FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Description	2008-09	2007-08	2006-07	2005-06	2004-05
SALES & EARNINGS					
Sales & other Income	1737.20	2255.49	1776.66	785.86	640.81
Profit Before Tax	519.65	643.90	257.14	192.92	46.25
Profit After Tax	433.24	566.90	223.78	174.09	42.22
Dividend	80.45	80.45	—	—	—
ASSETS					
Net Fixed Assets	208.58	224.85	200.12	182.82	190.96
Investments	26.28	26.27	525.59	0.25	0.25
Net Current Assets	2902.23	2546.85	642.64	579.36	764.64
REPRESENTED BY					
Share Capital	402.24	402.24	375.24	232.12	232.12
Reserves	2734.85	2395.73	977.95	508.47	334.37
Borrowings	—	—	15.16	21.84	389.36
Total Funds	3137.09	2797.97	1368.35	762.43	955.85

FUND FLOW STATEMENT

2008-2009
(Rs. in Lacs)

2007-2008
(Rs. in Lacs)

SOURCES OF FUNDS :

PROFIT AFTER TAX	433.24	566.90
DEPRECIATION	16.87	14.40
INCREASE IN SHARE CAPITAL	—	27.00
INCREASE IN SHARE PREMIUM	—	945.00
DECREASE IN INVESTMENTS	—	499.32
	<u>450.11</u>	<u>2052.62</u>

APPLICATION

DECREASE IN BORROWINGS	—	15.16
INCREASE IN FIXED ASSETS	0.60	39.13
INCREASE IN INVESTMENTS	0.01	—
INCREASE IN WORKING CAPITAL	355.38	1904.21
DIVIDEND AND DIVIDEND TAX	94.12	94.12
	<u>450.11</u>	<u>2052.62</u>

Financial Highlights



BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule	Rs.	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	4,02,24,250		4,02,24,250
Reserves & Surplus	2	27,34,84,726		23,95,72,839
			31,37,08,976	27,97,97,089
TOTAL			31,37,08,976	27,97,97,089
APPLICATION OF FUNDS				
Fixed Assets	3			
Gross Block		3,74,16,254		3,73,55,940
Less : Depreciation		1,65,58,396		1,48,71,437
Net Block			2,08,57,858	2,24,84,503
Investments	4		26,28,372	26,27,023
Current Assets, Loans And Advances	5			
Inventories		5,04,10,866		3,20,01,573
Book Value Of Ghatkopar Project		2,81,90,808		4,78,37,065
Building No. 4 Work In Process		23,18,69,213		13,79,53,268
Sundry Debtors		2,80,99,961		1,89,34,282
Cash And Bank Balances		6,27,41,665		13,54,80,096
Loans And Advances		6,26,24,813		4,28,59,123
Other Current Assets		32,08,402		48,18,899
			46,71,45,728	41,98,84,306
Less : Current Liabilities And Provisions	6			
Current Liabilities		15,02,24,910		14,72,93,913
Provisions		2,66,98,072		1,79,04,830
			17,69,22,982	16,51,98,743
Net Current Assets			29,02,22,746	25,46,85,563
TOTAL			31,37,08,976	27,97,97,089

NOTES ON ACCOUNTS 12

The Notes in Schedule 12 and Schedules referred to herein form an integral part of the Balance Sheet.

As per our Report of even date

For **SHAH & CO,**
Chartered Accountants

H.N. SHAH
Partner
Membership No.8152

Mumbai, July 27th, 2009

For and on behalf of the Board

Mr. Ashok J. Patel }
Mr. Jaysinh A. Dave } Directors

Mumbai, July 27th, 2009



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	Schedule	Rs.	31.03.2009 Rs.	31.03.2008 Rs.
INCOME :				
Sales - Net	7		15,39,03,888	21,02,63,072
Erection & Service Charges			65,19,670	61,10,214
Other Income	8		1,32,96,039	91,75,661
			17,37,19,597	22,55,48,947
Increase/(decrease) In Stocks	9		1,09,40,505	50,85,184
TOTAL			18,46,60,102	23,06,34,131
EXPENDITURE :				
Manufacturing & Other Expenses	10		13,09,82,279	16,46,70,840
Interest	11		25,787	1,32,610
Depreciation			16,86,960	14,40,476
TOTAL			13,26,95,026	16,62,43,927
Profit Before Tax			5,19,65,076	6,43,90,204
Provision For Taxation - Current Tax		59,00,000		74,00,000
Fringe Benefit Tax		3,50,000		3,00,000
			62,50,000	
Net Profit For The Year			4,57,15,076	5,66,90,204
Income Tax For Prior Years			23,91,116	-
			4,33,23,960	5,66,90,204
Balance Brought Forward From Previous Year			9,59,13,327	5,43,35,195
Balance Available For Appropriation			13,92,37,287	11,10,25,399
Less : Appropriation				
Transfer To General Reserve			44,00,000	57,00,000
Interim Dividend			-	40,22,425
Proposed Dividend			80,44,850	40,22,425
Dividend Tax			13,67,222	13,67,222
Balance Carried To Balance Sheet			12,54,25,215	9,59,13,327
Face Value Per Share			Re.1/-	Rs.10/-
Basic Earnings Per Share			1.08	14.09
Diluted Earnings Per Share			1.08	15.38

NOTES ON ACCOUNTS 12

The Notes in Schedule 12 and Schedules referred to herein form an integral part of the Profit and Loss Account.

As per our Report of even date

For **SHAH & CO,**
Chartered Accountants

H.N. SHAH
Partner
Membership No.8152

Mumbai, July 27th, 2009

For and on behalf of the Board

Mr. Ashok J. Patel }
Mr. Jaysinh A. Dave } Directors

Mumbai, July 27th, 2009



SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

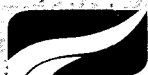
SCHEDULE 1

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
SHARE CAPITAL :		
AUTHORISED :		
10,00,00,000 Equity Shares of Re.1/- Each		
(previous Year 1,00,00,000 Equity Shares of Rs.10/- each)		
	10,00,00,000	10,00,00,000
Issued, Subscribed & Paid Up Capital		
4,02,24,250 Equity Shares(previous Year 40,22,425 Equity Shares of Rs. 10/- each) of Re.1/- Each Fully Paid Up	4,02,24,250	4,02,24,250
TOTAL	4,02,24,250	4,02,24,250

NOTES:

Out of the above:

