



SKYLINE MILLARS LIMITED



93rd Annual Report
2012-2013

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

Chief Operating Officer Nilesh M. Kaul

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

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

Auditors M/s Shah & Co.
Chartered Accountants

Internal Auditors M/s Arvind & Co.
Chartered Accountants

Cost Auditors M/s N. P. S. & Associates
Cost Accountants

Solicitors M/s Vigil Juris
Advocates, Solicitors & Notary

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE **NINETY THIRD 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 - 400086** ON **FRIDAY, 27th SEPTEMBER, 2013** 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, 2013 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 for the financial year ended 31st March, 2013.
3. To appoint Director in place of Mr. Vinod N. Joshi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Mr. Tarak A. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Director in place of Mr. Jatin V. Daisaria, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint 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.

**For and on behalf of the Board of Directors
SKYLINE MILLARS LIMITED**

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

Mumbai, May 29, 2013.

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 Monday the September 16, 2013 to Friday the September 27, 2013 (both days inclusive).
4. The dividend of ₹ 0.20 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 93rd Annual General Meeting to be held on Friday, September 27, 2013 will be paid at par within 30 days of the said date.
5. The Dividend, after declaration, will be paid to those shareholders whose names stand on the Register of Members on September 27, 2013. 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 at the end of business hour on September 13, 2013.
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 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.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are therefore, requested to submit their PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Link Intime India Private Limited.
14. The Ministry of Corporate Affairs (MCA), Government of India, vide its circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to the Members electronically as a part of its 'Green Initiative in Corporate Governance. In line with the aforesaid circulars, the Company proposes to send documents like the Notice governing the general meetings, financial statements, Directors' Report, Auditors' Report etc. to the e-mail address provided by you to your depositories. Accordingly, members are requested to register their e-mail address and changes therein from time to time, by directly sending the relevant e-mail address alongwith the details of name, address, Folio No. and number of shares held:
 - i) to Link Intime India Private Limited for shares held in physical form and;
 - (ii) in respect of shares held in dematerialised form, also provide DP ID / Client ID with the above details and register the same with their respective Depository Participants.



Directors' Report

To the Members,

The Directors are pleased to present their ninety third annual report and the audited financial accounts for the year ended March 31, 2013.

Results

PARTICULARS	F.Y. 2012-13 (₹ in lacs)	F.Y. 2011-12 (₹ in lacs)
Revenue from Operation (Net)	2,510.30	2,575.15
Other Income	255.49	120.33
Total Revenue	2,765.79	2,695.48
Profit before Finance costs, Depreciation, Exceptional Items and Taxation	515.82	439.64
Less : Finance Costs	(0.09)	(2.88)
Less : Depreciation and Amortisation	(19.35)	(14.64)
Profit before Exceptional Items and Taxation	496.36	422.12
Less : Exceptional Items	(8.00)	0.00
Profit Before Tax	485.36	422.12
Less : Taxes	(151.11)	(140.76)
Profit After Tax	337.25	281.36
Add : Surplus in Statement of Profit and Loss at the beginning of the year	1,853.29	1,710.43
Amount available for Appropriation	2,190.54	1,991.79
Appropriations:		
Proposed Dividend	80.45	80.45
Taxation on Proposed Dividend	13.05	13.05
Transferred to General Reserve	45.00	45.00
Profit & Loss Balance Carried Forward	2,052.04	1,853.29

FINANCIAL REVIEW

The unfavorable economic environment witness during the preceding years showed no signs of improvement, factors such as high inflation, rise in input costs and high interest rates continue to effect the business negatively. The GDP growth rate which had declined to 6.2% in FY 2011-12, dropped to 5% for the year under review.

Your Company's performance suffered in all business segments in such trying circumstances.

During the year under review your Company's sales and other income increased to ₹ 2,765.79 lacs as against ₹ 2,695.48 lacs of previous year, registering a marginal increase of 2.6%.

Revenue from Construction Equipment Division for the financial year was ₹ 460 lacs against ₹ 813 lacs in the previous year and revenue from the Real Estate Division was ₹ 2,050 lacs for the financial year against ₹ 1,750 lacs in the previous year.

Profit After Tax increased to ₹ 337 lacs during the year under review as compared to ₹ 281 lacs in the previous year, an increase of 20% which includes profit of ₹ 114 lacs on sale of three heavy industrial sheds along with cranes by the Company.

The Earning Per Share (EPS) of the Company is ₹ 0.84 as compared to ₹ 0.70 of the pervious year.

