ANNUAL REPORT 2009 - 2010

certified Tone Copy

For Milgrey Phance And investments Ltd.

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BOARD OF DIRECTORS

SHRI GIRDHARILAL SEKSARIA

SHRI BASUDEO SEKSARIA

SHRI SHYAMSUNDER HARLALKA

AUDITORS

M/S. R. S. SHAH & CO.,

CHARTERED ACCOUNTANTS 217, VARDHAMAN CHAMBERS, CAWASJI PATEL STREET, FORT, MUMBAI - 400 001

BANKERS

BANK OF INDIA M. G. ROAD, FORT, MUMBAI - 400 001

STATE BANK OF INDIA SHIV SAGAR ESTATE,

WORLI,

MUMBAI - 400 018

REGISTERED OFFICE

PLOT NO2, PRABHAT NAGAR,

PATEL ESTATE ROAD, JOGESHWARI (WEST), MUMBAI - 400 102

NOTICE

Notice is hereby given that the Twenty-Seventh Annual General Meeting of the members of MILGREY FINANCE AND INVESTMENTS LIMITED, will be held on Thuesday 31st August 2010 at 4.00 P.M. at its registered office at 2- Prabhat Nagar, Patel Estate Road, Jogeshwari (West), Mumbai – 400 102, to transact the following business.

OREDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March 2010 and the Balance Sheet as on that date together with the Reports of the Directors' and Auditors' thereon.
- 2) To appoint Director in place of Shri Basudeo Seksaria who retires by rotation and being eligible offers himself for reappointment.
- 3) To re-appoint M/s.R S Shah & co., Chartered Accountants as Statutory auditors of the company for the financial year 2010-2011 to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

BY ORDER OF THE BOARD For:MILGREY FINANCE & INVESTMENTS LIMITED

(SHYAMSUNDER HARLALKA)
DIRECTOR

PLACE: MUMBAI

DATED: 2 9 JUL 2010

NOTES:

- 1) A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the company. Proxies, in order to be effective, must be received at the registered office of the company, not less than 48 hours before the commencement of the Annual General Meeting i.e. by 10.30AM on 28th August 2010.
- 2) Corporate members are requested to send duly certified copy of the Board resolution, pursuant to section 187 of the Companies Act, 1956 authorizing their representative to attend and vote at the Annual General Meeting.
- 3) Members are requested to bring admission slips alongwith copy of the annual report to the Annual General Meeting.
- 4) Members who wish to obtain information on the company or view the accounts for the financial year ended 31st March, 2010 are requested to send their queries atleast 10 days before the Annual General Meeting of the Company at the Registered Office of the Company.
- 5) All the documents referred to in accompanying notice are available for inspection at the Registered Office of the Company on all working days between 11.00 AM to 1.00 PM upto the date of Annual General Meeting.
- 6) The Register of Members and the Share Transfer Books of the Company will remain closed from 23nd August 2010 to 31st August 2010 (both days are inclusive) for the purpose of Annual General Meeting.
- 7) Members are requested to intimate to the company the changes in the address, if any, immediately.
- 8) Members may avail nomination facility as provided under section 109A of the Companies Act, 1956.

DIRECTORS' REPORT

THE MEMBERS,

Your Directors present the Twenty Seventh Annual General Report together with Audited Accounts for the year ended 31st March 2010.

WORKING RESULTS:

During the year under review the Company has made the turnover and other income aggregating to Rs.37,24,567/- and made Profit of Rs.19,35,500/- against the Loss of Rs.28,07,706/- in the earlier year.

DIVIDEND

In view of Carried forward losses, your Directors do not propose any Dividend.

DIRECTORS

Shri Basudeo Seksaria who retires by rotation and being eligible offer for reappointment.

AUDITORS:

M/S. R. S. SHAH & CO., Chartered Accountants, Mumbai retire at the ensuring Annual General Meeting and being eligible offer themselves, for reappointment.

With reference to the qualification in Auditor's Report, the Notes on Accounts are self explanatory and do not call for further comments.

DIRECTORS' RESPONSIBILITY STATEMETNS

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed;

- a) That in the preparation of the accounts for the Financial year ended 31st March 2010, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review:

- c) That the Directors 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 frauds and other irregularities.
- d) That the Directors have prepared the accounts for the financial year ended 31st march 2010 on a 'going concern' basis.

SECRETARIAL COMPLIANCE REPORT:

The Company has obtain compliance certificate from 1/4/2009 to 31/3/2010 from Company Secretary in practice in respect of Books registers and records of the Company and to report as to whether the Company has complied with all the provisions of the Companies Act, 1956. A certificate obtained from the said Company Secretary is attached to this report.

EMPLOYEES:

None of the employees of the Company in covered under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975.

