



# SKYLINE MILLARS LIMITED

(FORMERLY MILLARS INDIA LIMITED)

Report  Junction.com

*88<sup>th</sup> Annual Report*  
*2007-2008*



**Millars**

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### Board of Directors

Name of the Directors	Designation
Mr. Ashok J. Patel	Non-Executive Director & Chairman
Mr. Anand J. Vashi	Independent Director
Mr. Vinod N. Joshi	Independent Director
Mr. N. V. Subramanyam	Independent Director
Mr. Narendra H. Bhatt	Non-Executive 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

**Chief Operating Officer** N. B. Joshi

**Financial Controller** Jinesh D. Shah

**Dy. G.M. Finance & Company Secretary** Dhawal J. Vora

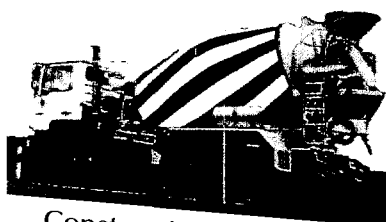
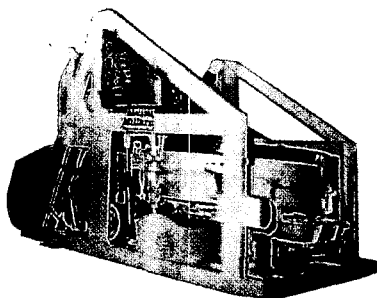
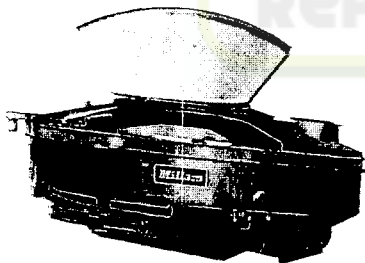
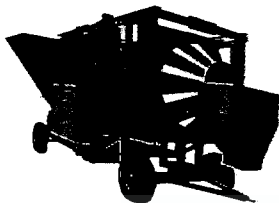
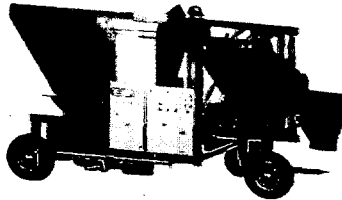
**Bankers** Bank of Maharashtra  
IDBI Bank Limited  
ICICI Bank Limited  
Axis Bank Limited

**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 Equipment



## NOTICE

NOTICE IS HEREBY GIVEN THAT THE **EIGHTY EIGHTH ANNUAL GENERAL MEETING** OF THE MEMBERS OF **SKYLINE MILLARS LIMITED** WILL BE HELD AT **BABASAHEB DAHANUKUR SABHA GRIHA, 6<sup>th</sup> FLOOR, ORICON HOUSE, 12 K. DUBHASH MARG (RAMPART ROW), FORT, MUMBAI-400 023** ON **TUESDAY, 30<sup>th</sup> SEPTEMBER, 2008** AT **11.00 A.M** TO TRANSACT THE FOLLOWING BUSINESS.

### ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2008 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 final dividend.
3. To appoint Director in place of Mr. Tarak A. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Mr. Narendra H. Bhatt, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT M/s Shah & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

### SPECIAL BUSINESS:

6. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of section 94(1)(d) and other applicable provisions if any of the Companies Act, 1956, the Share Capital of the Company be and is hereby subdivided into Equity Shares of Re. 1/- each."
7. To consider and if thought fit to pass with or without modification, the following resolution as an Special Resolution:  
"RESOLVED THAT Clause V of the Memorandum of Association of the Company be replaced by the new Clause V as under;  
  
V The Authorised Share Capital of the Company is Rs.10,00,00,000/- (Rupees Ten Crores only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Re.1/- (Rupee one) each, with rights, privileges conditions attached thereto as are provided in the Articles of Association of the Company for the time being with powers to increase or reduce the capital of the Company and divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or any other law relating to the Companies for the time being in force or provided by the Articles of Association of the Company for the time being."

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

**Ashok J. Patel**  
Chairman

July 29<sup>th</sup>, 2008.

