



SKY INDUSTRIES LIMITED
29TH ANNUAL REPORT
2017-18



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ABOUT US

Established in the year 1989, we Sky Industries Limited, are one of India's leading players in Narrow Woven Fabrics. We are primarily a customized solutions provider for fastening applications concerning Hook & Loop Tape Fasteners.

OUR VALUES

Trust. Reliability. Quality. Customer Satisfaction. Innovation.

OUR KEY PRODUCTS AND OFFERINGS

We offer a variety of customized fastening solutions for a wide range of industries, ranging from Textiles, Leather, Footwear, Infant wear, Sports, Defence, Orthopedics, Medical Accessories, Hygiene, Aviation, Automobiles, Home furnishings etc.

Innovation and expansion is the name of the game, and we are constantly trying to better ourselves every passing year, by introducing newer techniques and quicker solutions.

MANAGEMENT TEAM**NAME**

Mr. Shailesh Shah
Mr. Sharad Shah
Mr. Vaibhav Desai
Mr. Maikal Raorani
Ms. Aditi Bhat
Mr. Narendra Mahajani
Mr. Amarendra Mohapatra (w.e.f. 27th July, 2018)

DESIGNATION

Managing Director
Whole Time Director
Whole Time Director
Whole Time Director
Independent Woman Director
Independent Director
Independent Director

STATUTORY AUDITORS

Thanawala & Co. Chartered Accountants

SECRETARIAL AUDITOR

Ramesh Chandra Mishra & Associates

INTERNAL AUDITORS

M/S Sitendu Sharma

REGISTERED ADDRESS

C-58, TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai – 400705

CORPORATE OFFICE

1101, Universal Majestic, Ghatkopar Mankhurd Link Road, Chembur (West), Mumbai – 400043
Tel no. +91 22 6713 7900

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited,
C 101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai – 400 083
Tel No. +91 22 49186000 Fax: +91 22 49186060

BANKERS

Kotak Mahindra Bank Limited

Notice to the Members

NOTICE is hereby given that the **29th Annual General Meeting** of the Members of **M/s Sky Industries Limited** will be held on Friday, the 7th day of September, 2018 at 10:00 AM at Hotel Yogi Executive, Plot no. 31/A, Sector-24, APMC Road, Vashi, Opposite Mafo Market, Navi Mumbai, Maharashtra - 400 705 to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2018 and the Reports of the Directors and Auditors thereon;
2. To declare Final Dividend on equity shares of the Company for the financial year ended 31st March, 2018;

The Board has recommended a Final Dividend of ₹ 0.50 per Equity Share (Face value ₹ 10 per equity share) amounting to ₹ 21.93 lakhs for the year ended 2017-18.

3. To appoint the Auditors in place of the existing Auditors (who are not eligible to be re-appointed due to expiry of the maximum permissible tenure as the Auditors of the Company), to fix their remuneration, and to pass the following Resolution, as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, M/S UKG & Associates, Chartered Accountants, Mumbai (Firm Registration No. 123393W) be and is hereby appointed as the Statutory Auditors of the Company in place of M/S V. K. Thanawala Chartered Accountants (Firm Registration No. 110948W) whose tenure expires at this Annual General Meeting, on such remuneration as shall be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors.

RESOLVED FURTHER THAT M/S UKG & Associates, Chartered Accountants, Mumbai, if appointed as the Statutory Auditors of the Company, shall hold office for a period of five consecutive years, from the conclusion of this 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting, subject to ratification of the appointment by Members of the Company at every Annual General Meeting to be held after this Annual General Meeting.”

SPECIAL BUSINESS:

4. Appointment of Mr. Maikal Raorani (DIN : 00037831) as a Whole time Director of the Company:

To consider and if though fit, to pass with or without modification the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and Article of Association of the Company, the Board of Director in its meeting held on 6th December, 2017 has already appointed Mr. Maikal Raorani (DIN : 00037831) as an Additional Director designated as Whole-Time Director, a Key Managerial Personnel with effect from 6th December, 2017 for a period of five years subject to the approval of the Shareholders of the Company in the ensuing Annual General Meeting on the following terms and conditions:

Terms & Conditions of appointment:

1. Salary: ₹18,00,000/- per annum.
 - 1.1 The Director shall not be paid any sitting fees for attending the meetings of the Board or any committee thereof.
2. Encashment of leave, if any, will be paid as per the company's policy and will be included in the computation of ceiling of perquisites.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the period of Mr. Maikal Raorani's (DIN : 00037831) (hereinafter called Director) appointment as Whole-time Director, he will be paid or provided the salary, the allowances, and the perquisites as set out in the foregoing part of this resolution as the 'minimum remuneration' notwithstanding the fact that such remuneration is in excess of the limits set-out in Sections 196 and 197 of

the Companies Act, 2013 or in section II of part II of Schedule V of the Companies Act, 2013 and rules made hereunder or any amendment, modification, variation or re-enactment thereof and necessary approvals will be sought from Central Government.

RESOLVED FURTHER THAT an agreement, covering the above terms and conditions, be executed with the Director under the Common Seal of the Company to be affixed thereto in accordance with the Articles of Association of the Company and subject to approval by the shareholders in their meeting.

RESOLVED FURTHER THAT Mr. Maikal Raorani (DIN : 00037831) shall carry out such functions, exercise such powers and perform such duties as the Board shall from time to time determine and entrust to him. Subject to the superintendence, control and direction of the Board, the Director shall have the general control and be responsible for the day to day business of the Company with powers to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business he may consider necessary or proper in the best interests of the Company.

AND RESOLVED FURTHER THAT Mr. Sharad Shah-Director and Mr. Shailesh Shah-Managing Director be and are hereby authorized jointly and severally to file necessary e-forms and returns with the Registrar of Companies and other authorities, if any, and take further steps as may be necessary and proper to give effect to the above resolution.”

5. To appoint Mr. Amarendra Mohapatra (DIN: 03609521) as an Independent Director of the company:

To consider and if thought fit, pass with or without modification(s), following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 (“the Act”), Companies (Appointment and Qualification of Directors) Rules, 2014 (“the Rules”), Schedule IV to the Act, (including any statutory modification(s) or enactment(s) thereof for the time being in force) and all the other applicable provision(s), if any, of the Act, consent of the Members of the Company be and is hereby accorded to appoint Mr. Amarendra Mohapatra (DIN: 03609521), to the office of Independent Director, for a period of 5 years and the term shall not be subject to retirement by rotation;

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

6. To Consider SKY INDUSTRIES ESOP PLAN 2018 (ESOP 2018)

To consider and if though fit, to pass with or without modification the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with Section 62(1)(b) and other applicable provisions of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for time being in force) (the “Act”) and provisions contained in the Memorandum of Association and the Articles of Association of the Company or such other rules, regulations, notifications, guidelines and laws applicable in this regard, from time to time, and subject to such approval(s) / consent(s) / permission(s) / sanction(s), as may be required, from the appropriate regulatory authorities / institutions / bodies including but not limited to the Stock Exchanges, Securities and Exchange Board of India, and the Reserve Bank of India, and further subject to such terms and conditions as may be prescribed while granting such approval(s) / consent(s) / permission(s) / sanction(s), and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof, including the Nomination and Remuneration Committee (“NRC”) constituted by the Board, for the time being exercising the powers conferred on the Board by this Resolution), consent of the Members of the Company be and is hereby accorded to introduce and implement “SKY INDUSTRIES ESOP PLAN 2018” (“ESOP 2018”) and to create, grant, offer, issue and allot, at any time, to the present and / or future permanent employees of the Company working in India or abroad and / or directors (including whole-time directors but excluding non-executive independent directors) of the Company and any other individuals / entities as allowed under applicable rules, regulations, guidelines and laws (hereinafter referred to as “employees” or “said employees”) under ESOP 2018, 5,00,000 (Five Lakh) stock options convertible into 5,00,000 (Five Lakh) equity shares of the Company (or such adjusted numbers for corporate actions including bonus, stock splits or consolidation or other re-organisation of the capital structure of the Company), having face value of INR 10/- (Rupees Ten only) per equity share, at such price, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the Act and provisions of ESOP 2018;

RESOLVED FURTHER THAT without prejudice to the generality of the above but subject to the terms mentioned in the Explanatory Statement, annexed to the Notice convening this Meeting, which are hereby approved by the Members, the Board be and is hereby authorised to formulate, evolve, decide upon, administer, superintend and implement ESOP 2018, as the Board in its absolute discretion deems fit, and as per draft submitted to this Meeting which draft is hereby specifically approved by the Members;

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of stock options, from time to time, granted under ESOP 2018 and such equity shares allotted shall in all respects rank pari passu inter-se and with the then existing equity shares of the Company;

RESOLVED FURTHER THAT as is required, the Company shall conform to the accounting policies as applicable to the Company, from time to time;

RESOLVED FURTHER THAT the Board be and is hereby authorised to re-price the options as it deems fit, which are not exercised, whether or not they have been vested, if the exercise price of the options is rendered unattractive due to fall in price of the share in the market and such re-pricing is not detrimental to the interest of the employees who have been granted stock options under ESOP 2018;

RESOLVED FURTHER THAT the Board be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in ESOP 2018, as it may deem fit, from time to time or to suspend, withdraw or revive ESOP 2018, from time to time, in conformity with the provisions of the Act and other applicable rules, regulations, guidelines and laws, unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted stock options under ESOP 2018;

RESOLVED FURTHER THAT Mr. Maikal Raorani - Director & Mr. Shailesh Shah - Managing Director be and are hereby jointly and/or severally authorized to make necessary application to BSE and Depositories (NSDL & CDSL) for admission for listing and trading of the shares and appoint any Consultant, Advocate, Company secretary in practice or such other person, from time to time, and act in accordance with Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and do such acts and deeds as deem fit and proper;

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution(s), the Board be and is hereby authorised, without being required to seek any further consent or approval of the Members of the Company or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution, to (i) do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper; (ii) execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation to ESOP 2018; and (iii) to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of ESOP 2018 and the issuance of the shares (including to amend or modify any of the terms thereof) and taking all the necessary steps for listing of the equity shares allotted on the Stock Exchanges as per the terms and conditions of the listing agreement with the concerned Stock Exchanges, as and when required;

AND RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts and to do all such acts, deeds, matters and things as may be required, to give full effect to the aforesaid Resolution(s)."

