

Date: 14th October, 2008.

Dear Shareholder(s),

Sub: Sub-division of Equity Shares of Rs. 10/- each into 10 Equity Shares of Re. 1/- each

At the 88th Annual General Meeting of the Company held on 30th September, 2008, the members have approved the sub-division in the face value of the Equity Shares of the Company from Rs. 10/- per share to Re. 1/- per share. Accordingly, the Shareholders of the Company shall receive 10 (Ten) Equity Shares of Re. 1/- each for every Equity Share of Rs. 10/- each. The Record Date for the purpose of sub-division is 05th November, 2008. The sub-divided shares will be issued to the members whose names appear in the Register of Members against their respective holding as on the Record Date;

A. Procedure for Shareholders holding Shares in Dematerialized Form:

The demat account of the Shareholders, holding shares in dematerialized form shall be automatically credited by the concerned Depositories soon after the Record Date, i.e., 05th November, 2008 by effecting necessary credit of new sub-divided shares. The process is automatic and as such no action is required to be taken by these Shareholders.

B. Procedure for Shareholders holding Shares in Physical Form:

Shareholders holding original phsysical share certificate/s would be issued new share certificate in lieu of the original share certificate/s. The original share certificate/s will have to be surrendered immediately along with duly filled in and signed Form 'A' (attached hereto only if you are holding shares in physical form) at the office of:

- 1) M/s Intime Spectrum Registry Limited, (Unit: Skyline Millars Limited) C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078, Phone: 022-2596 3838, Fax: 022-2594 6969 (Registrar and Transfer Agent), or
- 2) M/s Skyline Millars Limited (Corporate office), 4th Floor, Churchgate House, 32-34 Veer Nariman Road, Fort, Mumbai-400 001, Phone: 022-2204 7470, Fax: 022-2204 9408.

On surrender of the original share certificate/s as above, the new share certificate for the sub-divided shares will be directly dispatched to the concerned shareholder/s by Intime Spectrum Registry Limited within 15 days of the date of receipt of the original share certificate/s along with duly filled in and signed Form 'A' from the Shareholders. Shareholders should deface the existing Share Certificate with the words "Submitted for exchange of new Share Certificate" before sending it to the Company or Registrar so as to guard against any misuse of such Share Certificates.

We shall be issuing one composite certificate to such shareholder/s against his / her entire shareholding in the Company. In addition to easy handling, this will also lead to savings in the cost of dematerialize these shares at a future date, having regard to the fact that such cost is also linked to the number of Share Certificate. Moreover, if at a later date, shareholder wishes to sub-divide the composite Share Certificate in small denominations, we shall promptly respond to such request for sub-division.

Members may be aware that trading / delivery of the Equity Shares of the Company have to be necessarily in dematerialized form. In view of this and several other benefits of holding shares in dematerialized mode, the Shareholders, who have not yet dematerialized their shares, are requested to have their shares dematerialized to avail the benefits of electronic form of trading.

All communications in connection with sub-division of Shares should be addressed to M/s Intime Spectrum Registry Limited. In case you need any other information in this regard, you can also write to the undersigned at the Corporate Office of the Company situated at Fort, Mumbai.

Thanking you,

For Skyline Millars Limited**Dhawal Vora**
Company Secretary

Encl: As above.

Form 'A'

To,

From: Name/s in Full and Address (In BLOCK LETTERS)

M/s Intime Spectrum Registry Limited
Unit (Skyline Millars Limited)
C-13 Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai 400 078

Sub: Sub-Division of Equity Shares of Rs. 10/- each into 10 Equity Shares of Re. 1/- each

I / We hereby surrender my / our Original Share Certificate/s in respect of Equity Shares of Rs.10/- each held by me / us and request you to sub-divide the shares and send me the new share certificate at my/our address mentioned above.

Folio	Certificate No/s	Distinctive Nos.		No. of Shares
		From	To	

Yours sincerely,

Signature: _____

Name: _____

(First Shareholder)

(Second Shareholder)

(Third Shareholder)

(Signatures should tally with the specimen signatures registered with the Company)