### Registered Office:

24, Kurla-Kirol Road, P.B.No. 9208,  
Ghatkopar (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. **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. Explanatory statement under section 173(2) of the Companies Act, 1956 in respect of the Special Business set above is annexed.
4. The Register of Members and Share Transfer Register shall remain closed from Monday the September 22<sup>nd</sup> 2008, to Tuesday the September 30<sup>th</sup>, 2008 (both days inclusive).
5. The Dividend, after declaration, will be paid to those shareholders whose names stand on the Register of Members on 30<sup>th</sup> September 2008. 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 after closing of business hours on 21<sup>st</sup> September, 2008.
6. 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.
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 Annual General Meeting.
12. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Share Transfer Agents 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.
13. The Board of Directors of the Company had proposed in their meeting held on July 29<sup>th</sup>, 2008 for stock split of shares by dividing the share into shares of nominal value of Re. 1/- each. Shareholders' approval is sought in the ensuing Annual General Meeting by passing this resolution as required by Section 94 of the Companies Act, 1956. If approved, the shareholders holding equity shares will be entitled to 10 shares of Re. 1/- each in lieu of every equity share of Rs. 10/- each held by them.



Those who are holding shares in physical form, their existing share certificate shall become null and void after the Record Date to be fixed after approval by the shareholders in ensuing Annual General Meeting. They will be entitled to the new share certificates of the Company to be issued under its common seal in lieu of the old share certificates.

Those who are holding shares in electronic form, are entitled to get 10 Equity shares of Re. 1/- each in lieu of one share of Rs. 10/- held by them in electronic form, on the Record Date that may be fixed as mentioned above.

#### **EXPLANATORY STATEMENT:**

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

##### **Item No. 6 & 7;**

At present the Authorised capital of the Company is Rs. 10,00,00,000/- divided in to 1,00,00,000 Equity Share of Rs. 10/- each. The Board of Directors of the Company has recommended a stock split (sub-division) of the Equity Shares of Rs. 10/- each into 10 Equity Shares of Re.1/- each. This would necessitate altering the provisions of Clause V of the Memorandum of Association of the Company, which requires the consent of the shareholders. The resolution, if passed, would have the effect of entitling the shareholders to receive 10 equity shares of Re.1/- each in lieu of 1 equity share of Rs. 10/- each on the Record Date that will be fixed by the Board of Directors. Stock split will make the Company's equity share more affordable and will increase the float of the Company's equity shares in the market. Consequently the Clause V of the Memorandum of Association are proposed to be altered for the purpose of stock split.

The Board recommends the resolutions for the approval of the members. None of the Directors is in any way concerned or interested in the above resolutions.

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

**Ashok J. Patel**  
Chairman

July 29<sup>th</sup>, 2008.

##### **Registered Office:**

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

Notice



## Directors' Report

To The Members,

Your Directors present their Eighty Eighth Annual Report and the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2008.

### FINANCIAL RESULTS

PARTICULARS	F.Y. 2007-08 (Rs. in lacs)	F.Y. 2006-07 (Rs. in lacs)
<b>Sales &amp; Other Income</b>	<b>2255.49</b>	<b>1851.49</b>
<b>Total Income</b>	<b>2255.49</b>	<b>1851.49</b>
Profit before Interest , Depreciation & Taxation	659.63	270.79
1. Interest	1.33	2.43
2. Depreciation	14.40	11.23
3. Taxation	77.00	33.36
Profit / (Loss) after Interest , Depreciation & Taxation	566.90	223.78
Balance brought forward from the previous year	543.35	319.57
Amount available for Appropriation	1110.25	543.35
<b>APPROPRIATIONS:</b>		
Transfer to General Reserve	57.00	-
Dividend: Interim	40.22	-
Final	40.22	-
Dividend Distribution Tax	13.68	-
	151.12	-
Balance carried to Balance Sheet	959.13	543.35

### DIVIDEND

Based on the Company's performance, the Directors are pleased to recommend, for approval of the Members, a final dividend of 10% per share on 40,22,425 Equity Shares of Rs.10/- each of the Company for the financial year 2007-08, in addition to interim dividend of 10% per share. The Final Dividend on the Equity Shares, if declared as above, would involve an outflow of Rs.40.22 lacs towards dividend and Rs.6.84 lacs towards dividend distribution tax, resulting in a total outflow of Rs.94.12 lacs (including dividend distribution tax) on account of dividend (interim and final) for the financial year 2007-08.

### OPERATIONS

During the year under review your Company has achieved marked improvement in its operations. Sales and other income increased from Rs.1,851 lacs in the previous year to Rs.2,255 lacs in the current year, an increase of 22% compared to last year.

Construction Equipment Division has a healthy growth of 27% from Rs.1,090 lacs to Rs.1,381 lacs in this financial year and income from the Real Estate Division was Rs.782 lacs.