BY ORDER OF THE BOARD

GIRDHARILAL SEKSARIA

BASUDEO SEKSARIA

DIRECTOR

PLACE: MUMBAI

DATED: 2 9 JUL 2010

R. S. SHAH & Co. Chartered Accountants

217, Vardhaman Chambers Cawasji Patel Street, Fort, Mumbai-400001 Tel: 22042469 / 22873508

AUDITORS REPORT

The Members of

MILGREY FINANCE AND INVESTMENTS LIMITED

- 1) We have audited the attached Balance Sheet of MILGREY FINANCE AND INVESTMENTS LIMITED as at 31st March 2010 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto, these financial statement are the responsibility of the Company's managements. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) 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 misstatements. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of books and records as we considered appropriate and according to the information and explanations given to us, we set out in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
- 4) Further to our comments in the Annexure referred to in paragraph 3 above, we further report that:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from examination of the books.

- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion the Balance Sheet and the Profit & Loss Account comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representation received from the Directors and taken on records by the Board of Directors, we report that none of the Directors is disqualified as at 31st March, 2010 from being appointed as a director in terms of clause (g) of Sub-section (I) 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 read together with the Notes thereon, given the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - g) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010 and;
 - ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
 - iii) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

For R. S. SHAH & CO., Chartered Accountants,

(R. S. SHAH) PROPRIETOR

PALCE: MUMBAI DATED 2 9 JUL 2010



217, Vardhaman Chambers Cawasji Patel Street, Fort, Mumbai-400001 Tel: 22042469 / 22873508

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in Paragraph 3 of the Auditors Report of Even date to the Member of MILGREY FINANCE & INVESTMENTS LIMITED

- i) a) The Company does not have any fixed Assets.
- ii) a) The inventory has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
 - b) The procedures for physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) In our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) a) The Company has taken interest free loan from a Director terms and conditions there of are not prima-facie pre-judicial to the interests of the Company.
 - b) The Company has not granted during the year any loans, secured or unsecured, to the Companies, firms or other parties listed in the register maintained under Section 301 of the Act and accordingly, paragraphs 4 (iii)(b),(c) and (d) of the Order are not applicable.
- In our opinion and according to the information and explanations given to us, there are adequate Internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- v) a) According to the information and explanations given to us, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 have been so entered.
 - b) In our opinion and according to the information and explanations, the company has not made any transactions pursuant to contract or arrangement entered into the registered maintained under section 301 of the Act for the value exceeding Rs.5.00 lakhs in respect of any party during the year.
- vi) In our opinion, and according to the information and explanations given to us, the company has not accepted any fixed deposit which are covered under provision of section 58 A and 58 AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975.
 - vii) In our opinion and according to the information and explanations given to us, company has an internal audit systems commensurate with the size and nature of its business.
 - viii) The cost records has not been prescribed pursuant to the rule made by the Central Government under section 209(1)(d) of the Companies Act, 1956.

- According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employee's state insurance, income –tax, wealth tax, cess and other material statutory dues as applicable with the appropriate authorities.
 - b) According to the information and explanations given to us there is no liability in dispute but not paid by the company in respect of income-tax, sales tax, customs duty, wealth tax, excise duty and cess as at 31st March 2010.
- x) The Company has incurred cash Profit during the year, and cash loss in the previous year.
- xi) The Company has not taken any loan from Bank and Financial Institution and had never issued any debenture.
- xii) The provision of any special stature applicable to chit fund/nidhi/mutual benefit/fund/societies are not applicable to the Company.
- xiii) In respect of the Company's dealing or trading in shares, securities, debentures and other instruments proper records have been maintained in respect of transaction and contracts during the period under report. Accordingly to the information and explanation given to us shares held as investments are in the name of Company.
- xiv) The company has not given any guarantee to the Bank for the loans taken by anotherCompany.
- xv) In our opinion, and According to the information and explanation given to us, the Company has not taken in any terms loan. Therefore its applicability does not arise.
- xvi) On the basis of an overall examination of the balance sheet of the Company and according to the information and explanations given to us, in our opinion, funds raised on a short-term basis have not been used for long-term investment and vice versa.
- xvii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xviii) The Company has not issued any debenture till date. Therefore creation of securities in respect of debentures does not arise.
- xix) The Company has not raised any money by public issues during the year.
- During the course of our examination of the Books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- xxi) Other provisions of the said order are not Applicable for the Company.

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For R. S. Shah & Co., Chartered Accountants

(R. S. Shah)

Proprietor

Place:Mumbai.