By Order of the Board
Sd/-
Maikal Raorani
Director

Date: 27th July 2018

Registered Office:

C-58, TTC Industrial Area,
Thane Belapur Road,
Pawne,
Navi Mumbai - 400 705.

NOTES:

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. 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. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
4. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
6. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
7. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
8. The dividend for the year 2009-10 has been transferred to Investor Education and Protection Fund as required under the existent regulations. An amount of ₹1,24,669 has been transferred to the Investor Education and Protection Fund in the last year.
8. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 1st September, 2018 to Friday, 7th September, 2018, both days inclusive for the purpose of payment of dividend for the financial year ended March 31, 2018 and the AGM.
9. The dividend, as recommended by the Board, if sanctioned at the AGM, will be paid to those members whose names stand registered on the Register of Members as on 31st August, 2018:
 - (a) As Beneficial Owners as at the end of business 31st August, 2018 as per the lists to be furnished by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - (b) As members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agents on or before Friday, 31st August 2018.
10. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
11. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned

Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following:

M/s Link Intime India Pvt Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078.

12. (a) In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronic means (e-voting) to all its members. The company has engaged the services of CDSL to provide e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted that this e-voting facility is optional. This facility will be available at the link www.evotingindia.com during the following voting period.

Commencement of e-voting : From 10.00 AM on 4th September, 2018
End of e-voting : Up to 05.00 PM on 6th September, 2018

E-voting shall not be allowed beyond 5.00 PM on 6th September, 2018. During the E-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cutoff date, may cast their vote electronically. The cut-off date for eligibility for e-voting is 31st August, 2018.

- (b) The company has engaged the services of CDSL as the Authorized Agency to provide e-voting facilities.
- (c) The company has appointed M/s. Ramesh Chandra Mishra & Associates (Company Secretaries), as 'scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.
- (d) The login ID and password for e-voting are being sent to the members, who have not registered their e-mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.
- (e) "Voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate 'cyber security'.

It also helps the shareholders to cast their vote from anywhere and at any time during E-voting period.

Members holding shares in physical form should submit their PAN to the Company.

Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants. The nomination form can be downloaded from the Company's website www.skycorp.com.

By Order of the Board
Sd/-
Maikal Raorani
Director

Date: 27th July 2018

Registered Office:

C-58, TTC Industrial Area,
Thane Belapur Road,
Pawne,
Navi Mumbai - 400 705.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING**ITEM NO. 4**

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.

Pursuant to the provisions of Sections 196, 197, 198 & 203 read with Schedule V to the Companies Act, 2013 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the Rules made thereunder and as recommended by the Nomination and Remuneration Committee of the Board, and subject to the approval of the shareholders, the Board of Directors at its meeting held on 6th December, 2017, appointed Mr. Maikal Raorani (DIN : 00037831) as the Whole-time Director of the Company with effect from 6th December, 2017, for a period of five years.

Mr. Maikal Raorani has been associated with the Company for more than 15 years and during such association, he has served in various positions in the Company. Mr. Maikal Raorani will continue to be designated as Chief Financial Officer and will also discharge the functions of a Whole-time Director of the Company. The Board is confident about Mr. Maikal Raorani being able to function and discharge his duties in an able and competent manner.

Considering his long association with the Company and adequate experience in various fields, the Board recommends confirmation of the appointment of Mr. Maikal Raorani as Whole-time Director of the Company for a period of five years with effect from 6th December, 2017 on the terms as to remuneration, allowances etc. as set out in the resolution being item No.4 of the accompanying notice subject to the approval of the Shareholders of the Company in the ensuing Annual General Meeting.

Mr. Maikal Raorani is an MBA by profession and also holds a degree in B.E., and oversees the day to day financial activities of the Company in India & abroad. He has more than 20 years of experience in Financial, Commercial and Legal matters.

Considering Mr. Maikal Raorani's experience, seniority and the trend in the industry, the terms of his remuneration are considered to be fair, just and reasonable and are commended for your approval.

Mr. Maikal Raorani is not related to any other Director of the Company. A brief resume of Mr. Maikal Raorani as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out as an Annexure to this Notice.

Except Mr. Maikal Raorani, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at Item No.4 of the Notice.

The Board commends the Special Resolution set out at Item No.4 of the accompanying Notice for the approval by the Members.

ITEM NO. 5

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Amarendra Mohapatra (DIN: 03609521) has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

Mr. Amarendra Mohapatra is a Company Secretary and has adequate experience in Legal and Secretarial matters. The Board is confident about Mr. Amarendra Mohapatra being able to function and discharge his duties in an able and competent manner.

In the opinion of the Board, Mr. Amarendra Mohapatra fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Amarendra Mohapatra as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

Terms & Conditions of appointment:

1. The appointment of Independent Directors are for a period of 5 (five) years from the date of their respective appointment. The Independent Directors are not liable to retire by rotation. Re-appointment at the end of their tenure shall be considered by the Board of Directors ("the Board) based on the recommendation of the Nomination and Remuneration Committee and the performance evaluation process, subject to the Directors continuing to meet the independence criteria.

The Independent Directors may be nominated to be a Member or Chairman of any one or more Committees of the Board.

2. The role, functions and duties of the Independent Directors shall be in accordance with the provisions of Schedule IV (Code for Independent Directors) to the Act, which inter alia includes:
 - As members of the Board, the Independent Directors along with other Directors will be collectively responsible for meeting the objectives of the Board, viz.,
 - Requirements under the Act and Rules framed thereunder;
 - Responsibilities in relation to Corporate Governance ;
 - Accountability under Directors' Responsibility Statement which forms part of the Board's Report to the shareholders;
 - Review of the Company's business strategy, financial plan and monitor the performance of the Company;
 - Safeguarding the interest of all stakeholders;
 - Advise and counsel the management in the respective area of expertise.
3. The Independent Directors shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees payable shall be determined by the Board from time to time.
4. Unless specifically authorized by the Company, the Independent Directors shall keep confidential all information concerning the Company and shall not divulge or disclose the same to any person during the term of their appointment. Their obligation of confidentiality shall survive cessation of their directorships with the Company.

The provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading, as amended from time to time, prohibiting disclosure or use of unpublished price sensitive information shall be applicable to the Independent Directors.

5. The Independent Directors may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by them in the notice, whichever is later.

Mr. Amarendra Mohapatra is interested and concerned in the Resolution mentioned at Item No.5 of the Notice. Other than Mr. Amarendra Mohapatra, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

Information required to be furnished under Regulation 36 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, in respect of the directors seeking appointment/reappointment at the AGM, is furnished below. The directors have furnished consent/declaration for their appointment/reappointment as required under the Companies Act, 2013 and the Rules thereunder.

Particulars	Whole time director	Independent Director
Name of Director	Mr. Maikal Raorani	Mr. Amarendra Mohapatra
Director Identification Number (DIN)	00037831	03609521
Date of Birth	15/06/1973	22/12/1985
Date of First Appointment on Board	6 th December, 2017	NIL
Qualifications	B.E., MBA	Company Secretary
Relationships between Directors Inter-se	Not related to nay director of the company	Not related to nay director of the company
Expertise in specific functional areas	Financial, Commercial and Legal matters	Company Secretarial and Legal Matters
List of Directorships held in other Public Companies in India (excluding Private and section 8 companies)	NIL	NIL
Chairmanship/Membership of the Committees of Audit Committee and Stakeholder Relationship Committee of other Public Companies	NIL	NIL
No. of shares held in the Company	NIL	NIL

ITEM NO. 6

Human Resources play a vital role in the growth and success of an Organisation. It is necessary for a company to adopt effective measures to attract and retain talent and remain competitive in the challenging global market. In addition to being a useful instrument to attract and retain talent, stock options are also recognized as effective instruments to align the interests of employees and build synergy with those of the shareholders by creating a common sense of purpose towards creating sustainable shareholder value. The Board has identified the need to reward the employees and the Directors (including the whole-time and Non-Executive Directors) of the company so as to enable them to participate in the future growth and financial success of the Company and has proposed to offer the employees an option to acquire the equity shares of the Company under Employee Stock Option Plan (ESOP-2018).

