



SKYLINE MILLARS LIMITED

(FORMERLY MILLARS INDIA LIMITED)



90th Annual Report
2009-2010

Millars



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. Jatin V. Daisaria	Non-Executive Director
Mr. Upen M. Doshi	Independent Director
Mr. Shilpin K. Tater	Additional Non-Executive Director (w.e.f. 14.10.09)
Mr. Maulik H. Dave	Additional Non-Executive Director (w.e.f. 29.04.10)

Realty Head

Prem P. Ramnani

Financial Controller

Hitesh P. Sangoi

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 **NINETIETH 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 400 001 ON TUESDAY 28TH SEPTEMBER, 2010 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, 2010 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. Tarak A. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Mr. Jatin V. Daisaria, who retires by rotation and being eligible, offers himself for re-appointment.
5. 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 :

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution;
“**RESOVLED THAT** Mr. Shilpin K. Tater, who was appointed as an Additional Director w.e.f. 14th October, 2009, and who holds office upto the date of the 90th Annual General Meeting, but who is eligible for appointment and in respect of whom the Company has received notices 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.”
7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution;
“**RESOVLED THAT** Mr. Maulik H. Dave, who was appointed as an Additional Director w.e.f. 23rd April, 2010, and who holds office upto the date of the 90th Annual General Meeting, but who is eligible for appointment and in respect of whom the Company has received notices 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**
sd/-

Anand J. Vashi
(Chairman)

Mumbai, July 26th, 2010.

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 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 September 17th, 2010 to Tuesday the September 28th, 2010 (both days inclusive).**
4. The Dividend, after declaration, will be paid to those shareholders whose names stand on the Register of Members on 28th September 2010. 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 for this purpose as on **16th September, 2010. The dividend will be paid on and from 12th October, 2010.**
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 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, 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. 6

Mr. Shilpin K. Tater was appointed as an additional Director w.e.f. 14th October, 2009 pursuant to Section 260 of the Companies Act, 1956. Mr. Shilpin K. Tater is holding office upto the date of the ensuing Annual General Meeting. The Company has received notices in writing from member proposing the candidature of Mr. Shilpin K. Tater 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. Shilpin K. Tater as it is relating to his own appointment.

Item No. 7

Mr. Maulik H. Dave was appointed as an additional Director w.e.f. 23rd April, 2010 pursuant to Section 260 of the Companies Act, 1956. Mr. Maulik H. Dave is holding office upto the date of the ensuing Annual General Meeting. The Company has received notices in writing from member proposing the candidature of Mr. Maulik H. Dave 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. Maulik H. Dave as it is relating to his own appointment.



Directors' Report

To The Members,

Your Directors present their Ninetieth Annual Report and the Audited Statements of Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

PARTICULARS	2009-10 (Rs. in lacs)	2008-09 (Rs. in lacs)
Sales & Other Income	<u>2363.71</u>	<u>1737.19</u>
	<u>2363.71</u>	<u>1737.19</u>
Profit before Interest, Depreciation & Taxation	<u>528.26</u>	<u>536.77</u>
1. Interest	(1.32)	(0.25)
2. Depreciation	(16.74)	(16.87)
3. Taxation	(86.70)	(62.50)
4. Income tax for Previous Years	—	(23.91)
Profit / (Loss) after Interest, Depreciation & Taxation	<u>423.50</u>	<u>433.24</u>
Balance brought forward from the previous year	<u>1254.25</u>	<u>959.13</u>
Amount available for Appropriation	<u>1677.75</u>	<u>1392.37</u>
APPROPRIATIONS:		
Transfer to General Reserve	45.00	44.00
Proposed Dividend	80.45	80.45
Dividend Distribution Tax	<u>13.36</u>	<u>13.67</u>
	<u>138.81</u>	<u>138.12</u>
Balance carried to Balance Sheet	<u>1538.94</u>	<u>1254.25</u>

DIVIDEND

Your Directors are please to recommend payment of 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. 13.36 lacs has been appropriated out of profits.

OPERATIONS

During the year under review your Company's sales and other income have increased from Rs. 1,737 lacs in the previous year to Rs.2,363 lacs an increase of 36% compared to last year.

Income from Construction Equipment Division has a decline of 16% from Rs. 1,143 lacs to Rs. 958 lacs in this financial year and income from the Real Estate Division increased from Rs. 462 lacs to Rs. 1,308 lacs.

The Company has booked Profit After Tax (P.A.T.) Rs. 423 lacs compared to Rs. 433 lacs in the previous year.

The Earning Per Share (EPS) of the Company has decreased from Re. 1.08/- to Re. 1.05/- per share.

