



SKYLINE MILLARS LIMITED

(FORMERLY MILLARS INDIA LIMITED)

***91st Annual Report
2010-2011***



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	Non-Executive Director
Mr. Maulik H. Dave	Non-Executive Director (w.e.f. 23.04.2010)

Realty Head	Prem P. Ramnani
Vice President-Marketing & Engg. Services	N. B. Joshi
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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NOTICE

NOTICE IS HEREBY GIVEN THAT THE **NINETY FIRST ANNUAL GENERAL MEETING** OF THE MEMBERS OF **SKYLINE MILLARS LIMITED** WILL BE HELD AT **CLUB HOUSE, SKYLINE OASIS, PREMIER ROAD, NEAR VIDYAVIHAR RAILWAY STATION, GHATKOPAR (WEST), MUMBAI - 400 086** ON **TUESDAY, SEPTEMBER 27th, 2011 AT 10.30 A.M** TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as at March 31st, 2011 and the Profit and Loss Account for the year ended March 31st, 2011 with the notes and schedules along with reports of the Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend paid during the year ended March 31st, 2011.
3. To appoint a Director in place of Mr. Ashok J. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Anand J. Vashi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Vinod N. Joshi, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint the Statutory 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.

**On behalf of the Board of Directors
FOR SKYLINE MILLARS LIMITED
sd/-**

**Anand J. Vashi
(Chairman)**

Mumbai, July 28th, 2011.

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 MEMBER.**
- 2. THE PROXIES, IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED WITH THE REGISTERED OFFICE 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 **Monday the September 19th, 2011 to Tuesday the September 27th, 2011 (both days inclusive).**
4. 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.
5. 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.
6. Members are requested to produce the attendance slip, sent along with the Annual Report, duly signed for admission to the meeting hall.
7. 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.
8. 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 Director's Report.
9. 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.
10. 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.



APPEAL TO SHAREHOLDERS

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliance by the companies through electronic mode. The Companies can now send various Notices, Annual Reports & Quarterly Results to its shareholders through electronic mode to the registered e-mail addresses of shareholders. To support green initiative of the Government in full measure, members are requested to register their e-mail addresses at skylinemillarsgogreen@linkintime.co.in, in respect of electronic holdings with the Depository through their concerned Depository Participants.



Directors' Report

To The Members,

Your Directors present their Ninety First Annual Report and the Audited Statements of Accounts for the year ended March 31st, 2011.

FINANCIAL RESULTS

PARTICULARS	2010-11 (₹ in lacs)	2009-10 (₹ in lacs)
Sales & Other Income	<u>3,062.92</u>	<u>2,363.71</u>
	<u>3,062.92</u>	<u>2,363.71</u>
Profit before Interest, Depreciation & Taxation	<u>508.29</u>	<u>528.26</u>
1. Interest	—	(1.32)
2. Depreciation	(15.99)	(16.74)
3. Taxation	(182.00)	(86.70)
Profit / (Loss) after Interest, Depreciation & Taxation	<u>310.30</u>	<u>423.50</u>
Balance brought forward from the previous year	<u>1,538.94</u>	<u>1,254.25</u>
Amount available for Appropriation	<u>1,849.24</u>	<u>1,677.75</u>
APPROPRIATIONS:		
Transfer to General Reserve	45.00	45.00
Dividend :		
Interim Dividend	80.45	—
Final Dividend	—	80.45
Dividend Distribution Tax	<u>13.36</u>	<u>13.36</u>
	<u>138.81</u>	<u>138.81</u>
Balance carried to Balance Sheet	<u>1,710.43</u>	<u>1,538.94</u>

OPERATIONAL PERFORMANCE

Sales and other income for the year at ₹ 3,062.92 lacs reflected an increase of 30% as against ₹ 2,363.71 lacs in the previous year.

Income from Construction Equipment Division increased by 10% to ₹ 1020 lacs from ₹ 926 lacs in the previous year. Income from the Real Estate Division increased by 40% to ₹ 1,833 lacs from ₹ 1,308 lacs in the previous year.

However, the Net Profit of the Company was ₹ 310 lacs compared to ₹ 424 lacs in the previous year a decrease of 27% due to overall rise in raw material input cost due to inflationary pressure.

As a result the Earning per Share (E.P.S.) of the Company was ₹ 0.77 as compared to ₹ 1.05 of the previous year.

DIVIDEND

The Board of Directors have approved the payment of Interim Dividend of ₹ 0.20 (20%) per share, at their meeting held on April 27th, 2011. The total dividend distributed for the year of ₹ 80.45 lacs was equal to that of the previous year.

The Directors propose that the interim dividend paid so far be considered as the Final Dividend for the year under review.