In view of the above, the Board has formulated SKY Employee Stock Option Plan 2018 (ESOP-2018) in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 under which the maximum number of equity shares of the Company that could be created, offered, issued and allotted under ESOP-2018 should not exceed Five Lakh equity shares / securities linked to equity shares (convertible into equivalent number of equity shares of ₹10/- each) of the Company. The Board has accordingly decided to seek the approval of the Members for the same.

The Salient features of the Scheme are detailed below:-

1. Total number of options to be granted

Such number of options would be available for grant to the eligible employees of the company in aggregate under ESOP 2018, which will be exercisable into one or more tranches not exceeding 5,00,000 (Five Lakh) Equity shares in aggregate in the company of face value of ₹ 10/- each fully paid up.

Vested Options lapsed due to non-exercise of Options and /or unvested Options that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed/cancelled options as per the provisions of ESOP-2018 within the overall ceiling.

In case of a corporate action including but not limited to a stock split, reverse stock split, dividend, combination or reclassification of the Equity Shares or any other increase/ decrease in the number of issued Equity Shares effected without receipt of consideration by the Company or any other form of a change in control of the Company, the Board shall make fair adjustment to the number of Options and the Exercise Price at its sole discretion.

In the event of any other corporate action resulting in change in control in the Company, 100% stake sale or sale of all or substantially all the assets of the Company, the Board reserves the right for any accelerated Vesting and/or for prescribing mandatory Exercise of Options, failing which all the outstanding Options (whether vested or unvested) shall automatically lapse and be forfeited, notwithstanding any Exercise Period.

2. Identification of classes of employees entitled to participate in ESOP 2018:

Following class/ classes of employees are entitled to participate in ESOP 2018:

- a. Permanent employees of the Company/ its Subsidiary/ Holding company, working in India or out of India;
- b. Directors of the Company

Following class/ classes of employees are not eligible:

- An employee who is a Promoter or belongs to the Promoter Group;
- A Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- An Independent Director within the meaning of the Companies Act, 2013.

3. Transferability of vesting and period of vesting:

The Options granted shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him till such date shall be transferred to his legal heirs or nominees within the period as may be prescribed under ESOP 2018.

4. Requirements of vesting and period of vesting:

The Options granted shall vest so long as an employee continues to be in the employment of the Company as the case may be. The Nomination & Remuneration Committee or Board may, at its direction, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance – based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 year.

The vesting dates in respect of the options granted under the Scheme may vary from employee to employee or any class thereof and/or in respect of the number or percentage of options granted to an employee.

The continuation of the employee in the service of the Company shall be a primary requirement of the vesting. The vesting period shall be as given below or such further or other period as the Board/Committee may determine, from the Grant Date.

- | | | |
|----------------------------|---|------------------------------------|
| 30% of the Options granted | - | One year from the date of grant |
| 30% of the Options granted | - | Two years from the date of grant |
| 40% of the Options granted | - | Three years from the date of grant |

The options may vest subject to the terms and conditions as may be stipulated by the Board / Committee, which may include their continued employment with the Company, as the case may be, unless such employment is discontinued on account of death, permanent/total disability or on retirement.

If the employee / Director (including whole-time Director) voluntarily terminates employment with the company, the options to the extent not vested shall lapse/expire and be forfeited forthwith. However, this shall not be applicable to the employee / Director (including whole-time Director) of the Company who has resigned or who may resign from time to time to join companies, approved by the Board / Committee, that have been established or promoted or set up (whether solely or jointly with any other entity) by the Company.

5. Maximum period within which the Options shall be vested:

Options granted under ESOP 2018 would vest subject to maximum period of 3 (Three) years from the date of grant of Options.

Maximum number of options to be granted per employee and in aggregate shall be such number as may be decided by the Board or the Nomination and Remuneration Committee thereof in accordance with the ESOP 2018

6. Exercise price of pricing formula:

The exercise price shall be equal to ₹ 10/- per option or any other price as may be decided by the Board or Nomination & Remuneration Committee.

The Board can give cashless exercise of options, if required to the employees and shall provide necessary procedures and/or mechanism for exercising such options subject to applicable laws, rules and regulation.

7. Exercise period and the process of Exercise:

The vested Options shall be allowed for exercise on and from the date of vesting. The vested options need to be exercised within a maximum period of 3 (Three) years from the date of grant of such Options.

The Vested Option shall be exercisable by the employees by a written application to the Company expressing his/her desire to exercise such options in such manner and on such format as may be prescribed by the Nomination & Remuneration Committee or Board from time to time. The Options shall lapse if not exercised within the specified exercise period.

In case of cashless system of exercise of vested Options, the Board/Nomination & Remuneration Committee shall be entailed to specify such procedures and/or mechanism for the shares to be dealt with thereon as may be necessary and the same shall be binding on the Option grantees.

8. Appraisal process/ criteria for determining the eligibility of employees under ESOP 2018:

The Appraisal process/ criteria for determining the eligibility of employees will be decided by the Nomination & Remuneration Committee or Board from time to time.

The Employees would be granted Options under the ESOP 2018 various criteria such as performance rating, period of service, rank of designation, salary and such other parameters as may be decided by the Board from time to time

9. Listing

The Equity Shares allotted pursuant to the exercise of the Options shall be listed on the Stock Exchanges where the Company's existing Equity Shares are listed and necessary applications will be made to those Stock Exchanges in this behalf. Presently the shares of the company are listed at BSE.

Members are requested to note that the draft of the ESOP 2018 shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on all working days (i.e., except Saturday(s), Sunday(s) and Public Holiday(s) up to the date of the Annual General Meeting from 11 a.m to 1 p.m .

Members are requested to note that it is proposed to seek the approval of the Members of the Company in terms of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 for the introduction and implementation of the ESOP 2018.

The Board of Directors accordingly recommend the resolution set out at Item No 6, of the accompanying Notice for the approval of the Members as Special Resolution.

None of the Directors is concerned or interested in the above mentioned resolution except for number of shares that may be offered to him under the scheme.

By Order of the Board
Sd/-
Maikal Raorani
Director

Place : Mumbai
Date : 27th July 2018

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their **29th Annual Report** on the business and operations of the Company and the Audited Accounts for the Financial Year ended March 31, 2018.

1. Financial summary or highlights/Performance of the Company (Standalone)

The Board's Report shall be prepared based on the stand alone financial statements of the company.

Particulars	2017-18	2016-17
Gross Income	5,333	4,895
Provision for Depreciation	98	89
Net Profit Before Tax	248	247
Provision for Tax	67	27
Net Profit After Tax	181	107
Balance of Profit brought forward	1228	1070
Balance available for appropriation	186	107
Proposed Dividend on Equity Shares	22	NIL
Tax on proposed Dividend	4	NIL
Transfer to General Reserve	NIL	NIL
Surplus carried to Balance Sheet	1273	1177

The Consolidated financial summary of the Company's performance is as under:

Particulars	2017-18	2016-17
Gross Income	5,333	4,895
Net Profit After Tax	181	107

The financial statements for the year ended 31st March, 2018 are the first the Company has prepared under IND AS (Indian Accounting Standards).

The financial statements for the year ended 31st March, 2017 have been restated in accordance with IND AS for comparative information.

2. Brief description of the Company's working during the year/State of Company's affair

The Company has Hook and Loop Tape fasteners as a major division. The contribution of Hook and Loop Tape Fasteners is 80% of the overall revenue of the Company. The other significant division, viz Velvet Manufacturing is based in Navi Mumbai.

The Company has divested its subsidiary **M/s SK Stabel Industries Pvt Ltd** during the year under preview, as there was no business in the said subsidiary since last five years.

The turnover of the Company was ₹ 53 Crores, an increase from ₹ 48 Crores in the previous year.

3. Change in the nature of business, if any

The Company is looking to leverage on its core competency in narrow woven fabrics. Other allied businesses have been shut and the focus now is on primary business, i.e. Hook and Loop tape fasteners.

4. Dividend

Your Directors are pleased to recommend a Final Dividend of ₹ 0.50/- per equity share of face value of ₹ 10/- each for the year ended 31st March, 2018.

5. Change of Name

The Company has not changed its name during the year under preview.

6. Share Capital

The Company has not issued any shares with differential voting rights nor it has issued any sweat equity. However, the Company has issued 630000 convertible warrants to the promoter Mr. Shailesh Shah, out of which during the year under purview, 210000 warrants have been converted into equity shares.

7. Directors and Key Managerial Personnel

During the year, Mr. Narendra Mahajani ceased to be Director of the Company and Mr. Maikal Raorani has been appointed as the Wholetime Director. Mr. Amarendra Mohapatra has been appointed as an Independent Director.

8. Particulars of Employees

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed as **Annexure II**.

9. Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year five Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

10. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

11. Declaration by an Independent Director(s) and re- appointment, if any

A declaration by the Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 has been obtained.

An independent director shall hold office for a term up to five consecutive years (liable to rotation) on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

12. Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

Managerial Remuneration:

- A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- B) Details of every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- C) Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report.

13. Details of Subsidiary/Joint Ventures/Associate Companies

Pursuant to sub-section (3) of section 129 of the Act, the company does not have any subsidiary as on 31st March, 2018.

During the year under review, the subsidiary SK Stabel Pvt Ltd. was divested as there was no business in the said company for the last five years.