- 1000 (previous Year 100 of Rs. 10/- each) Equity Shares were issued as fully paid up pursuant to a contract without payment being received in cash.
- 21,00,000 (previous Year 2,10,000 of Rs. 10/- each) Equity Shares were issued as fully paid up bonus shares by capitalisation of part of General Reserve.
- 41,40,150 (previous year 4,14,015 of Rs. 10/- each) Equity Shares were allotted as fully paid up without payment being received in cash to the Shareholders of Khandelwal Udyog Ltd., under the scheme of amalgamation pursuant to the order of the High Court, Bombay, dated 13th August, 1976 and as per sanction of the controller of capital issues by his letter dated 22nd March, 1977.
- 97,34,100 (previous year 9,73,410 of Rs. 10/- each) Equity Shares were allotted on conversion of 97,341 - 14% secured redeemable partly convertible debentures of Rs. 200 Each.
- 35,10,000 (previous year 3,51,000 of Rs. 10/- each) Equity Shares and 13,50,000 Fully Convertible Warrants were issued and allotted on preferential basis as per Section 81 (1A) of the Companies Act, 1956 and the approval of the Shareholders was taken in the Extra Ordinary General Meeting held on 2nd January, 2007
- 1,35,00,000 (previous year 13,50,000 of Rs. 10/- each) Equity Shares were issued and allotted during the financial year 2007-08 on conversion of 13,50,000 Fully Convertible Warrants as approved by the Board of Directors in their meeting held on 29th June, 2007
- The Equity Shares of The Company have been sub-divided from Rs.10/- to Re.1/- w.e.f. 6th November, 2008.



SCHEDULE 2

RESERVES & SURPLUS :

	Rs.	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
Capital Reserve as per last Balance Sheet		27,85,361	27,85,361
Preference Shares Redemption Reserve as per last Balance Sheet		57,37,100	57,37,100
Share Premium as per last Balance Sheet	12,94,37,050		3,49,37,050
Add : Received During The Previous Year on Issue of 1350000 Equity Shares at premium of Rs.70/-	—	12,94,37,050	9,45,00,000
			12,94,37,050
General Reserve as per last Balance Sheet	57,00,000		—
Add : Transfer from Profit And Loss Account	44,00,000		57,00,000
		1,01,00,000	57,00,000
Profit & Loss Account		12,54,25,215	9,59,13,328
TOTAL		27,34,84,726	23,95,72,839

SCHEDULE 3

FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
DESCRIPTION	BOOK VALUE AS ON 1.4.08 Rs.	ADDITIONS DURING THE YEAR Rs.	DEDUCTIONS DURING THE YEAR Rs.	BOOK VALUE AS ON 31.3.09 Rs.	UPTO 31.3.08 Rs.	FOR THE YEAR Rs.	DEDUCTION Rs.	TOTAL UPTO 31.3.09 Rs.	AS ON 31.3.09 Rs.	AS ON 31.3.08 Rs.
BUILDING & ELE FITTINGS	2,33,20,420	—	—	2,33,20,420	75,82,121	7,01,436	—	82,83,557	1,50,36,863	1,57,38,299
RESIDENTIAL QUARTERS	14,429	—	—	14,429	8,184	235	—	8,419	6,010	6,245
PLANT & MACHINERY	78,36,201	7,313	—	78,43,514	54,69,393	3,72,419	—	58,41,812	20,01,702	23,66,808
FURN, FIXT & OFFICE EQUIP	11,25,339	7,500	—	11,32,839	1,74,787	63,884	—	2,38,671	8,94,168	9,50,552
COMPUTERS	9,40,932	45,500	—	9,86,432	5,26,381	1,57,717	—	6,84,098	3,02,334	4,14,550
VEHICLES	41,18,620	—	—	41,18,620	11,10,570	3,91,269	—	15,01,839	26,16,781	30,08,050
TOTAL	3,73,55,941	60,313	—	3,74,16,254	1,48,71,436	16,86,960	—	1,65,58,396	2,08,57,858	2,24,84,504
PREVIOUS YEAR	3,34,42,954	66,01,000	26,88,013	3,73,55,941	1,34,30,961	14,40,476	—	1,48,71,437	2,24,84,504	

Note :

Depreciation has been provided on straight line method at the rates prescribed in schedule XIV of the Companies Act, 1956.



SCHEDULE 4

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
INVESTMENTS - AT COST :		
Long Term Investments		
A. IN GOVERNMENT SECURITIES :		
Unquoted :-		
6 Years National Savings Certificates of the face value of Rs. 2000/- Deposited with Orissa State Sales Tax Authorities.	2,000	2,000
TOTAL ('A')	2,000	2,000
B. IN SHARES, DEBENTURES OR BONDS :		
i) Quoted :-		
4,010 Equity Shares (including 1,335 Bonus Shares) of GMM Pfaudler Ltd., of the Face Value of Rs. 2/- Each, Fully Paid Up. Market Value Rs. 1,65,413/- (Previous Year Rs. 3,66,314/-.)	5,860	5,860
100 Equity Shares of Hyderabad Industries Ltd., of the Face Value of Rs. 10/- Each Fully Paid Up. Market Value Rs. 11,500/- (Previous Year Rs. 14,330/-)	9,700	9,700
100 Equity Shares of Cranex Ltd., of the Face Value of Rs. 10/- Each, Fully Paid Up. Market Value Rs. 182/- (Previous Year Rs. 367/-)	1,100	1,100
50 Equity Shares of Mukand Ltd., of the Face Value of Rs. 10/- Each, Fully Paid Up. Market Value Rs. 1,143/- (Previous Year Rs. 4,400/-)	2,700	2,700
50 Equity Shares of Greaves Ltd., of the Face Value of Rs. 10/- Each, Fully Paid Up. Market Value Rs. 2,875/- (Previous Year Rs. 10,720/-)	2,600	2,600
264 Equity Shares of Reliance Power Ltd. (including 99 Bonus Shares) of the Face Value of Rs. 10/- Each Fully Paid Up Market Value Rs.27,060/- (Previous Year Rs. 52,396/-)	74,250	74,250