Homage to Late Shri Jitendra M. Tater

We on behalf of all our Stakeholders wish to place on record our profound sorrow and grief on the sad demise of Shri Jitendra M. Tater on 20th June, 2010, who was Director of the Company till 14.10.2009.



POSTAL BALLOT

During the year under review, the company has passed Special resolutions under section 17 and 149(2A) of the Companies Act, 1956 obtaining shareholders consent by pursuant to section 192A of the Companies Act, 1956, read with the Companies (Passing of the resolution by Postal Ballot) Rules, 2001.

FIXED DEPOSITS

Your Company has not invited or accepted any fix deposit from the public, 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. 1,146 lacs.

DIRECTORS

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

During the year under review, Mr. Shilpin K. Tater was appointed as Additional Director on the Board of Directors of the Company in their meeting held on 14th October, 2009 and he holds the office up to the ensuing Annual General Meeting. The Company has received separate Notices u/s 257 of the Companies Act, 1956 from shareholder for the candidature of Mr. Shilpin K. Tater for the office of the Director of the Company along with the requisite fees.

During the current year, Mr. Maulik H.Dave was appointed as Additional Director on the Board of Directors of the Company in their meeting held on 23rd April, 2010 and he holds the office up to the ensuing Annual General Meeting. The Company has received separate Notices u/s 257 of the Companies Act, 1956 from shareholder for the candidature of Mr. Maulik H.Dave 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. Jitendra M. Tater, a Director of the Company resigned w.e.f. 14th October, 2009 and Mr. Jaysinh A.Dave, a Director of the Company resigned w.e.f. 23rd April, 2010. The Board of Directors place on record their sincere appreciation for their valuable services and contribution rendered to the Company.

So far as the constitution of the Board is concerned, Mr. Ashok J.Patel stepped down as the Chairman of the Board of Directors w.e.f 20th February, 2009 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.

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, 2009 to 31st March, 2010.
- 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.

ACKNOWLEDGEMENT

Your Directors 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**

sd/-

Anand J. Vashi
Chairman

Mumbai, July 26th, 2010.



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 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**

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**

sd/-

**Anand J. Vashi
Chairman**

Mumbai, July 26th, 2010.



Management Discussion & Analysis

Overview & Business Outlook

A. Industry Structure & Development

The financial crises which erupted in the latter half of 2007, after the collapse of the U.S sub-prime mortgage market transformed into one of the deepest global recessions in recent times affecting output, trade and capital flows, employment and income generation, business and consumer sentiment across the globe.

While the worst seems to be over as the Global economic growth is turning positive Advance Countries are projected growth at 2 per cent and Developing Asian countries is projected a growth at 8.4 per cent during 2010. Developing and emerging markets have fared much better during the crisis and emerged stronger after the recession.

Indian economy stands out among its peers in the developing world, with large and vibrant domestic economy. India was relatively insulated from the plummeting international trade and investments flows; efficient regulations and well governed financial markets prevented deep fissures and avoided excessive leveraging the system; and the extent of public intervention was largely within the capacity of the government to stimulate growth without effecting the medium and long term stability.

B. Segment Wise Operational Performance

During the financial year ended 31st March, 2010 sales from the Construction Equipment Division amounted to Rs. 958 lacs as against Rs. 1,143 lacs during the previous year, a decline of 16%, Since some of the contractors were withholding their infrastructure activities, which has affected the sales of Construction Equipment in the year under review.

Income from Real Estate Division during the year ended 31st March, 2010 was Rs. 1,308 lacs compared to Rs. 462 lacs in the previous year, a recorded increase of 183 % due to progressive completion of work of building no. 4 located at our Ghatkopar property and profit before tax from the Real Estate Division was Rs. 352 lacs compared to previous year profit of Rs. 265 lacs, an increase of 33%.

The Company during the year ended 31st March, 2010 has recorded a profit after tax of Rs. 423 lacs compared to Rs. 433 lacs in the previous year.

C. Outlook, Threats and Concern

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, which is on a rise due to implementation by Government of India as well as state government on infrastructure spending.

Real Estate

As far as the residential market is concerned, the demand situation was encouraging, especially after the first quarter of the year under review. At the macro economic level, the demand for residential units in India is expected to remain strong as estimates shows huge deficits in the supply of mass housing units continue.

Besides this, the fundamentals of the domestic market continue to be encouraging mainly driven by strong and sustained growth of the economy, disposable incomes are increasing at a significant pace and with availability of home finance has brought down the average age of first time buyer of residential property between 30 to 35 years mainly due to affordable salary enabling them to repay the housing loan along with the added advantage of tax benefit.

Given these trends, one would accept that as the economic recovery gathers further momentum, the demand for residential real estate in India will increase further and augurs well for long term outlook of your Company.