14. Auditors

The Auditors, M/s Thanawala & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and, are not eligible to be re-appointed due to expiry of the maximum permissible tenure as the Auditors of the Company. In place of the retiring auditors, **M/S UKG & Associates - Chartered Accountants** are appointed as the auditors of the company for a period of 5 years, subject to ratification at every AGM till the conclusion of the **34th Annual General Meeting**.

15. Auditor's Report

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

16. Disclosure about Cost Audit

As per the Cost Audit Orders, Cost Audit is not applicable to the Company's products/ business of the Company for FY 2017-18

17. Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under, **M/s. Ramesh Chandra Mishra & Associates-Practicing Company Secretary** have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure III** to this report. The report is self-explanatory and does not call for any further comments.

18. Internal Audit & Controls

The Company continued to engage **M/S UKG & Associates - Chartered Accountants** as its Internal Auditor during 2017-2018. During the year, the Company implemented their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

19. Issue of employee stock options

No ESOPs were granted in the year under review. However, in the forthcoming year the company proposes to issue ESOPs.

20. Vigil Mechanism

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.skycorp.in under investors/policy documents/Vigil Mechanism Policy link.

21. Risk management policy

A statement indicating development and implementation of a risk management policy for the Company is in place. It outlines the elements of risk, if any, that in the opinion of the Board may threaten the existence of the company.

22. Extract of Annual return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** is attached as a part of this Annual Report as **Annexure I**.

23. Material changes

No material changes and commitments, if any, affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

24. Deposits

The Company has not accepted any deposits within the meaning of Deposits under the Chapter V of the Act.

25. Particulars of loans, guarantees or investments under section 186

Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

26. Particulars of contracts or arrangements with related parties:

The particulars of every contract or arrangement entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto has been disclosed in Notes to Accounts.

27. Statutory Disclosures

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. However, as per the provisions of Section 219 (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company at the registered office of the Company.

28. Obligation of Company Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at Workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

29. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

The production activity of the Company is not energy intensive. However, all measures are being taken for optimizing energy usage.

(b) Technology absorption

The Company plans to introduce various measures to help the production improvement as well as reduce the wastage further.

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was ₹ 2614 lakhs and the total foreign exchange earned was ₹ 106 lakhs.

30. Corporate Social Responsibility (CSR)

As per the Companies Act, 2013, all companies having net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) committee of the Board of Directors comprising three or more directors, at least one of whom should be an independent director and such Company shall spend at least 2% of the average net profits of the Company's three immediately preceding financial year.

The Company presently does not meet with any of the criteria stated herein above.

31. Human Resources

Your Company treats its human resources as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis.

32. Directors' Responsibility Statement

Pursuant to the clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 pertaining to the Directors' Responsibility Statement it is hereby confirmed that—

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors 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 and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis; and
- the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

33. Transfer of Amounts to Investor Education and Protection Fund

The dividend for the year 2009-10 has been transferred to Investor Education and Protection Fund as required under the existent regulations. An amount of ₹ 1,24,669 has been transferred to the Investor Education and Protection Fund during the year under purview.

34. Acknowledgements

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

For and on behalf of the Board of Directors

**Sd/-
Maikal Raorani
Director**

**Place : Mumbai
Date : 27th July 2018**

ANNEXURE INDEX	
Annexure	Content
I	Annual Return Extracts in MGT 9
II	Particulars of Employee
III	MR-2 Secretarial Audit Report

Annexure I

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i	CIN	L17120MH1989PLC052645
ii	Registration Date	29 th July 1991
iii	Name of the Company	SKY INDUSTRIES LIMITED
iv	Category/Sub-category of the Company	PUBLIC LIMITED COMPANY
v	“Address of the Registered office & contact details”	C-58, TTC INDUSTRIAL AREA, THANE BELAPUR ROAD, PAWANE, NAVI MUMBAI- 400705. PHONE: 022 67137900
vi	Whether listed company	YES, LISTED ON BSE – SCRIP CODE 526479
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PVT LTD C 101, 247 PARK, L B S MARG, VIKHROLI WEST, MUMBAI 400 083 TEL NO: +91 22 49186000 FAX: +91 22 49186060

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Hook and Loop Tapes	13999	80%
2	Others	13999	20%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NA				

Note: The Subsidiary of the Company was sold during the year under purview as there was no business in the said Subsidiary since last five years.

IV (i) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	1701416*	0	1701416	40.7388	1911416	0	1911416	43.5760	2.8371
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(d)	Any Other (Specify)									
	Bodies Corporate:	263500	0	263500	6.3093	263500	0	263500	6.0072	0
	Sub Total (A)(1)	1964916	0	1964916	47.0481	2174916	0	2174916	49.5832	2.5351
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b)	Government	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)								0	
	Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	1964916	0	1964916	47.0481	2174916	0	2174916	49.5832	2.5351
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(f)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(g)	Insurance Companies	0	0	0	0	0	0	0	0	0
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)								0	
	Sub Total (B)(1)	0	0	0	0	0	0	0	0	0
[2]	Central Government/ State Government(s)/ President of India								0	0
	Sub Total (B)(2)	0	0	0	0	0	0	0	0	0
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 2 lakh.	688842	213026	901868	21.5944	922171	221526	1143697	26.0737	4.4793
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	790773	15000	805773	19.2935	587360	0	587360	13.3905	-5.9030
(b)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
(c)	Employee Trusts	0	0	0	0	0	0	0	0	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)									

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Hindu Undivided Family	83274	0	83274	1.9939	85090	0	85090	1.9399	-0.0541
	Non Resident Indians (Non Repat)	45777	0	45777	1.0961	27526	0	27526	0.6275	-0.4686
	Non Resident Indians (Repat)	63738	94410	158198	3.7879	81207	94410	175617	4.0037	0.2158
	Clearing Member	13432	0	13432	0.3216	12155	0	12155	0.2771	-0.0445
	Bodies Corporate	198362	4800	203162	4.8645	175239	4800	180039	4.1045	-0.7600
	Sub Total (B)(3)	1884248	327236	2211484	52.9519	1890748	320736	2211484	50.4168	-2.5351
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	1884248	327236	2211484	52.9519	1890748	320736	2211484	50.4168	-2.5351
	Total (A)+(B)	3649164	327236	4176400	100	4065664	320736	4386400	100	0
(C)	Non Promoter - Non Public	0	0	0	0	0	0	0	0	0
[1]	Shares Underlying DRs	0	0	0	0	0	0	0	0	0
[2]	Shares Held By Employee Trust	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	3849164	327236	4176400	100	4065664	320736	4386400	100	0

IV (ii) Shareholding of Promoters Sky Industries Limited

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	SHARAD S SHAH	862043	20.6408	0	862043	19.6526	0	-0.9882
2	SHAILESH S SHAH	830623	19.8885	0	1040623	23.7239	0	3.8354
3	SKAY FINVEST PRIVATE LIMITED	263500	6.3093	6.3093	263500	6.0072	6.0072	-0.3021
4	SALONI S SHAH	4400	0.1054	0	4400	0.1003	0	-0.0051
5	SANGITA SHILESH SHAH	4350	0.1042	0	4350	0.0992	0	-0.0050
	Total	1964916	47.0481	6.3093	2174916	49.5832	6.0072	2.5351

IV (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	SHAILESH S SHAH	830623*	19.89			830623*	19.89
	Transfer			07 Jul 2017	210000	1040623	23.72
	AT THE END OF THE YEAR					10,40,623	23.7239

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
2	SHARAD S SHAH	8,62,043	'21.6790			8,62,043	'21.6790
	AT THE END OF THE YEAR					8,62,043	'21.6790
3	SKAY FINVEST PRIVATE LIMITED	2,63,500	6.0072			2,63,500	6.0072
	AT THE END OF THE YEAR					2,63,500	6.0072
4	SALONI DEDHIA	4,400	0.1003			4,400	0.1003
	AT THE END OF THE YEAR					4,400	0.1003
5	SANGITA SHILESH SHAH	4,350	0.0992			4,350	0.0992
	AT THE END OF THE YEAR					4,350	0.0992

- Note:
1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 4386400 Shares.
 2. The details of holding has been clubbed based on PAN.
 3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.
 4. *Of these, 200000 shares were allotted in Jan 2017, pending approval as on that date.