	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
ii) Unquoted :-		
10 Shares of The Sanskar Co-operative Premises Society Ltd., of the Face Value Rs. 50/- Each, Fully Paid Up.	500	500
10 Shares of Panchamahar Development Co-operative Society Limited of the Face Value of Rs. 100/- Each, Fully Paid Up.	1,000	1,000
500 Equity Shares of Beclawat of India Ltd., of the Face Value of Rs. 100/- Each, Fully Paid Up. (Under Liquidation)	50,000	50,000
1,60,000 Equity Shares of Pune Readymix Concrete Industries Ltd., of the Face Value of Rs. 10/- Each, Fully Paid Up.	16,00,000	16,00,000
TOTAL ('B')	17,47,710	17,47,710
C IN MUTUAL FUNDS		
Dsp Merrill Lynch Savings Plan Aggressive-growth 187491.027 Units of the Face Value Of Rs. 10/- Market Value Rs.28,86,499/- (previous Year Rs.27,69,411/-)	25,05,974	25,05,974
ICICI Prudential Liquid Plan-dividend 1921 Units (previous Year 1810 Units) of the Face Value Of Rs 10/- Market Value Rs.22,794/- (previous Year Rs.21,416)	22,688	21,339
TOTAL ('C')	25,28,662	25,27,313
TOTAL ('A') + ('B') + ('C')	42,78,372	42,77,023
Less: Diminution In Value of Investments	16,50,000	16,50,000
TOTAL	26,28,372	26,27,023

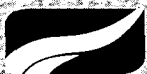
	As At 31.03.2009		As At 31.03.2008	
	Book Value	Market Value	Book Value	Market Value
AGGREGATE VALUE OF SECURITIES				
Quoted Investments	26,24,872	31,14,591	26,23,523	32,39,354
Unquoted Investments	16,53,500	—	16,53,500	—
	42,78,372	31,14,591	42,77,023	32,39,354



SCHEDULE 5

	Rs.	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
CURRENT ASSETS, LOANS AND ADVANCES :			
A. CURRENT ASSETS :			
INVENTORIES			
As Taken, Valued & Certified by the Director and Approved by the Board of Directors.			
Stock-in-trade :			
Raw Materials And Components - at Cost	2,55,21,135		1,80,52,347
Finished Goods - at Lower of Cost or Market Value	70,06,222		76,48,761
Work-In-Process - (At Estimated Cost.)	1,78,83,509		63,00,465
		5,04,10,866	3,20,01,573
Book Value Of Ghatkopar Project		2,81,90,808	4,78,37,065
Building No. 4 Work-In-Process (Refer Note No. B11 In Schedule 12)		23,18,69,213	13,79,53,268
Sundry Debtors- Unsecured, Considered Good unless otherwise stated subject to confirmations.			
Debts outstanding for a period exceeding six months.			
Considered Good	83,45,719		1,21,51,705
Considered Doubtful	18,87,788		41,32,168
	1,02,33,507		1,62,83,873
Less : Provision for Doubtful Debts	18,87,788		41,32,168
	83,45,719		1,21,51,705
Other Debts	1,97,54,242		67,82,577
		2,80,99,961	1,89,34,282
Cash and Cheques on Hand		78,027	87,553
Balances with Scheduled banks :			
In Current Accounts	1,03,28,363		2,09,26,666
In Fixed Deposit Accounts	5,12,58,753		11,35,33,330
In Unclaimed Dividend Accounts	4,63,531		2,86,442
In Margin Accounts	5,77,016		6,10,130
In Debenture Interest Accounts	35,975		35,975
		6,26,63,638	13,54,80,096
Other Current Assets			
T.D.R.	31,09,350		31,09,350
Interest Receivable on Fixed Deposits	99,052	32,08,402	17,09,549
TOTAL ('A')		40,45,20,915	37,70,25,183

Continued.....



	<u>Rs.</u>	<u>AS AT 31.03.2009 Rs.</u>	<u>AS AT 31.03.2008 Rs.</u>
B. LOANS & ADVANCES :			
(Unsecured, Considered Good, Unless Otherwise Stated)			
Advances Recoverable In Cash or in kind or for value to be received subject to confirmations.			
Considered Good	3,89,64,773		2,20,67,900
Considered Doubtful	-		56,14,723
	<u>3,89,64,773</u>		<u>2,76,82,623</u>
Less : Provision for Doubtful Advances	-		56,14,723
		3,89,64,773	2,20,67,900
Balance with Central Excise		7,00,890	27,31,142
Other Deposits (Subject to Confirmations) (Refer Note No B7 in Schedule 12)			
Considered Good	24,96,315		22,04,542
Considered Doubtful	-		25,35,230
	<u>24,96,315</u>		<u>47,39,772</u>
Less : Provision for Doubtful Deposits	-		25,35,230
		24,96,315	22,04,542
Pre-Paid Expenses		1,53,127	90,225
Loans to Staff		1,49,863	1,10,628
Advance Payment of Income Tax and Tax Deducted at Source		2,01,59,845	1,56,54,686
TOTAL ('B')		<u>6,26,24,813</u>	<u>4,28,59,123</u>
TOTAL ('A') + ('B')		<u>46,71,45,728</u>	<u>41,98,84,306</u>



SCHEDULE 6

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
CURRENT LIABILITIES & PROVISIONS :		
A. CURRENT LIABILITIES :		
Sundry Creditors (Refer Note No B8-b in Schedule 12)	2,15,41,960	2,56,75,325
Other Liabilities	1,69,22,009	70,00,783
Unclaimed Dividend	4,63,531	2,86,442
Advances Against Jobs	25,57,417	48,44,030
Advances Against Sale of Flats	4,85,28,517	3,32,75,857
Deposit Against TDR	6,00,00,000	6,00,00,000
Other Deposits	1,62,824	1,61,62,824
Debenture Interest	48,652	48,652
TOTAL ('A')	15,02,24,910	14,72,93,913
B. Provisions :		
Provision for Taxation	1,72,86,000	1,31,98,794
Proposed Dividend	80,44,850	40,22,425
Dividend Tax	13,67,222	6,83,611
TOTAL ('B')	2,66,98,072	1,79,04,830
TOTAL ('A') + ('B')	17,69,22,982	16,51,98,743

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

SCHEDULE 7

	31.03.2009 Rs.	31.03.2008 Rs.
SALES :		
Sales - Construction Equipments		
Gross	11,95,67,040	15,19,43,693
Less : Excise Duty	1,18,22,752	1,99,08,851
Net	10,77,44,288	13,20,34,842
Sale of Flats	4,61,59,600	7,82,28,230
	15,39,03,888	21,02,63,072