Date 2 9 JUL 2010

MILGREY FINANCE AND INVESTMENTS LIMITED BALANCE SHEET AS AT 31ST MARCH, 2010

SOURCES OF FUNDS	SCHEDULE	AS AT 31/03/2010 Rs.	AS AT 31/03/2009 Rs.
SHARE HOLDERS FUND Share Capital	A	2,400,000	2,400,000
UNSECURED LOANS From Director		2,600,000	3,025,000
TOTAL		5,000,000	5,425,000
APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS & ADVANCE			
Inventories Cash & Bank balance Loans & advance	B C	3,263,395 354,647 599	2,161,604 59,634 343
Less: CURRENT LIABILITIES & PROVISIONS	D	3,618,641 1,347,857	2,221,581 1,148,703
PROFIT & LOSS ACCOUNTS TOTAL		2,270,784 2,729,216 5,000,000	1,072,878 4,352,122 5,425,000
NOTES OF ACCOUNT Schedules A to I from part of the Accounts As per our report of even date.		0	

For R. S. SHAH & CO., CHARTERED ACCOUNTANTS

R. S. SHAH PROPRIETER M.NO -100-30108 Place: Mumbai

Date 2 9 JUL 2010

Shalally



MILGREY FINANCE AND INVESTMENTS LIMITED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

<u>INCOME</u>	SCHEDULE	AS AT <u>31/3/2010</u> <u>Rs.</u>	AS AT <u>31/3/2009</u> <u>Rs.</u>
Sales Other Income Increase in stock	E F	3,666,877 57,690 1,101,791 4,826,358	1,496,111 52,697 1,548,808
EXPENDITURE			
Decrease in stock Purchases Salary to Staff Other Expenses	G H	2,657,932 93,600 139,326	2,174,484 1,980,292 89,400 112,338
Profit /(Loss) for the year Less: Current Year Tax		2,890,858 1,935,500 (312,594)	<u>4,356,514</u> (2,807,706)
Less: Income tax from earlier year		1,622,906 	<u>(730)</u> (2,806,976)
Add: Loss brought forward from Previous year		(4,352,122) (2,729,216)	(1,545,146) (4,352,122)

NOTES OF ACCOUNT
Schedules A to I from part of the Accounts
As per our report of even date.

For R. S. SHAH & CO., CHARTERED ACCOUNTANTS

THE

R. S. SHAH PROPRIETER M.NO -100-30108 Place : Mumbai

Date : 2 9 JUL 2010

DIRECTORS

Sha Lally

MILGREY FINANCE AND INVESTMENTS LIMITED SCHEDULES FORMING PART OF THE ACCOUNT AS ON 31.03.2010

SCHEDULE 'A'	AS AT 31/03/2000 <u>Rs.</u>	AS AT 31/03/2009 <u>Rs.</u>
SHARE CAPITAL		
AUTHORISED		
250,000 Equity shares of Rs.10/- each	2,500,000	2,500,000
	2,500,000	2,500,000
ISSUED, SUBSCRIBED AND PAID UP		
240,000 Equity shares of Rs.10/- each fully paid up.	2,400,000	2,400,000
	2,400,000	2,400,000

MILGREY FINANCE & INVESTMENTS LIMITED SCHEDULES FORMING PART OF THE ACCOUNT AS ON 31.03.2010

		10
		AS AT 31/03/2009
SCHEDULE 'B' CASH BANK BALALNCE		<u>Rs.</u>
Cash on hand	9,414	1,116
Balance In Current Account with schedule bank	345,233	58518
	354,647	59,634
SCHEDULE 'C' LOANS AND ADVANCE (Unsecured Considered good) Deposits	256	
Advance Income Tax	S. W. C. Carlot	-
Income Tax deducted at source	343	343
1 has a	599	343

SCHEDULE 'D' CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

Sundry Creditors
Current Liabilities
Provision for taxation

 1,007,688
 1,118,010

 27,575
 30,693

 312,594

 1,347,857
 1,148,703

MILGREY FINANCE & INVESTMENTS LIMITED SCHEDULES FORMING PART OF THE ACCOUNT AS ON 31.03.2010

		AS AT 31/03/20∱€	AS AT 31/03/2009
SCHEDULE 'E' OTHER INCOME		<u>Rs.</u>	<u>Rs.</u>
Dividend		56,889	52,605
Sundry Receipt		801	92
	-	57,690	52,697
SCHEDULE 'F' INCREASE IN STOCK			
Closing Balance Less: Opening Stock		3,263,395 2,161,604	
Increase in stock	 	1,101,791	
SCHEDULE 'G' DECREASE IN STOCK			
Closing Balance Less: Opening Stock		- -	2,161,604 4,336,088
Decrease in stock		-	(2,174,484)
SCHEDULE 'H' OTHER EXPENSES			
Auditor's Remuneration Audit Fees Tax Audit Professional Fees Listing & Filing Fees Professional Tax on Trade Security Transaction Tax Bank & Demate Charges Postage & Telegram Printing & Stationery Miscellaneous Expenses Service Tax and Other Charges	16,545 	16,545 78,718 11,030 2,500 6,886 16,091 1,890 499 2070	11,030 70,896 11,112 2,500 4,069 4,954 3,028
Gervice Tax and Other Charges	- =	3097 139,320 3*1	2,074