IV (IV). Shareholding Pattern of Top Ten Shareholders

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	BIMAL KUMAR CHORARIA	102931	2.4646			102931	2.3466
	Transfer			16 Mar 2018	2800	105731	2.4104
	AT THE END OF THE YEAR					105731	2.4104
2	DHEERAJ KUMAR LOHIA	0	0			0	0
	Transfer			26 May 2017	64646	64646	1.4738
	Transfer			09 Jun 2017	8398	73044	1.6652
	Transfer			10 Nov 2017	5000	78044	1.7792

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	AT THE END OF THE YEAR					78044	1.7792
3	PANKAJ KHIMJI NARAM	59500	1.4247			59500	1.3565
	AT THE END OF THE YEAR					59500	1.3565
4	ANILKUMAR JANARDAN GOKHALE	79744	1.9094			79744	1.8180
	Transfer			11 Aug 2017	(510)	79234	1.8064
	Transfer			25 Aug 2017	(290)	78944	1.7997
	Transfer			13 Oct 2017	(500)	78444	1.7883
	Transfer			27 Oct 2017	(500)	77944	1.7769
	Transfer			03 Nov 2017	(10)	77934	1.7767
	Transfer			10 Nov 2017	(99)	77835	1.7745
	Transfer			17 Nov 2017	(891)	76944	1.7541
	Transfer			24 Nov 2017	(500)	76444	1.7428
	Transfer			08 Dec 2017	(2200)	74244	1.6926
	Transfer			15 Dec 2017	(500)	73744	1.6812
	Transfer			22 Dec 2017	(2000)	71744	1.6356
	Transfer			29 Dec 2017	(300)	71444	1.6288
	Transfer			05 Jan 2018	(3944)	67500	1.5388
	Transfer			12 Jan 2018	(1000)	66500	1.5160
	Transfer			19 Jan 2018	(500)	66000	1.5047
	Transfer			26 Jan 2018	(500)	65500	1.4933
	Transfer			02 Feb 2018	(1803)	63697	1.4521
	Transfer			09 Feb 2018	(3987)	59710	1.3613
	Transfer			16 Feb 2018	(2184)	57526	1.3115
	Transfer			16 Mar 2018	(526)	57000	1.2995
	Transfer			23 Mar 2018	(500)	56500	1.2881
	AT THE END OF THE YEAR					56500	1.2881
5	KAILASHBEN ASHOKKUMAR PATEL	0	0			0	0
	Transfer			05 May 2017	22715	22715	0.5179
	Transfer			12 May 2017	12285	35000	0.7979
	Transfer			09 Jun 2017	4795	39795	0.9072
	Transfer			14 Jul 2017	5091	44886	1.0233

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			21 Jul 2017	2788	47674	1.0869
	Transfer			25 Aug 2017	326	48000	1.0943
	Transfer			08 Sep 2017	1000	49000	1.1171
	Transfer			03 Nov 2017	6000	55000	1.2539
	Transfer			23 Mar 2018	1000	56000	1.2767
	AT THE END OF THE YEAR					56000	1.2767
6	SANJAY TULSIDAS	46290	1.1084			46290	1.1084
	AT THE END OF THE YEAR					46290	1.0553
7	E ALLY CONSULTING INDIA PRIVATE LIMITED	45900	1.0990			45900	1.0464
	AT THE END OF THE YEAR					45900	1.0464
8	VIJAY BABULAL SHAH	43842	1.0498			43842	0.9995
	AT THE END OF THE YEAR					43842	0.9995
9	ARCHANA NAVIN SAXENA	40996	0.9816			40996	0.9346
	AT THE END OF THE YEAR					40996	0.9346
10	SANTOSH KUMAR CHORARIA	41341	0.9899			41341	0.9425
	Transfer			26 May 2017	(6732)	34609	0.7890
	Transfer			02 Jun 2017	91	34700	0.7911
	Transfer			14 Jul 2017	(4700)	30000	0.6839
	Transfer			05 Jan 2018	(5591)	24409	0.5565
	AT THE END OF THE YEAR					24409	0.5565
11	NAHTA SHIVANI MOHANLAL	35700	0.8548			35700	0.8139
	Transfer			28 Apr 2017	(1000)	34700	0.7911
	Transfer			12 May 2017	(5369)	29331	0.6687
	Transfer			19 May 2017	(6431)	22900	0.5221
	Transfer			09 Jun 2017	(1000)	21900	0.4993
	Transfer			30 Jun 2017	(2000)	19900	0.4537
	Transfer			07 Jul 2017	(2731)	17169	0.3914
	Transfer			14 Jul 2017	(3828)	13341	0.3041
	Transfer			21 Jul 2017	(8092)	5249	0.1197

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			04 Aug 2017	(3125)	2124	0.0484
	Transfer			11 Aug 2017	(2124)	0	0
	AT THE END OF THE YEAR					0	0

Note: 1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 4386400 Shares.
 2. The details of holding has been clubbed based on PAN.
 3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(IV) (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Sharad S Shah				
	At the beginning of the year	862043	20.64		
	At the End of the year			862043	19.65
2	Mr. Shailesh Shah				
	At the beginning of the year	830623	19.89		
	At the End of the year			1040623	23.72
3	Mr. Maikal Raorani				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
4	Mr. Vaibhav Desai				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
	Total	1692666	40.53	1902666	43.38

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	848.96	34.50	-	883.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	848.96	34.50	-	883.46
Change in Indebtedness during the financial year				
Additions				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	793.48		-	793.48
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	793.48		-	793.48

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amt
		Shailesh Shah	Maikal Raorani	Sharad Shah	Vaibhav Desai	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	24,00,000	6,00,000	24,00,000	11,18,075	65,18,075
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0
2	Stock option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
	as % of profit	0	0	0	0	0
	others (specify)	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total (A)	24,00,000	6,00,000	24,00,000	11,18,075	65,18,075
	Ceiling as per the Act	30,00,000	30,00,000	30,00,000	30,00,000	120,00,000

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors		Total Amt
		Narendra Mahajani	Aditi Bhat	
1	Independent Directors			
	(a) Fee for attending board committee meetings	7,50,000	40,000	7,90,000
	(b) Commission	0		
	(c) Others, please specify	0	0	0
	Total (1)	0	0	0
2	Other Non Executive Directors	0	0	0
	“(a) Fee for attending board committee meetings”	0	0	0
	(b) Commission	0	0	0
	(c) Others, please specify.	0	0	0
	Total (2)	0	0	0
	Total (B)=(1+2)	7,50,000	40,000	7,90,000
	Total Managerial Remuneration	7,50,000	40,000	7,90,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.				
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		NA		
2	Stock Option				
3	Sweat Equity				
4	Commission				
	as % of profit				
	others, specify				
5	Others, please specify				
	Total				

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

Annexure - II

ANNEXURE - A

Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	N a m e	Designation/ Nature of Duties	Remuneration Received	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held
1	2	3	4	5	6	7	8	9
		NA						

Notes;

- All appointments are / were non-contractual
- Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund and Superannuation Fund. Remuneration on Cash basis
- None of the above employees is related to any Director of the Company employed for part of the financial year.

CORPORATE GOVERNANCE REPORT [2017-18]

The Company is a listed company on Bombay Stock Exchange Limited. Corporate governance under Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company. However, as a good secretarial practice the Company voluntarily maintains the Corporate Governance Report every year.

COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE:

Company’s philosophy on Code of Governance as adopted by its board of directors is as under:

- To maintain the highest standards of transparency in all aspects of our interactions and dealings.
- To ensure the core values of the Company are protected.
- To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.
- To ensure that the Board exercises its fiduciary responsibilities towards Shareholders and Creditors.
- To Comply with all the laws and regulations as applicable to the Company
- To promote the interest of all stakeholders including Customers, Shareholders, Employees, Lenders, Vendors and the Community.

BOARD OF DIRECTORS:

Presently, the Board of the Company is adequately equipped and well represented by a Woman Director and Independent Directors of high repute. The Audit Committee is headed by an Independent Director. As per the Listing Regulations, it is mandatory for the company with a non-executive director as a chairperson to have at least one-third of Directors as Independent directors.

The Board of Directors along with its committees provides leadership and vision to the management and supervises the functioning of the company. The composition of the Board is governed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the provisions of the Articles of Association of the Company. The Board presently comprises of Six Directors out of which two are Non-Executive Directors. The Managing Director is responsible for conduct of the business and day to day affairs of the Company.

None of the Directors on the Company’s Board is a member of more than ten committees and Chairman of more than five committees across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies.

Also none of the Directors on board hold the office of Director in more than 15 companies, out of which maximum number of directorships in public companies does not exceed ten, individually for any director. The maximum time gap between two Board meetings did not exceed 120 days.

The composition of the Board, attendance at Board meetings held during the year under review, number of Directorships, memberships and their shareholding in the company is given below:

Composition of Board as on March 31, 2018

Sr. No.	Name of Director	PD/ED/ NED/ ID*	Attendance in Board Meetings		Attendance in Last AGM	Other Board		
			Held	Attended		Directorship **	Committee Chairmanship ***	Committee Membership
1.	Mr. Shailesh S. Shah (Managing Director)	PD-ED	5	5	Present	No	No	No
2.	Mr. Sharad S. Shah	PD-ED	5	5	Present	No	No	No
3.	Mr. Vaibhav Desai	ED	5	5	Present	No	No	No
4.	Mr. Narendra Mahajani	NED-ID	5	5	Present	Yes	2	3
5.	Ms Aditi Bhatt	NED-ID	5	5	Present	No	No	No
6.	Mr. Maikal Raorani	ED	5	1****	NA	No	No	No

- * PD - Promoter Director, ED - Executive Director, NED - Non Executive Director, ID Independent Director
- ** In Indian Public Limited Companies as on 31st March, 2018
- *** In Audit and Shareholders Grievances Committee of Indian Public Limited Companies as on 31st March, 2018.
- **** The appointment of the director was done in December 2017

Details of Board Meetings Held during the Year

Date of Board Meeting	29 Apr, 2017	29 Jun, 2017	12 Sep, 2017	6 Dec, 2017	3 Feb, 2018
Board Strength	5	5	5	5	6
No. of Directors Present	5	5	5	5	6

Availability of information to the members of the Board:

The Board has unfettered and complete access to any information within the Company, and to any employee of the Company.