SCHEDULE 8

	31.03.2009 Rs.	31.03.2008 Rs.
OTHER INCOME :		
Rent Gross - Tax Deducted at source Rs 9,82,020 (Previous Year Rs 9,56,028)	41,76,000	41,76,000
Bad Debts Recovered	25,11,183	—
Dividend - Gross	13,192	12,157
Miscellaneous Income	3,52,964	85,464
Interest Received Gross - Tax Deducted at source Rs. 11,33,908/- (Previous Year Rs. 7,19,449/-)	55,98,210	41,68,750
Excess Provision of Expenses Written Back	2,76,173	—
Profit on sale of Investments	—	7,09,280
Sales Tax Refund	70,966	—
Sundry Credit Balances Written Back	2,97,351	24,010
Total	1,32,96,039	91,75,661

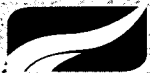
SCHEDULE 9

	Rs.	31.03.2009 Rs.	31.03.2008 Rs.
Increase/(Decrease) in Finished Goods and Work-In-Process :			
Stock At Close :			
Finished Goods	70,06,222		76,48,761
Work-In-Process	1,78,83,509		63,00,465
		2,48,89,731	1,39,49,226
Less : Stock at Commencement :			
Finished Goods	76,48,761		33,90,392
Work-in-process	63,00,465		54,73,650
		1,39,49,226	88,64,042
Total		1,09,40,505	50,85,184



SCHEDULE 10

	Rs.	31.03.2009 Rs.	31.03.2008 Rs.
MANUFACTURING & OTHER EXPENSES :			
Cost of Goods Consumed/Sold			
Stock at Commencement	1,80,52,347		1,28,35,121
Add: Purchases & Expenses	7,98,25,203		9,09,84,303
		9,78,77,550	10,38,19,424
Less: Stock at Close		2,55,21,135	1,80,52,347
		7,23,56,415	8,57,67,077
Stores, Spares and Loose Tools Consumed		18,67,287	24,56,401
Cost of Flat Transferred		1,96,46,257	3,37,44,845
Power & Fuel		7,99,932	9,75,982
Employees' Remuneration & Benefits			
Salaries, Wages, Allowances & Bonus	77,34,218		71,71,636
Gratuity	60,892		9,88,180
Contribution to Employees' Provident Fund & Other Funds	5,78,010		5,40,381
Welfare Expenses	2,01,992		1,71,087
		85,75,112	88,71,284
Sub-contract & Machining Charges		83,32,689	68,65,472
Erection Charges		3,67,669	5,37,429
Repairs & Maintenance of :			
Building	28,929		9,527
Plant & Machinery	23,174		93,283
Other Assets	7,90,040		1,00,242
		8,42,143	2,03,052
Insurance - Net		1,59,484	18,861
Rent & Hire Charges		12,00,000	6,37,500
Rates & Taxes		14,500	14,500
Selling Expenses		14,24,735	8,10,035
Commission on Sales		6,44,457	4,43,626
Travelling & Conveyance		6,88,967	7,65,342
Postage, telegrams, telephones & Telex		8,45,709	9,06,935
Bank Charges & Guarantee Commission		2,38,251	1,70,471
Vehicle Expenses		6,35,093	6,19,235
Printing & Stationery		4,36,090	4,94,608
Legal and Professional Charges (Refer Note No B6(b) in Schedule 12)		16,40,758	23,78,100
Administrative And General Expenses (Refer Note No B6(a) in Schedule 12)		71,08,943	1,06,90,028
Directors' Sitting Fees		12,70,000	9,24,000
Provision for Doubtful Debts/Advances/Deposits	1,41,69,909		98,46,099
Less : Bad Debts Written off	(1,22,82,121)		(34,70,041)
		18,87,788	63,76,058
Total		13,09,82,279	16,46,70,840



SCHEDULE 11

INTEREST

Interest Paid to Bank

Interest Paid to Others

Total

31.03.2009

Rs.

2,260

23,527

25,787

31.03.2008

Rs.

8,159

1,24,451

1,32,610

Schedules



SCHEDULE 12

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

A. SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

The financial statements are prepared under the historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 1956.

2. REVENUE RECOGNITION

(A) Manufacturing Division:

- i) Sales are exclusive of duties and taxes and after adjustment for liquidated damages.
- ii) Sales and Services are accounted when the sale of goods or services are completed on accrual basis.

(B) Realty Division

- i) Sales of flats representing Book Value of Ghatkopar Project in Schedule 6 are accounted only after receiving full consideration.
- ii) Project at Ghatkopar Property Building No. 4 :-
Applicability of 'Revenue Recognition' by the new method of accounting as per the Guidance Note on 'Recognition or Revenue by Real Estate Developers' as issued by the ICAI has been considered.

3. FIXED ASSETS & DEPRECIATION

- i) Fixed assets are stated at cost less accumulated depreciation. Cost includes all expenses related to the acquisition and installation of fixed assets.
- ii) Depreciation has been provided on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.
- iii) Assets of individual value upto Rs. 5,000/- at 100%

4. IMPAIRMENT OF ASSET

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value based on appropriate discount rates.

5. INVESTMENTS

Investments are stated at cost. Provision for diminution in value of investments other than temporary has been made as required by Accounting Standard of The Institute of Chartered Accountants of India.

6. INVENTORIES

(A) Manufacturing Division :

- i) Raw Materials, Components, Stores and Spare Parts and Work-In-Process are valued at cost except Work-In-Process of the Construction Machinery which is valued at estimated cost.
- ii) Finished Goods are valued at lower of cost or market value.



7. EMPLOYEES' BENEFITS

- i) The Company's contribution to Provident Fund and ESIC are charged to the profit and loss account.
- ii) Liability for Payment of gratuity and superannuation to employees is covered through the Group Gratuity and superannuation Schemes of Life Insurance Corporation of India. Gratuity is accounted on the basis of the premium paid to Life Insurance Corporation of India under the Group Gratuity Scheme.
- iii) Provision for Leave Encashment is determined on basis of actuarial valuation.

8. FOREIGN EXCHANGE TRANSACTIONS

Realised gains and losses on foreign exchange transactions other than those relating to fixed assets are recognised in the Profit and Loss Account.

9. TAXATION

Income tax comprises current tax, deferred tax and fringe benefit tax. Provisions for income tax and fringe benefit tax are made in accordance with the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted at the balance sheet date.

10. EARNINGS PER SHARE

Basic earning per share [EPS] are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

11. BORROWING COST

Borrowing costs that are directly attributable to long term projects / development activities are treated as part of the respective project cost and added to the stock in trade upto the date when such projects / development activities are completed other borrowing costs are charged as an expense in the year in which they are incurred.