FIXED DEPOSITS

The Company has not accepted any public deposits during the year under review. There were no outstanding public deposits as at March 31st, 2011.

INVESTMENTS

The Company's total investment in listed equity shares, mutual funds & fixed deposits in Banks amounted to ₹ 1,087 lacs as at March 31st, 2011.

During the year under review the Company acquired about 50,000 sq. mtrs industrial land at Wada, Maharashtra for ₹ 276 lacs for the Company's concrete products project. The Company also purchased Transfer of Development Rights (T.D.R) for 1,000 sq. mtrs for ₹ 293 lacs for future real estate development at our Ghatkopar property and has further invested ₹ 495 lacs in the commercial property being developed by M/s Symphony.

PROJECTS

The Company has certain ongoing projects, including diversification in to manufacture of pre-caste concrete products, details of which are given in the Management Discussion and Analysis Report.

DIRECTORS

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, offers themselves for re- appointment.

A brief Resume of the Directors being re- appointed, as stipulated under clause 49 of the Listing Agreement with the Bombay Stock Exchange, are given in the statement of Corporate Governance forming a part of this Report.

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 polices 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 and Loss Account of the Company for the period April 1st, 2010 to March 31st, 2011.
- 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 the annual accounts for the year ended March 31st, 2011 are prepared on a 'going concern basis'.

AUDITORS

M/s. Shah & Co., Chartered Accountants, retiring as the Statutory Auditors of the Company at the conclusion of ensuing Annual General Meeting, offer themselves for re-appointment. The requisite certificate has been received from them to the effect that their re-appointment as Statutory Auditors, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.



MANAGEMENT DISCUSSION & ANALYSIS REPORT

In accordance with the Clause 49 of the Listing Agreement with 'The Bombay Stock Exchange Limited', Management's Discussion & Analysis Report is attached and forms part of this Directors' Report.

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.

ACKNOWLEDGMENTS

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
sd/-
Anand J. Vashi
Chairman**

Mumbai, July 28th, 2011.



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**

**sd/-
Anand J. Vashi
Chairman**

Mumbai, July 28th, 2011.



Management Discussion & Analysis

A. Industry Structure & Development

The demand for residential property in the beginning of the year was encouraging but due to increase in interest rates, thereafter the demand dropped as buyers deferred their decision to invest in new homes.

Construction equipment demand remained soft in the beginning of the year but picked up in the second half of the year as infrastructure activities increased.

B. Segment Wise Operational Performance

Demand for Construction Equipment continued at moderate levels but rise in raw material cost impacted profit margins. Construction Equipment sales income increased to ₹ 1,020 lacs from ₹ 926 lacs in the previous year, an increase of 10 %.

Income from Real Estate Division during the year ended March 31st, 2011 was ₹ 1,833 lacs compared to ₹ 1,308 lacs in the previous year due to progressive completion of building number 4 located at our Ghatkopar property. Profit before tax was ₹ 492 lacs compared to previous year profit of ₹ 510 lacs with marginal decline due to increased cost of construction materials.

C. Outlook

Manufacturing Division:

a. Wada Concrete Products Project, Maharashtra

The Company appointed an independent reputed agency, approved by the Bank of Maharashtra, to undertake a techno-commercial feasibility for setting up a pre-cast concrete pipes and manhole systems plant at Wada near Mumbai. The capital investment required for the Project is estimated at ₹ 1,400 lacs which is proposed by a Term Loan of ₹ 600 lacs, working capital of ₹ 300 lacs and Company's contribution of ₹ 500 lacs.

For this project the Company has acquired about 50,000 sq. mtrs industrial land in village Sapne Khurd, Wada Taluka, Thane District. During the current year the Company has placed orders for the pre-engineered factory building and major equipment for producing concrete pipes and manholes.

The Company plans to start commercial operation in April, 2012.

b. Umreth Concrete Products Project, Gujarat

The Company is in the process of setting up another pre-cast concrete pipe manufacturing facility on a leased land at Umreth in Gujarat. This project will manufacture small diameter pipes. Total investment made so far is ₹ 130 lacs. Commercial production is proposed to start before end of December, 2011.

Real Estate Projects:

a. Karjat Residential Project, Maharashtra

During the year the Company has acquired land having 8,044 sq. mtrs of F.S.I area for ₹ 418 lacs in Karjat (outskirts of Mumbai) and launched a residential project on January 26th, 2011. The Ist phase comprises of 160 residential units of 1 BHK and 2 BHK with ultra modern facilities to attract the middle class urban population living in and around Mumbai. The initial response was found encouraging and 40 units out the proposed 58 units opened for booking are reserved.

Company is also in the process of acquiring another piece of land admeasuring 3,705 sq. mtrs. adjacent to the existing Karjat project due to the encouraging response received so far.