The information regularly supplied to the Board includes:

- Annual operating plans, budgets and updates.
- Capital budgets and updates.
- Quarterly results for the company and its operating divisions. Minutes of meetings of audit committee and other committees of the board. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand and prosecution notices which are materially important. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems. Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

MATERIALLY SIGNIFICANT RELATED PARTY DISCLOSURES:

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors, management, subsidiary or relatives except for those disclosed in the financial statements for the year ended March 31, 2018.

BOARD COMMITTEES:

Currently the Board functions through Sub-committees namely Audit Committee, Nomination and Remuneration Committee, Shareholders' Committee, Stakeholders' Relationship Committee, Health and Safety Committee and Share Transfer and Allotment Committee.

COMMITTEES OF THE BOARD:

The Board functions either as a full Board or through Committees. The names of the Sub-committees along with the details of the meetings conducted are given below:

a. Audit Committee:

To oversee the Company's Financial Report process, internal control systems, reviewing the accounting policies and practices, and financial statements audited by the statutory auditors. The audit committee is duly constituted in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and of Section 177 of the Companies Act, 2013.

Composition of Audit Committee as on March 31, 2018:

Sr. No.	Name of Members	Attendance in Audit Committee Meetings	
		Held	Attended
1	Mr. Narendra Mahajani (Chairman - Independent Director)	4	4
2	Mr. Vaibhav Desai (Member - Executive Director)	4	4
3	Ms. Aditi Bhatt (Member -Independent Director)	4	4

The Audit Committee meetings are also attended by Chief Financial Officer, Senior Manager of Finance Dept., Internal Auditors and Statutory Auditors as invitees.

Powers of the Audit Committee:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;

- f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b. Nomination and Remuneration Committee:

The objective of Nomination and Remuneration Committee is to assess the remuneration payable to our Managing Director/Whole Time Directors; sitting fee payable to our Non-Executive Directors; remuneration policy covering policies on remuneration payable to our senior executives. The Nomination and Remuneration Committee is duly constituted and the matters specified are in accordance with Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and of Section 178 of the Companies Act, 2013.

Composition of Nomination and Remuneration Committee as on 31st March, 2018:

Sr. No.	Name	Category	Designation
1.	Narendra Mahajani	Independent Director	Chairman
2.	Aditi Bhatt	Independent Director	Member
3.	Vaibhav Desai	Executive Director	Member

Role of the Committee:

The role of Nomination and Remuneration Committee is as follows: determining/recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;

Determining/ recommending the criteria for qualifications, positive attributes and independence of Directors; identifying candidates who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal;

Reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, pension, etc.;

Reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria;

Determining policy on service contracts, notice period, severance fees for Directors and Senior Management; evaluating performance of each Director and performance of the Board as a whole;

Remuneration Policy

The remuneration policy approved by the Board of Directors, inter alia, provides for the following:

Executive Directors

- Salary & Commission
- No Sitting Fee

Non-executive Directors

- Sitting Fee

During the financial year 2017-18 remuneration paid to the Key Managerial Personnel are as under:

Sr. No.	Name of the Key Managerial Personnel	Gross Salary	Value of perquisites	Total
1	Mr. Shailesh S. Shah	24,00,000	NIL	24,00,000
2	Mr. Sharad S. Shah	24,00,000	NIL	24,00,000
3	Mr. Vaibhav Desai	11,18,075	NIL	11,18,075
4	Mr. Maikal Raorani (Director and CFO)*	6,00,000	NIL	6,00,000
			Total	65,18,075

* Mr Maikal Raorani was appointed as director in Dec, 2017 in addition to being the CFO. Prior to that, he was holding the position of only CFO.

Notes:

- 1) Gross salary includes Basic salary, Drivers Allowance, Professional Allowance, Reimbursement of Medical expenses, Leave Travel Allowance and Annual Incentives.
- 2) The Company has not entered into any pecuniary relationship or transaction with the Non-executive directors.
- 3) The Company has so far not issued any stock options to any of the directors.

Remuneration to Independent Directors:

Sr. No.	Name of the Director	For attending board/Committee meetings	Others	Total
1	Mr. Narendra Mahajani	7,50,000	NIL	7,50,000
2	Ms. Aditi Bhatt	40,000	NIL	40,000
			Total	7,90,000

c. Share Transfer and allotment Committee:

The Board has delegated the powers to a committee to approve transfer/transmission of shares and attend to all other matters related thereto. The Share Transfer Committee is duly constituted as follows:

Composition of Shares Transfer Committee as on 31st March, 2018:

Sr. No.	Name of The Members	Category	Designation
1	Mr. Narendra Mahajani	Independent Director	Chairman
2	Ms. Aditi Bhatt	Independent Director	Member
3	Mr. Vaibhav Desai	Executive Director	Member

d. Stakeholder Relationship Committee:

To specifically look into redressal of complaints like transfer of shares, non- receipt of dividend, non-receipt of annual report etc. received from shareholders/ investors and improve efficiency. The Committee performs such other functions as may be necessary or appropriate for the performance of its duties. The Stakeholder Relationship Committee is duly constituted and the matters specified in accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and of Section 178 of the Companies Act, 2013.

Composition of Stakeholder Relationship Committee as on 31st March, 2018:

Sr. No.	Name of The Members	Category	Designation
1	Mr. Narendra Mahajani	Independent Director	Chairman
2	Ms. Aditi Bhatt	Independent Director	Member
3	Mr. Vaibhav Desai	Executive Director	Member

The Committee, inter alia approves issue of duplicate certificates, oversees and reviews all matters connected with transfer of shares of the Company. The Committee also looks into redressal of investor complaints related to transfer of shares, non receipt of dividend and annual accounts etc. The Committee oversees the performance of the Registrar and Transfer agents of the Company. The Committee also monitors the implementation and compliance of the Company's code of Conduct for Prohibition of Insider trading in pursuance of the SEBI (Prevention of Insider Trading) Regulation, 2015.

Name and Designation of Compliance Officer:

Mr. Maikal Raorani - Director & CFO

Number of Shareholders' Complaints Received during the year : Nil
 Number of Complaints not solved to the satisfaction of Shareholders : Nil
 Number of Complaints pending : Nil

e. Health and Safety Committee:

The Committee fulfils its responsibilities by reviewing, monitoring the management of health, safety and social impacts of the Company's various projects and operations. It also ensures Safety of women at various workplace/factories. The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has not received any complaint under this policy during the F. Y. 2017-2018.

INDEPENDENT DIRECTORS' DECLARATION:

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The Independent Directors under section 149(6) of the Companies Act, 2013 declared that:

1. They are not promoters of the Company or its holding, subsidiary or associate company;
2. They are not related to promoters or directors in the company, its holding, subsidiary or associate company.
3. The independent Directors have /had no pecuniary relationship with company, its holding, subsidiary or associate company , or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
4. None of the relatives of the Independent Director has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
5. Independent Director, neither himself nor any of his relatives--
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of--
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
 - (iii) Holds together with his relatives two percent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or Director, by whatever name called, of any nonprofit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company;
6. Independent Director possesses such qualifications as may be directed by the Board.
7. The Company & the Independent Directors shall abide by the provisions specified in Schedule IV of the Companies Act, 2013.

BOARD EVALUATION:

SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. The Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors should be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee.

Performance of the Board and Committees:

During the year under review, the performance of the Board & Committees and Individual Director(s) based on the below parameters was satisfactory:

- (i) All Directors had attended the Board meetings;
- (ii) The remunerations paid to Executive Directors are strictly as per the Company and industry policy.
- (iii) The Independent Directors only received sitting fees.
- (iv) The Independent Directors contributed significantly in the Board and committee deliberation and business and operations of the Company and subsidiaries based on their experience and knowledge and Independent views.
- (v) The Credit Policy, Loan Policy and compliances were reviewed periodically;
- (vi) Risk Management Policy was implemented at all critical levels and monitored by the Internal Audit team who places report with the Board and Audit committee.

MEETING OF INDEPENDENT DIRECTORS:

Pursuant of the provision of Section 149 (8) of the Companies Act, 2013 read with Schedule IV and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Independent Directors of the Company held their meeting on 3rd February, 2018, reviewed the performance of non- independent directors and the Board as a whole including the Chairperson of the Company, views expressed by the executive directors and non- executive directors at various level, and quantified the quality, quantity and timeliness of flow of information between the Company, management and the Board and expressed satisfaction.

ANNUAL GENERAL MEETINGS:

Details of Annual General Meetings:

Particulars	F.Y.2016-2017	F.Y.2015-2016	F.Y.2014-2015
Date	10.08.2017	30.09.2016	30.09.2015
Time	11.00 A.M.	11.00 A.M.	11.00 A.M.
Venue	C-58, TTC Industrial Area, Thane Belapur Road, Pawne, Navi Mumbai - 400705 .	C-58, TTC Industrial Area, Thane elapur Road, Pawne, Navi Mumbai – 400705.	Hotel Varishthta
Regd. Office	C-58, TTC Industrial Area, Thane Belapur Road, Pawne, Navi Mumbai - 400705 .	C-58, TTC Industrial Area, Thane Belapur Road, Pawne, Navi Mumbai – 400705.	C-58, TTC Industrial Area, Thane Belapur Road, Pawne, Navi Mumbai - 400705 .