12. CONTINGENCIES / PROVISIONS

Disputed liabilities and claims against the Company including claims raised by fiscal authorities pending in appeal / court for which no reliable estimates can be made of the amount of obligation are not provided for in the accounts but disclosed by way of Notes to Accounts.



B. NOTES TO ACCOUNTS

1. Termination of Term Sheet with Urban Kshetra Infrastructure Pvt. Ltd. (UKIPL) :

The Company had signed a Term Sheet with Urban Kshetra Infrastructure Private Ltd (a wholly owned subsidiary of Urban Infrastructure Venture Capital Fund) proposing to jointly acquire Transferable Development Rights (T.D.R) and develop and construct one building (known as Building no 4) having approximate residential saleable area of about 10,993 Sq mtrs. at our Ghatkopar Project, situated at Kurla-Kirol Road, Vidyavihar, Mumbai. Due to overall slow down in the Realty Sector both the parties mutually decided to cancel the aforesaid Term Sheet. Accordingly, the company has also provided interest of Rs. 92.71 lacs payable to UKIPL till 31st January, 2009 on the abovementioned Deposit of Rs. 6 crores. The Deposit along with net interest (after deducting TDS) has been paid to UKIPL on 22nd June, 2009.

2. Estimated amount of Contracts remaining to be executed on Capital account and not provided for Rs. 22.14 Crores (previous Year Rs. 6.64 Crores) for which advance has been Paid Rs.3.40 Crores (Previous year Rs.90 Lakhs)

3. Contingent Liabilities not provided for :

- (a) Claims against the company not acknowledged as debts Rs. 3,14,72,636
(Previous Year Rs. 3,14,72,636).

D.G.B.R.	Rs. 2,68,79,162
AVN Tubes Ltd.	Rs. 11,80,000
Other Customers	Rs. 19,13,474
Employees	Rs. 15,00,000

- (b) Bank Guarantee's - Outstanding letter of Credit Rs. 25,82,787
(Previous Year Rs. 3,87,100)

4. (a) Sales Tax Assessments of Mumbai Division are completed upto the year 2002-03 and of Karamsad (Gujarat) Division upto year 2005-06. The Company does not expect any liability for the pending assessments.

- (b) Income Tax Assessments are completed upto the Assessment year 2006-07 in terms of order issued under section 143 (3) of the Income Tax Act, 1961. The company does not expect any liability for the pending assessments.

5. In terms of the Development Agreement dated 31.12.2003 and Supplementary Agreements dated 30.01.2004 and dated 01.03.2004 entered into with Skyline Residency Pvt. Ltd. For development of the Company's land at Kurla-Kirol Road, Chatkopar (W), admeasuring 35,577.89 Sq. Mtrs, the Company was entitled to upfront consideration of Rs. 1,440 Lacs and 74,446 Sq. ft. saleable area.

The Company has accounted for the said amount of Rs. 1,440 Lacs towards the upfront consideration during the financial year ended 31st March, 2004. The details of entitlement of the Company of 74,446 Sq. ft. saleable area is as under:

i) Area under construction to be handed over by Skyline Residency Pvt. Ltd. to the Company	74,446 Sq. ft.
ii) Area handed over, sold and accounted for, during Financial year 2006-07	23,594 Sq. ft.
iii) Area handed over, sold and accounted for, during Financial year 2007-08	21,034 Sq. ft.
iv) Area handed over, sold and accounted for, during Financial year 2008-09	12,246 Sq. ft.
v) Total area handed over, sold and accounted upto 31.03.2009	56,874 Sq. ft.
vi) Area handed over unsold	1,390 Sq. ft.
Balance additional saleable area to be allotted by Skyline Residency Pvt. Ltd.	16,182 Sq. ft.
Total	74,446 Sq. ft.



6. a) Administrative and General Expenses includes a sum of Rs. 2,18,879/- (previous year Rs. 2,19,230/- paid to Auditors being Rs. 1,12,360/- (previous year Rs. 1,12,360/-) as Audit Fees, Rs. 39,326/ (Previous year Rs. 39,326/-) for Tax Audit, Rs. 39,399/- (previous year Rs. 11,236/-) for certification & other work and Rs. 27,794/- (Previous year Rs. 56,308/-) paid for other services.
b) Legal & professional charges includes Rs.50,000/- paid to firm in which Auditor is proprietor.
7. Company has filed a suit on Nesco Ltd. (Formerly known as New Standard Engineering Co. Ltd) for the recovery of its Security Deposit of Rs. 15,00,000/- along with interest.

8. (a) Sundry Creditors include Rs.1,21,088/- (Previous year Rs. 1,21,088/-) due to Small Scale Industrial Undertakings. The Parties to whom the amount due and outstanding for more than 30 days are given below:

Sr. No.	Vendor Name
1	Ruby Forgings
2	Bombay Machine Tools
3	Shah Udyog

- (b) No provision has been made in the Accounts for interest, if any payable to small Scale Industrial undertakings on overdue sums as the amount is not determinable.
- (c) The Company has received intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and amounts payable as required under the said Act, of these Parties are given below.

Name of the Party	Amount Due	
	Current Year	Previous Year
1) Hansu Controls Ltd.	20,739.86	20,739.86
2) Indo Hydraulics (Bombay)	7,397.00	7,397.00
3) Speed O Controls Pvt. Ltd.	3,741.00	44,278.00

9. Deposit of Rs.160 lacs, shown in Schedule 6 in previous year as Security Deposit as per the Memorandum of Understanding signed with M/s. GMM Pfaunder Limited on 28th November, 1988 has been repaid by the Company and the aforesaid Memorandum of Understanding stands cancelled. Agreements with M/s. GMM Pfaunder Limited for use of licenced premises of Karamsad Shed No.I and II together with certain assets still continues.