**DIVIDEND**

Based on the performance for the year under review, the Board of Directors is pleased to recommend the payment of dividend of ₹ 0.20 per Equity Share of ₹ 1 each for the financial year ended March 31, 2013, subject to the approval of the Members. The proposed dividend will absorb a sum of ₹ 80.45 lacs and dividend distribution tax of ₹ 13.05 lacs.

PUBLIC DEPOSITS

During the year under review, your 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.

INVESTMENTS

The Company's total investments in listed equity shares, mutual funds & fixed deposits in Banks amounted to ₹ 868.64 lacs as on March 31, 2013.

MANUFACTURING DIVISION**SHIFTING OF CONSTRUCTION EQUIPMENT MANUFACTURING UNIT FROM KARAMSAD TO UMRETH.**

As referred to in the Directors' Report of the previous year, the lease arrangement of the industrial plot at Karamsad, Gujarat expired on October 31, 2012. Due to non-renewal of lease, the heavy industrial sheds owned by the Company were disposed off to the highest bidder for aggregate consideration of ₹ 223 Lacs.

During the year the Company has successfully shifted its manufacturing operations of Construction Equipment (which are already on a reduced scale) from Karamsad to Umreth, District Anand. The Company has also set up a unit for manufacturing pre-cast concrete pipes at Umreth.

WADA, MAHARASHTRA

Your Company has made substantial investments in manufacturing unit at Wada to manufacture pre-cast concrete pipes of higher diameter ranging from 300mm dia to 2600 mm dia and pre-cast concrete manholes ranging from 1200 mm dia to 1500 mm dia.

During the year under review, the aggregate capital expenditure incurred as at March 31, 2013 amounted to ₹ 1,211.26 lacs which comprises of ₹ 791.80 lacs from internal accruals and ₹ 419.46 lacs by way of Term Loan from Bank of Maharashtra.

All machines have been installed and trial production of pre-cast concrete pipes has been successfully completed. The Company is awaiting for license from Bureau of Indian Standards (BIS) for pre-cast concrete pipes.

REAL ESTATE DIVISION**Karjat Residential Project, Maharashtra known as 'Riverside'**

The Company has launched residential project in January, 2011 in Karjat (outskirts of Mumbai) with all Modern facilities mainly to cater to the middle class urban population living in and around Mumbai. In the Ist Phase it is proposed to construct 160 units of 1 BHK and 2 BHK residential flats. During the year under review, construction of 58 units was completed to the extent of 85% and 51 units have been sold.

Ghatkopar Residential Project

The Company has almost completed construction of residential building (known as Building No.4) at our Ghatkopar project, except some finishing touches, which are likely to be completed by October, 2013. Since its launch, this project has received favorable response and most of the flats have been sold.

**DIRECTORS**

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

Brief profiles of the above Directors are given under the Corporate Governance Report.

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 1st April, 2012 to 31st March, 2013.
- 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.

CORPORATE GOVERNANCE

Being observant and responsible, the Company is committed to high standards of the corporate ethics, professionalism and transparency. As per Clause 49 of the Listing Agreement with the stock exchanges, a separate section on Corporate Governance forms part of the Annual Report.

A certificate from the Statutory Auditors confirming the compliance of conditions of corporate governance under Clause 49 of the Listing Agreement is also attached to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of operations, performance and future outlook of the Company is given separately under the head Management Discussion and Analysis Report.

STATUTORY AUDITORS

M/s. Shah & Co, Chartered Accountants, retires as Statutory Auditors at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from the retiring Auditors that their appointment as Statutory Auditors, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The Audit Committee and the Board recommends the re-appointment of M/s. Shah & Co, Chartered Accountants, as Statutory Auditors for the financial year ending March 31, 2014.

Members are requested to consider and re-appoint M/s. Shah & Co, Chartered Accountants, as the Statutory Auditors of the Company for the financial year ending March 31, 2014.

COST AUDITORS

The Company has appointed M/s N. P. S. & Associates as Cost Accountants for conducting Cost Audit for the financial year ending March 31, 2014.

**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

Directors place on record their deep appreciation on the dedicated services rendered by employees at all levels and for the continued support received during the year from the shareholders, customers, suppliers and associates, banks and other government authorities.

**For and on behalf of the Board of Directors
SKYLINE MILLARS LIMITED**

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

Mumbai, May 29, 2013.

**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 Note 40 of Notes to Financial Statements.

For and on behalf of the Board of Directors
SKYLINE MILLARS LIMITED
sd/-

Anand J. Vashi
(Chairman)

Mumbai, May 29, 2013.