DISCLOSURES:**Related Party Transactions**

During the financial year 2017-18 the Company has not entered into any transactions of material nature with its promoters, directors or the management, subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The Company has Declarations that have been received from the senior management personnel to this effect. The disclosure in respect of related party transactions is provided in Notes to Accounts.

Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges/SEBI and Statutory Authority on all matters related to capital markets. No penalties or strictures have been imposed on the Company by these authorities.

The status of compliance with Non-mandatory requirements is as under:

1. During the financial year 2017-18, there are no audit qualifications in the Company's financial statements.
2. The Company has recruited Independent / Non-executive Directors on the Board of the Company, to comply with requirements of the listing agreement.

Risk Management Framework

Sky Industries Limited has a formal Risk Management (RM) framework, which has grown and refined over a period of time as the businesses are becoming more complex and increasingly facing various challenges across the globe.

The Company has put in place a risk management framework in line with its vision, mission and business strategy.

The Company's Risk Management framework is based on a 'risk intelligence' map, taking into account key focus areas of risk identification and mitigation. The areas of risk are further 'drilled down' to its component parts, risks and mitigation measures identified; responsibilities are then allocated to respective department and functional heads, who monitor risk mitigation measures and calculate residual risk. The methodology links mission, objectives and risk management, and implements the following steps:

- Understand Mission, Vision, Corporate Objectives
- Understand organization structure and key management team
- Work with key business line leaders to understand business line objectives, divisional objectives and business plans
- Understand link between corporate objectives and business unit objectives
- Review currently identify risks and identify gaps and linkages between business risks and process risks

MEANS OF COMMUNICATION:

The quarterly, half-yearly and yearly financial results, of the Company, are sent to the Stock Exchanges, immediately after they are approved by the Board. These are widely published in Free Press Journal and Navshakti (Marathi edition). The results of the Company are displayed on the Website also.

Management Discussion & Analysis is separately given and forms part of the report.

GENERAL SHAREHOLDER INFORMATION:**a. 29th Annual General Meeting**

Date : 7th September, 2018
Time : 10.00 A. M.
Venue : Hotel Yogi Executive, Plot no. 31/A, Sector-24, APMC Road,
Vashi, Opposite Mafo Market, Navi Mumbai, Maharashtra - 400 705

b. Tentative Calendar for Financial Year 2018-2019:

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2019 are as follows:

Financial Reporting for the Quarter Ended June 30, 2018 :	By mid of August 2018
Financial Reporting for the Quarter and Half yearly Ended September 30, 2018 :	By mid of November 2018
Financial Reporting for the Quarter Ended December 31, 2018 :	By mid of February 2019
Financial Reporting for the Quarter Ended March 31, 2019 :	By mid of May, 2019

c. Book Closure

The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 1st September, 2018 to Friday, 7th September, 2018, both days inclusive for the purpose of payment of dividend for the financial year ended March 31, 2018 and the AGM.

d. Listing on Stock Exchanges

The Shares of the Company are listed with the Stock Exchange, Mumbai, (BSE), The Calcutta Stock Exchange Association Limited, The Jaipur Stock Exchange Limited.

The Company had applied and is awaiting approval for de-listing of its shares from The Calcutta Stock Exchange Association Limited and The Jaipur Stock Exchange Limited.

The Company has paid the listing fees to the Stock Exchange, Mumbai.

Stock Code - 526479
Demat - ISIN Number for NSDL & CDSL : INE 765B01018

e. Stock Market Data:
Details of High/Low during each month in the financial year 2017 - 2018:

The Stock Exchange, Mumbai

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (₹)
Apr-17	20.70	27.55	20.70	25.00	49015	176	1293253
May-17	26.25	41.60	26.25	37.45	216523	403	7600591
Jun-17	35.60	46.00	35.50	37.50	75687	294	2991093
Jul-17	38.00	52.95	38.00	48.40	94187	398	4543786
Aug-17	49.95	50.70	36.70	44.35	51876	230	2326111
Sep-17	45.90	47.70	35.60	36.75	57970	398	2326896
Oct-17	37.5	43.00	36.30	39.25	35447	189	1419396
Nov-17	40.00	47.80	38.00	41.60	76197	448	3120111
Dec-17	41.90	65.55	38.60	58.35	135796	1007	7515552
Jan-18	62.00	70.00	47.10	53.00	181418	1274	11589133
Feb-18	53.00	56.85	38.65	48.05	43595	358	2142957
Mar-18	47.00	50.60	40.00	41.00	23018	235	1031062

f. Registrar and Transfer Agents:**Share Transfer System :**

Link Intime (India) Pvt. Ltd. handles the investor services for Sky Industries Limited. The Company's equity shares are compulsorily traded in dematerialized form as per the SEBI guidelines. In all 4065664 equity shares of ₹ 10/- each were dematerialized as on 31st March, 2018 constituting 92.68 % of the paid-up capital of the Company.

Physical share transfers are registered and returned within a period of, typically, 10-15 days from the date of receipt, if the documents are correct and valid in all respects. A letter is sent to the shareholder giving him an option to receive shares in the physical mode or in the dematerialized mode. A period of 30 days is given to the shareholder for sending his intimation. The shareholder then receives the shares in the form he exercises his option for.

The address of Registrar and Transfer agents is:

Link Intime (India) Pvt. Ltd
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai - 400 083
Tel No: +91 22 49186000
Fax: +91 22 49186060
E-mail: isrl@intimespectrum.com

g. Plant Locations:

- C-58, C - 57/1,2 TTC Industrial Area, Thane Belapur Road, Pawane Navi Mumbai - 400 705
- Survey No. 49, Unit No A-F, Sainath Complex, Dapode, Bhiwandi, Maharashtra

h. Address for correspondence : C-58, TTC Industrial Area, Thane Belapur Road,
Pawane Navi Mumbai – 400 705.
E-mail : corporate@skycorp.in

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

To,
The Members of
Sky Industries Ltd

We have examined the compliance of conditions of corporate governance by Sky Industries Limited ('the Company') for the year ended March 31, 2018 as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai
Date : 28th April, 2018

For Ramesh Chandra Mishra & Associates
Sd/-

Ramesh Mishra
FCS: 5477
PCS: 3987

DECLARATION UNDER REGULATION 26 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members of
Sky Industries Ltd

As provided under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with Code of Conduct for the year ended March 31, 2018.

For Sky Industries Limited
Sd/-

Shailesh Shah
Managing Director

PLACE : MUMBAI
DATE : 28th April, 2018

Management Discussion and Analysis

INDUSTRY STRUCTURE & DEVELOPMENT:

SKY INDUSTRIES LIMITED is a dominant player in the Narrow Woven Fabric industry in India having its presence felt in various product categories viz. Hook & Loop Tape Fasteners. Traditionally, this industry is an accessory supplier to major industries like Textiles, Leather, Footwear, Infant wear, Sports, Defence, Orthopedics, Medical Accessories, Hygiene, Aviation, Automobiles, Home furnishings etc.

OPPORTUNITY AND THREATS:

The Company has the opportunity of capturing steadily growing Asian markets by undertaking process capacity expansion and seek strategic alliances to gain access to marketing channels and expand the company's market domain.

The Company has the disadvantage of limited global presence and lesser international penetration compared to some other big brands, which the company is planning to increase in the coming years.

The Company's strength is built around the robust domestic and international marketing network. The Company has a network of over 800 corporate customers and over 50 channel partners as a part of its domestic network, which are comprised from various industry segments, allowing the Company to de-risk its business.

The Company does face threats from imports and other new emerging players with access to Asian markets that are creating intense competition for the company's products. Also there is a possibility of newer fastening applications being developed, which is a threat to the core product of the Company.

Risks and Concerns:

The Company faces various risks which are incidental to the Company's operations in the various product lines viz. Hook and Loop Tape Fasteners and Velvet tapes like new competitor setting up business or expanding of the existing players owing to the market available.

The concerns amongst others are Company facing rising input costs on account of Raw Materials pricing being steadily rising as well as inability of the Company to pass on the increase in costs to its customers being the main concern.

Also, the volatility in Exchange Rate has its own costs, all of which may not be possible to be passed on to the customers.

The Company is looking however to address the above risks and concerns by setting up a robust risk management system.

Risk Management Policy:

In accordance with the requirements of the Act, the Company has adopted and implemented a Risk Management Policy for identifying risks to the Company, procedures to inform Board members about the risk assessment and minimization procedures, monitoring the risk management plan, etc.

Segment Reporting:

The Company has one segment of activity namely "Fastening solutions under the broader category of Narrow Woven Fabrics". Hence, Accounting Standard on Segment Reporting (AS - 17) issued by the Institute of Chartered Accountant of India does not apply.

Operations:

The turnover during the year was Rs. 53 Crores as compared to previous years ₹ 48 Crores, a 10% growth over the last year.

As in earlier years, the Company focused on increasing the share of the Value Added products.

Exports:

During the year under review the Exports were at ₹ 106 lacs, a drop from the previous year. The drop was mainly on account of conscious decision to avoid the riskier markets, as well as Company's decision to exit the allied businesses, which were largely instrumental in getting higher export orders in the previous year.