10. EMPLOYEE BENEFITS

Defined benefit plans as per Actuarial Valuation as on 31st March, 2009

(A) GRATUITY

	As at 31 st March 2009	As at 31 st March 2008
Defined Benefit Obligation	16,36,047	17,03,651
Amount not recognized in the Balance Sheet	—	—
Present value of funded obligations	24,08,431	22,09,570
Fair value of plan assets	24,08,431	22,09,570
Present value of unfunded obligations	(7,72,384)	(5,05,919)
Unrecognised past service cost	Nil	Nil
Net Liability/(Asset)	(7,72,384)	(5,05,919)



(B) LEAVE ENCASHMENT

	As at 31 st March 2009	As at 31 st March 2008
Defined Benefit Obligation	—	—
Amount not recognized in the Balance Sheet	—	—
Present value of funded obligations	—	—
Fair value of plan assets	—	—
Present value of unfunded obligations	4,22,030	5,65,670
Unrecognised past service cost	Nil	Nil
Net Liability / (Asset)	4,22,030	5,65,670
Amounts in the balance sheet :		
Liabilities	4,50,124	7,38,317
Assets		
Net liability / (Asset) not recognised in the Balance sheet	(28,094)	(1,72,647)

11. Details of Building No. 4 Work In Progress are as under
Breakup of major costs incurred :

Particulars	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
Opening Work In Progress	13,79,53,268	Nil
Add: Expenses during the Year		
Cost of T.D.R.	2,46,51,000	12,75,53,400
Statutory Payments (MCGM and Stamp Duty)	17,16,000	47,43,025
Interest to others	94,26,838	—
Development Expenses	5,81,22,108	56,56,843
Closing Work In Progress	23,18,69,213	13,79,53,268

12. Earnings Per Share (EPS)

	2008-2009	2007-2008
Face value per share	Re. 1/-	Rs.10/-
Net profit for the year	Rs. 4,33,23,960	5,66,90,204
a) Basic EPS		
Weighted average number of Equity Share outstanding	Nos. 4,02,24,250	40,22,425
Basic earnings per share	Re. 1.08	14.09
b) Diluted EPS		
Weighted average number of Equity Share outstanding	Nos. 4,02,24,250	36,84,925
Diluted EPS	Re. 1.08	15.38



13. Deferred Tax :

In view of the uncertainty as regards sufficient future taxable income against which deferred tax assets can be released, deferred tax assets are not recognised to the extent of operating losses.

14. RELATED PARTY DISCLOSURES

Associates Parties with whom transactions have been taken place during the year

- A) GMM Pfaudler Limited
- B) Pedershaab Millars India Private Limited
- C) Elecon Engineering Company Limited
- D) Glass Lined Equipment Company Limited
- E) Skyline Residency Private Limited

Key Management Personnel

- Mr. Ashok J. Patel - Non Executive Director
- Mr. Tarak A. Patel - Non Executive Director
- Mr. Jaysinh A. Dave - Non Executive Director
- Mr. Jitendra M. Tater - Non Executive Director
- Mr. Jatin V. Daisaria - Non Executive Director

Transactions With Related Parties

	2008-09 Associates Rs.	2007-08 Associates Rs.
i) Sales of Goods (includes Erection & Other Charges)	2,25,17,851	66,46,465
ii) Purchase of Goods	12,09,947	42,17,420
iii) Dividend Received	8,421	10,827
iv) Rent Received	41,76,000	41,76,000
v) Outstanding Balance As At 31 st March, 2009		
Receivable	33,62,698	63,33,338
Payable	22,39,273	23,90,711



15. Disclosure of segment information as required by as 17 'Segment Reporting'.

SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE YEAR ENDED 31st MARCH 2009.

	2008-09 (Rs. In Lacs)	2007-08 (Rs. In Lacs)
I) Primary Segment Information :		
A. Segment Revenue		
1) Construction Equipment	1,142.64	1,381.45
2) Real Estate Development	461.60	782.28
Total Net Sales/Income From Operations	1,604.24	2,163.73
B. Segment Results		
Profit/ Loss Before Tax And Interest For Each Segment		
1) Construction Equipment	116.77	172.40
2) Real Estate Development	265.14	444.83
Total	381.91	617.23
Add: Other Income	132.96	91.76
Total	514.87	708.99
Less: 1) Interest	0.25	1.33
2) Provision For Doubtful Debts	18.88	63.76
Profit/(loss) Before Tax	495.74	643.90
Provision For Tax	62.50	77.00
Profit/ (loss) After Tax	433.24	566.90
C. Capital Employed		
(Segment Assets Segment Liabilities)		
1) Construction Equipment	1,122.80	954.70
2) Real Estate Development	2,108.41	1,843.27
Total	3,231.21	2,797.97



16. Additional Information pursuant to the provisions of paragraphs 3. 4c and 4d of part II of Schedule VI of the Companies Act. 1956 is given below

I Particulars in respect of Goods Manufactured, Sales & Stocks

Sr. No.	Class of Goods	Unit of Quantity	Licensed Capacity	Installed Capacity	Actual Prod	Stock		Sales			
						Opening		Closing			
						Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
01.	Diesel Engines	Nos	2600 (2600)	2000 (2000)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
02.	Mechanical Lubricators	Nos	42000 (42000)	42000 (42000)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
03.	Engine Valves	Nos	1800000 (1800000)	1800000 (1800000)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
04.	Push Rods	Nos	600000 (600000)	600000 (600000)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
05.	Steel Storage Tanks Rolling Shutters Bridges, Trusses other general Structural Fabrication Work	M/T	3600 (3600)	1800 (1800)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
06.	Structural Fabrication	M/T	3600 (3600)	3600 (3600)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
07.	1) E.O.T. Cranes General Hook Type (3 to 500 T cap) 2) Flame Proof Version (Upto 80 T) 3) Grabbing Cranes (Upto 25 T) 4) Steel Mill Duty/ Hot Model/ Ladle/E.O.T. Crane (Upto 80 T) 5) Goliath Cranes Semi Goliath Cranes Gentry Cranes Including 'C' Frames Type Deck Crane Winches & Hoists 6) Wharf Cranes Level Luffing Cranes Ship & Shore Container Cranes Transtainers /Derrick Cranes from 3 T to 40 T Capacity	Nos	72 (72)	100 (100)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)



I PARTICULARS IN RESPECT OF GOODS MANUFACTURED, SALES & STOCKS (Contd.)