SCHEDULE 'I'

NOTES ON ACCOUNTS

1) <u>STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES:</u>

- a) Income and Expenditure are recognized and accounted on accrual basis.
- b) Stock has been valued at lower of cost or net realizable value.
- Securities and Exchange Board of India had levied the penalty of Rs.1,75,000/- on account of non-compliance of regulation 6 and 8 of SEBI (Substantial Actuation of shares and takeover) Regulations 1997. The Company has submitted is explanations for adjudication the penalty. The matter is under consideration. The necessary effect will be given in the accounts as and when matter is finally decided.
- Additional information required under Part II of Schedule VI of Companies Act, 1956.

	OPENING ST		PURCHASE		ALES	CLOS	ING STOCK
	QTY AMO			QTY	<u>AMOUNT</u>		AMOUNT
		RS. NO		NO.		NO.	RS.
CIII	98697 216	1604 3415	8 2657932	51988	3666877	80867	3263395
SHARES	(82578) (433	36088) (295	(2188080)	(13410	(1703898)	(98697)	(2161604)

Figures in brackets are of previous year.

- 3) Previous years figures have been regrouped/rearranged wherever necessary.
- 4) The Sundry Creditors includes some of Rs.10,00,000 payable to a party from whom one of the concern in which director's are interested, has to recover the larger amount. And accordingly payment will only be made on receipt of the payement from the party in the said concern. And the above amount is subject to confirmation.
- 5) Other provisions of Schedule VI of the Companies Act, 1956 are either NIL or NOT APPLICABLE.

For R. S. SHAH & CO., CHARTERED ACCOUNTANS

> (R. S. SHAH) PROPRIETOR

PLACE: MUMBAI

DATED: 2 9 JUL 2010

DIRECTORS

Sharlally

BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFIT

1) REGISTRATION DETAIL

Registration No.

30316

Balance Sheet

31/03/2010.

State code

2) CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS.)

Public issue Bonus issue

NIL

NIL

Right Issue

Private Placement

3) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS.)

Total Liabilities

5,000,000

Total Assets

5,000,000

Sources of Funds

Paid up Capital

2,400,000

Reserve of Surplus

Secured Loans

Unsecured Loans

2,600,000

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

2,270,784

Misc. Expenditure

Accumalated Losses

Profit & Loss A/c

2,729,216

4) PERFORMANCE OF COMPANY (AMOUNT IN RS.)

Turnover

4,826,358

Total Expenditure

2,890,858

Earning per Shares in Rs.

7.00

Profit before Tax

1,935,500

Dividend Rate %

NIL

Total Loss

5) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY AS PER MONETAY TERMS) DEALING AND INVESTMENTS IN SHARES

ITEM CODE NOS.

NOT APPLICABLE

FOR R. S. SHAH & CO.,

CHARTERED ACCOUNTANTS

(R. S. SHAH) **PROPRIETOR**

M.NO -100-30108

PLACE: MUMBAI

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	AS AT 31/03/2010 (Rs. in '000)	31/03/2009 (Rs. in '000)
CASH FLOW FROM OPERATING ACTIVITIES Profit/(Loss) Before Tax Less: Interest & Dividend Income	1,936 (57)	(2,807) (53)
Operating Profit before working Capital Charges	1,879	(2,860)
WORKING CAPITAL CHARGES Decrease/(Increase) in Loan & Advances Decrease/(Increase) in stock Increase/(Decrease) in Trade Payable	(1,102) (114)	71 2,175 (53)
Cash generation from Operation	(1,216)	2,193
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	663	(667)
Interest and Dividend Income (increase) Drcrease in investments NET CASH FLOW FROM INVESTMENTS ACTIVITIES (B) CASH FLOW FROM FINANCING & OTHER ACTIVITIES Increase/(Decrease) in Unsecured Loan	57 - 57	53 - 53
Allotment money (in arrears) now received	(425) 0	525 5
NET CASH FROM FINANCING ACTIVITIES (C)	(425)	530
Net (Decrease)/Increase in cash & cash Equivalents (A+B+C)	295	(84)
Cash & Cash Equivalents at the beginning of the year	60	144
Cash & Cash Equivalents at the end of the year	355	60
For R. S. SHAH & CO., CHARTERED ACCOUNTANTS (R. S. SHAH) PROPRIETOR M.NO -100-30108 PLACE: MUMBAI DATED; 2 9 JUL 2010	Indonescow.	- ly
PROPRIETOR M.NO -100-30108	Solverson.	ly