The Company has booked Profit After Tax (PAT) Rs. 566.90 lacs compared to Rs.223.78 lacs in the previous year an increase of almost 153% in PAT. The Earning Per Share (EPS) of the Company has increased from Rs. 8.37 to Rs.14.09 per share, an increase of almost 68% compared to the last 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 investments in various instruments such as listed equity shares, mutual funds & fixed deposits in Banks amounting to Rs. 1,161 lacs.

## SIGNIFICANT EVENTS

The Company has 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 10,993 sq. mtrs at our Ghatkopar Project, situated at Kurla-Kirol Road, Ghatkopar, Mumbai and the Development Agreement will be finalized in due course.

The Company has also entered into Memorandum of Intent with Khanna Rayon Industries Private Limited for developing residential / commercial building having a saleable area of 4,180 Sq. mtrs (approx) at their Ghatkopar land and the Development Agreement will be executed in due course.

## PREFERENTIAL ISSUE

As approved by the Members at its Extra-Ordinary General Meeting held on January 02<sup>nd</sup>, 2007, the Company has issued and allotted 3,51,000 equity shares and 13,50,000 convertible warrants of the Company on January 15<sup>th</sup>, 2007 to Skyline Group on preferential basis an equity shares of Rs. 10/- each for cash at a premium of Rs. 70/- per Share and 13,50,000 Fully Convertible Warrants (FCWs) @ Rs. 80/- each. During the year 13,50,000 FCWs were converted into equal number of Equity Shares of Rs. 10/- each at a premium of Rs. 70/- per Share. The said Equity Shares have been listed on the Bombay & Ahmedabad Stock Exchanges.

The total funds generated by issue of equity shares as aforesaid aggregated to Rs. 1,361 Lacs, and is utilized as under;

(i) Deployed in our Ghatkopar Project	Rs. 789 Lacs
(ii) Deployed in Other Projects	Rs. 113 Lacs
(iii) Balance with Banks	Rs. 459 Lacs
<b>Total:</b>	<b>Rs. 1,361 Lacs</b>

## DIRECTORS

In accordance with Section 256 of the Companies Act, 1956, Mr. Tarak A. Patel and Mr. Narendra H. Bhatt retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

A brief resume of the directors being appointed / re- appointed, as stipulated under clause 49 of the Listing Agreement, is given in the statement of Corporate Governance.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 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 1<sup>st</sup> April, 2007 to 31<sup>st</sup> March, 2008.
- 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.
- 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 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**

**Ashok J. Patel**  
Chairman

July 29<sup>th</sup>, 2008.





## **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.**

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

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 annexed to Form-A.

### **B. TECHNOLOGY ABSORPTION.**

Research and Development.

1. The Company continues its efforts by internal upgradation 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**

### **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**

**Ashok J. Patel  
Chairman**

July 29<sup>th</sup>, 2008.



## Management Discussion & Analysis

### Overview & Business Outlook

#### A. Industry Structure & Development:

The industry witnessed buoyancy during the year under review. The growth of the construction equipment and realty sector augurs well for long term outlook of your Company.

#### B. Segment Wise Operational Performance

The performance of your Company are segmented into two business groups construction equipment mainly required in the infrastructure projects and realty development of residential and commercial projects.

Construction Equipment Division has a healthy growth of 27% from sales turnover of Rs.1,090 lacs to Rs.1,382 lacs in this financial year and profit before tax was Rs.172.40 lacs.

Income from the Real Estate Division was Rs. 782 lacs compared to Rs.639 lacs last year a jump of almost 22% and profit before tax was Rs.444.83 lacs.

The Company has achieved profits after tax of Rs.566.90 lacs compared to Rs.223.78 lacs in the previous year an increase of almost 153% compared to last financial year.

#### C. Outlook

The outlook of construction equipment and realty business continues to be encouraging.

#### D. Threats and concern

The markets for your Company's business continue to be competitive. Material cost escalations on steel, cement and other inputs continue to have an impact on the profitability. With focus on operational efficiency and improvement in productivity, your Company should be able to perform satisfactorily.

#### E. Internal Control Systems and their adequacy

The system and procedures of the Company are designed to ensure adequate internal controls to give true and accurate information to the Management. A firm of Chartered Accountant ensure adequacy of the internal controls, adherence to Company's policies & accountants ensure statutory and other compliance through, periodical checks and internal audit.

#### F. Human Resources and Industrial Relations

Organizational Development is an ongoing process and efforts have been made for developing skills, nurturing and building leadership qualities, attracting and retaining talent. Employees relations during the year remained cordial and initiatives were taken to improve the productivity of employees.

#### 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.