Sr. No.	Class of Goods	Unit of Quantity	Licensed Capacity	Installed Capacity	Actual Prod	Stock				Sales	
						Opening		Closing		Qty.	Value Rs.
						Qty.	Value Rs.	Qty.	Value Rs.		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
08.	Industrial Furnaces	Nos	48 (48)	96 (96)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
09.	Gas Generators for Protective & Reactive Atmosphere	Nos	15 (15)	15 (15)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
10.	Hydrogen Generating Plant	Nos	15 (15)	15 (15)	- (-)	- (-)	- (180000)	- (-)	- (-)	- (-)	- (-)
11.	Burners for Above	Nos	30 (30)	30 (30)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
12.	Rough Terrain Self Propelled Hydraulic Cranes	Nos	50 (50)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
13.	Tilting Type Concrete Mixers	Nos	300 (300)	720 (720)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
14.	Non-Tilt Concrete Mixer	Nos	60 (60)	72 (72)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
15.	Roller Pan Mixers Asphalt Mixers	Nos	Yet to Be determined	Yet to Be determined	11 (4)	- (-)	- (-)	- (-)	- (-)	11 (4)	12558104 (3802500)
16.	Concrete Mixers	Nos	- (-)	1434 (1434)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
17.	Concrete Batching Mixing Plant	Nos	- (-)	15 (15)	16 (33)	2 (-)	5334260 (-)	- (2)	- (5334260)	18 (31)	51811200 (75089012)
18.	Asphalt Mixers	Nos	- (-)	432 (432)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
19.	Asphalt Plants	Nos	- (-)	54 (54)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
20.	Highway Combined Drying & Mixing Unit 10 CFT Caps	Nos	72 (72)	48 (48)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
21.	1) TRANSIT Mixers	Valuing 787 Lacs	- (-)	50 (50)	- (4)	- (-)	- (-)	- (-)	- (-)	- (4)	- (2950000)
	2) Concrete Pumps	Nos	- (-)	50 (50)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
22.	Paver Finisher	Nos	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
23.	Miscellaneous (Includes Rs. NIL for Trading Business) (Previous Year Rs. NIL)		- (-)	- (-)	- (-)	- (-)	2314501 (3210392)	- (-)	7006222 (2314504)	- (-)	43374984 (50193330)

107744288

(132034842)

NOTES:

- installed capacities has been certified by the Director which has been accepted by the Auditors without verification.
- Licensed capacities in respect of item Nos. 16 to 19, 21, & 22 have not been given as the Company has been registered with D.G.I.D New Delhi vide their Registration No. DGTDR-3935/E-16(1)S-19/77 dated 21-2-1978 and DGTDR/HQ/D/S/19/R-10429/E-16 (iii) NU/82.



II ANALYSIS OF RAW MATERIAL CONSUMED

	Unit	Quantity	Value in Rupees
Castings	M/tons	11.887 (14.053)	8,01,058 (12,02,967)
Steel	M/tons	405.597 (725.606)	1,81,51,551 (2,45,14,166)
Oil Engines & Electric Motors	Nos	116 (125)	31,09,452 (33,82,305)
Miscellaneous			7,23,56,415 (8,57,67,077)

III (A) VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED

	Value in Rupees	% of Total Consumption
Imported	69,35,339 (51,92,534)	9.58 (6.05)
Indigenous	6,54,21,076 (8,05,74,544)	90.42 (93.95)
	7,23,56,415 (8,57,67,077)	100.00 (100%)

(B) STORES & SPARES CONSUMED

Imported	Nil (Nil)	Nil (Nil)
Indigenous	18,67,287 (24,56,401)	100% (100%)
	18,67,287 (24,56,101)	100% (100%)

IV VALUE OF IMPORTED ON C.I.F. BASIS

	Value in Rupees
Raw Materials (Including Components)	99,79,044 (51,67,690)

V (A) EARNINGS IN FOREIGN EXCHANGE

Others (Commission)	— (—)
F O B Value of Export	5,61,122 (—)

(B) EXPENDITURE IN FOREIGN CURRENCY

—
(—)

(C) TECHNICAL KNOW-HOW FEES

—
(—)



VI REMITTANCE IN FOREIGN CURRENCY

On Account Of Dividends To Non Resident Shareholders

Nil
(Nil)

17 Previous year's figures have been rearranged and regrouped wherever necessary to correspond with the figures of the current year.

As per our Report of even date

For **SHAH & CO,**
Chartered Accountants

H.N. SHAH
Partner
Membership No.8152

Mumbai, July 27th, 2009

For and on behalf of the Board

Mr. Ashok J. Patel }
Mr. Jaysinh A. Dave } Directors

Mumbai, July 27th, 2009



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

	2008-2009 Rs.	2007-2008 Rs.
A. Cash Flow From Operating Activities		
Net Profit before tax	4,95,73,960	6,43,90,205
Add Back:		
Depreciation charges	16,86,960	14,40,476
Provision for Doubtful Debts	18,87,788	63,76,058
Loss on Sale of Investments	-	27,564
Sundry Balance W/Off	5,90,081	7,54,400
Interest charges	25,787	1,32,610
Sundry Credit Balances Written Back	(2,97,351)	(24,010)
Excess Provision Written Back	(2,76,173)	-
Dividend Income	(13,192)	(12,157)
Deffered Interest	-	1,14,254
Profit Sale of Investments	-	(7,09,280)
Operating Profit before working capital changes	5,31,77,860	7,24,90,120
Adjustments for:		
Present Value of Ghatkopar Project	1,96,46,257	3,37,44,845
Building No. 4 Work-In-Process	(9,39,15,945)	(13,79,53,268)
Trade and Other receivables	(1,51,85,635)	1,12,11,725
Inventories	(1,84,09,293)	(1,03,02,410)
Loans And Advances	(1,24,20,890)	(3,47,72,534)
Other Current Assets	16,10,497	(48,18,899)
Trade and other Payables	(41,05,257)	5,86,84,724
Cash generated from operations	(6,96,02,406)	(1,17,15,697)
Interest paid	(25,787)	(1,32,610)
Income Tax & FBT paid	(30,61,769)	(1,02,76,452)
Interim Dividend	-	(37,35,983)
Dividend Tax	-	(6,83,611)
Net Cash flow from Operating Activities	(7,26,89,962)	(2,65,44,353)
B. Cash flow from Investing Activities		
Purchase of fixed Assets	(60,312)	(39,12,986)
Profit Sale of Investments	-	7,09,280
Loss on Sale of Investments	-	(27,564)
Purchase of Investment	(1,349)	(75,430)
Dividend received	13,192	12,157
Sale of Investment	-	5,00,07,538
Net Cash Flow form Investing Activities	(48,469)	4,67,12,995
C. Cash flow from Financing Activities		
Proceeds from Share Capital including Share premium and Convertible Warrants.	-	10,80,00,000
Repayment of Borrowings	-	(15,09,256)
Net Cash flow from Financing Activities	-	10,64,90,744
Net Increase / (Decrease) in Cash and Cash Equivalent	(7,27,38,431)	12,66,59,386
Cash and Cash Equivalent as at 1.04.2008	13,54,80,096	88,20,710
Cash and Cash Equivalent as at 31.03.2009	6,27,41,665	13,54,80,096

As per our Report of even date

For **SHAH & CO,**
Chartered Accountants

H.N. SHAH
Partner
Membership No.8152

Mumbai, July 27th, 2009

For and on behalf of the Board

Mr. Ashok J. Patel }
Mr. Jaysinh A. Dave } Directors

Mumbai, July 27th, 2009

Cash Flow Statement



**Additional Information as Required under Part IV of Schedule VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile**

1 Registration Details	(Amount in Rs.)
Registration No.	640
State Code	011
Balance Sheet Date	31.03.2009
2 Capital Raised During the Year	(Amount in Rs.)
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
Preferential Allotment Of Equity Shares	NIL
3 Position of Mobilisation and Deployment of Funds	(Amount in Rs.)
Total Liabilities	31,37,08,976
Total Assets	31,37,08,976
Sources of Funds	
Paid-up Capital	4,02,24,250
Reserves & Surplus	27,34,84,726
Secured Loans	NIL
Unsecured Loans	NIL
Application of Funds	
Net Fixed Assets	2,08,57,858
Investments	26,28,372
Net Current Assets	29,02,22,746
Miscellaneous Expenditure	NIL
Accumulated Losses	NIL
4 Performance of Company	(Amount in Rs.)
Turnover	17,37,19,597
Total Expenditure	13,26,95,026
Profit / (Loss) Before Tax	5,19,65,076
Profit / (Loss) After Tax	4,33,23,960
Earning Per Share (Weighted) (Rs.)	1.08
Dividend Rate	20%
5 Generic Names of Three Principal Products / Services of Company (As per Monetary Terms)	
Item Code No. (ITC Code)	842611-00
Product Description	E.O.T. Crane
Item Code No. (ITC Code)	847431-01
Product Description	Concrete Mixers
Item Code No. (ITC Code)	840510-00
Product Description	Gas Generators

As per our Report of even date

For **SHAH & CO,**
Chartered Accountants

H.N. SHAH
Partner
Membership No.8152

Mumbai, July 27th, 2009

For and on behalf of the Board

Mr. Ashok J. Patel }
Mr. Jaysinh A. Dave } Directors

Mumbai, July 27th, 2009



SKYLINE MILLARS LIMITED

(FORMERLY MILLARS INDIA LIMITED)

Regd. Office : 24, Kurla-Kirol Road, P.B. No. 9208, Ghatkopar (West), Mumbai - 400 086.

ATTENDANCE SLIP

89th ANNUAL GENERAL MEETING - 29th SEPTEMBER, 2009 at 11.00 A.M.

FOLIO NO.

I Certify that I am a Registered Shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 89th ANNUAL GENERAL MEETING of the Company at Babasaheb Dahanukar Sabha Griha, 6th Floor, Orion House, 12, K Dubash Marg (Rampart Row), Fort, Mumbai - 400 023, on Tuesday, 29th September, 2009 at 11.00 a.m.

Member's / Proxy's name in BLOCK Letters

Member's / Proxy's Signature

Note : Please fill this attendance Slip and hand it over at the ENTRANCE OF THE HALL.

.....(TEAR HERE)

SKYLINE MILLARS LIMITED

(FORMERLY MILLARS INDIA LIMITED)

Regd. Office : 24, Kurla-Kirol Road, P.B. No. 9208, Ghatkopar (West), Mumbai - 400 086.

FORM OF PROXY

I/We
of in the district of being
a Member/Members of the above named Company hereby appoint
of in the district of or failing
him of in the district of as my/
our Proxy to vote for me/us on my/our behalf at the 89th ANNUAL GENERAL MEETING of the Company to be
held at Babasaheb Dahanukar Sabha Griha, 6th Floor, Orion House, 12, K Dubash Marg (Rampart Row),
Fort, Mumbai - 400 023. on Tuesday, 29th September, 2009 at 11.00 a.m. at any adjournment thereof.

Signed this day 2009

Signature

Reg. Folio No.

AFFIX
Re. 1
REVENUE
STAMP

NOTE : THIS FORM IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTYEIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.

From of Proxy



SKYLINE MILLARS LIMITED
(FORMERLY MILLARS INDIA LIMITED)

Millars



SKYLINE MILLARS LIMITED

(FORMERLY MILLARS INDIA LIMITED)

Millars**Registered Office :**

24, Kurla - Kiroli Road, P. B. No. 9208, Chatkopar (West), Mumbai - 400 086.
E-mail: millars@vsnl.net • Website: www.skylinemillarsltd.com

Corporate Office :

4th floor, Churchgate House, 32-34, Veer Nariman Road, Fort, Mumbai-400 001.
Tel.: (022) 2204 7470, 2283 1375 • Fax : (022) 2204 9408
E-mail: millars@vsnl.net



Current Project at our Ghatkopar Property

Construction Equipment Division

Plant Location :

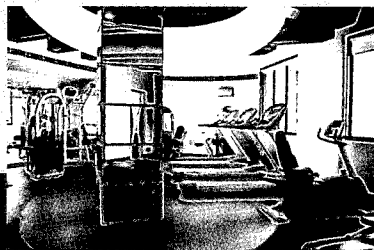
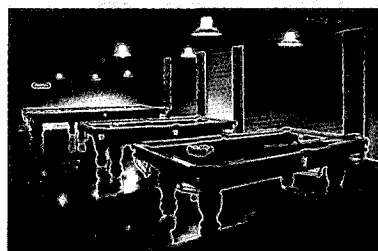
Anand - Sojitra Road, Karamsad - 388 325.
Tel.: (02692) 232017, 237331 • Fax : (02692) 235914

Regional Marketing Offices :

210, Pragati Tower, 26, Rajendra Place, New Delhi - 110 008.
Tel.: (011) 2572 1566, 2581 4913 • Fax : (011) 2581 4913

City Centre 3, Ground Floor, No. 39, Thirumalai Pillai Road,
T. Nagar, Chennai - 600 017.
Tel.: (044) 2815 7906 • Fax : (044) 2815 8249

B. Jadhav Chambers, 3rd Floor, Ashram Road, Ahmedabad - 388 009.
Tel.: (079) 2754 6822, 2754 6894 • Fax : (079) 2754 6894



SKYLINE MILLARS LIMITED

Regd. Office : 24, Kurla - Kirol Road, P. B. No. 9208,
Ghatkopar (West), Mumbai-400 086.

Corporate Office : 4th floor, Churchgate House,
32-34 Veer Nariman Road, Fort, Mumbai-400 001.