Financial Liquidity:

Cash and cash equivalent as at 31st March 2018 was 86.32 lakhs (Previous year ₹ 44.81 lakhs).

The Company's working capital management is based on a well-organized process of continuous monitoring and controls on Receivables, Inventories and other parameters.

Internal Control Systems and their adequacy:

The Company has commensurate internal audit systems in relation to the size of the Company. The Company has also appointed Internal Auditors M/s. UKG & Associates Chartered Accountants, who have been conducting internal audit of the systems that are being strengthened.

Indian Accounting Standards (IND AS):

The Company has adopted Ind AS w.e.f. 1st April, 2017 with a transition date of 1st April, 2016. Accordingly, results for the year ended 31st March, 2017 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Previous period's figures have been restated as per Ind AS to make them comparable.

Human resources and Industrial Relations:

We strongly believe that engaged, enthusiastic, and loyal employees are pivotal drivers of growth and health in any organization, which is why we place a lot of emphasis on taking care of our employees, their dreams and aspirations.

Your Company has a team of able and experienced industry professionals in various ranks, who make us what we are today. As of 31st March, 2018, the total number of employees on the rolls of the Company was 59.

Cautionary Statement:

The Board's Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statements. Some important factors that could influence the Company's operations comprise economic developments, pricing and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

Annexure - III**Form No. MR-3****SECRETARIAL AUDIT REPORT****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Sky Industries Limited
Mumbai

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sky Industries Limited (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder and certain provisions of Companies Act, 1956 and rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

5. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
6. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
7. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
8. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
9. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);

Other laws applicable specifically to the Company namely:

10. Information Technology Act, 2000 and the rules made thereunder
11. the Payment of Gratuity Act, 1972

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.

I report that, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

I further report that, there were no actions / events in pursuance of:

1. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
3. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998,

requiring compliance thereof by the Company during the financial year and the Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the year.

Further based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the course and conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner as required under the various provisions of Companies Act, 2013, SEBI Act, 1992 and all other laws and applicable provisions there under.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like Labour Laws.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Mumbai
Date : 28th April, 2018

For Ramesh Chandra Mishra & Associates

Sd/-
Ramesh Mishra
FCS: 5477
PCS: 3987

'ANNEXURE A'

To,
The Members,
Sky Industries Limited,
C-58, TTC Industrial Area,
Thane Belapur Road,
Pawane, Navi Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Mumbai
Date : 28th April, 2018

For Ramesh Chandra Mishra & Associates
Sd/-

Ramesh Mishra
FCS: 5477
PCS: 3987

Managing Director & Chief Financial Officer Certification

To
The Board of Directors
Sky Industries Limited

We, Mr. Shailesh Shah, Managing Director and Mr. Maikal Raorani, Chief Financial Officer, do hereby certify as follows:
We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

To the best of our knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or volatile of the company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

1. Significant changes in internal control over financial reporting during the year;
2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Sky Industries Limited
Sd/-

Shailesh Shah
(Managing Director)

Place : Mumbai
Date : 28th April, 2018

For Sky Industries Limited
Sd/-

Maikal Raorani
(Chief Financial Officer)

**STANDALONE FINANCIAL STATEMENTS FORMING PART
OF ANNUAL REPORT OF SKY INDUSTRIES LIMITED FOR
THE YEAR ENDED 31ST MARCH, 2018**

Independent Auditor's Report

To
The Members of SKY INDUSTRIES LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of **SKY INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, the statement of cash flow, the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flow and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with relevant Rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IND AS of the financial position of the company as at 31st March 2018 and its profit and its cash flows and changes in the equity for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**" a statement on the on the matters specified in para 3 and 4 of the order,
2. As required by Section 3 of section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and statement of change in Equity dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with the relevant Rules issued thereunder;
 - e. On the basis of the written representations received from the directors as at 31 March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigation on its financial position in its standalone financial statement Refer Note 29(ii) to the standalone financial statement.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2018.

For and on behalf of – Thanawala & Company
Chartered Accountants
Firm Reg. No. 110948W

Place : Mumbai
Date : 28 April 2018

Sd/-
[V.K. Thanawala]
Proprietor
Membership No. 15632

Annexure A to the Independent Auditors Report

THE ANNEXURE A REFERRED TO IN INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF THE COMPANY ON THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH,2018,

We Report That -

1. a. The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed asset.
- b. As explained to us the Company has a phased program for physical verification of the fixed asset of the company to cover all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company. No material discrepancies were noticed on such verification carried on during the year, as compared with the available records.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the company.
2. The inventory of finished goods, raw materials, components, stores and spare parts except those lying with third parties, and in transit, has been physically verified by the management at regular intervals, which we consider to be reasonable. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
3. According to the information and explanation given to us, the Company's has not granted any loans secured or unsecured during the period to companies, firms or other parties covered in the register maintained under section 189 of the companies Act 2013. Accordingly, the clause 3(iii) (a)(b) & (c) of the order are not applicable.
4. According to the information and explanation given to us, the company has complied the provisions of section 185 and 186 of the Companies Act 2013 with respect to the loans & investment made.
5. The company has not accepted any deposit from the public and hence the directives issued by Reserve Bank of India and provision of section 73 to76 or any other relevant provisions of the Act and the Rule framed there under are not applicable.
6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
7. a. According to the records of the Company and information and explanations given to us, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Cess, Excise Duty, Service Tax, Value added tax, Goods & Service Tax and other material statutory dues have been deposited regularly during the period with the appropriate authorities, whenever applicable there are no such outstanding as at 31st March 2018, for a period of more than six months from the date they become payable.

Except following undisputed statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

Sr. No.	Name of statutory dues	Nature of dues	Total (₹)	Period to which it relates	Whether paid before balance sheet signing
1	Navi Mumbai Cess	CESS	71,53,072	(Various years)	No

- b. According to the records of the Company and information and explanations given to us the following are the particulars of disputed amounts payable in respect of Sales tax and Central Sales Tax and other statutory dues as at the last day of the period ending 31st March, 2018 -

Nature of Dues	Amount in ₹	Period for which dispute relates	Forum where dispute is pending
Gujarat VAT	49,22,257	2006-07, 2007-08 & 2013-14	Commissioner of Sales Tax
CST	1,04,40,249	2006-07 & 2013-14	Commissioner of Sales Tax
Property Tax	5,79,61,576	Various years	Navi Mumbai Corporation

8. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks, governments or debenture holders.
9. The company has not raised money through initial public offer or further public offer and term loans hence the provision of para 3(ix) of the order are not applicable.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, its officers or employees, noticed or reported during the period, nor have been informed of such case by the management.
11. According to the information and explanation given to us and based on our examination of the books and records of the Company, we are the opinion that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
12. In our opinion, the company is not a Nidhi Company. Therefore, provision of clause 3(xii) of the order not applicable.
13. According to the information and explanation given to us and based on our examination of the records of the company, all the transactions with related parties are in compliance with section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statement as required by the applicable Accounting Standard.
14. According to the information and explanation given to us and based on our examination of the records, the Company has made preferential allotment of equity shares during the period under review.
15. According to the information and explanation given to us and based on our examination of the records of the Company has not entered into any non-cash transactions during the period with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of –Thanawala & Company
Chartered Accountants
Firm Reg. No. 110948W

Place : Mumbai
Date : 28th April 2018

Sd/-
[V.K. Thanawala]
Proprietor
Membership No. 15632

Annexure – B to the Auditors Report**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To the Members of **SKY INDUSTRIES LIMITED**

We have audited the internal financial controls over financial reporting of **SKY INDUSTRIES LIMITED** ("the Company") as of March 31, 2018, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the

company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For and on behalf of –Thanawala & Company
Chartered Accountants
Firm Reg. No. 110948W**

**Place : Mumbai
Date : 28th April 2018**

**Sd/-
[V.K. Thanawala]
Proprietor
Membership No. 15632**

STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	" As at March 31, 2018"	" As at March 31, 2017"	" As at April 01, 2016"
ASSETS				
Non - Current Assets				
Property, Plant & Equipment	3	14,96,24,548	9,77,47,923	9,61,06,831
Capital Work - In - Progress	3	2,20,000	64,78,794	3,64,256
Other Intangible Assets	3	95,089	1,50,084	-
Financial Assets				
Investments	4	5,00,010	33,59,999	33,59,999
Loans	5	49,76,166	50,76,167	49,76,167
Others	6	39,78,579	47,18,580	37,37,864
Other Non - Current Assets	7	44,21,208	52,89,572	4,48,44,161
Total Non - Current Assets		16,38,15,600	12,28,21,119	15,33,89,278
Current Assets				
Inventories	8	12,05,22,853	10,04,83,605	8,57,53,594
Financial Assets				
Investments	9	9,70,535	-	-
Trade Receivables	10	8,68,31,427	9,20,87,062	9,54,10,177
Cash & Cash Equivalents	11	86,31,958	44,81,106	20,76,913
Bank Balance other than above	12	12,39,917	17,98,439	48,96,951
Other Current Assets	13	2,49,88,162	2,76,64,933	1,89,32,110
Total Current Assets		24,31,84,852	22,65,15,145	20,70,69,745
TOTAL ASSETS		40,70,00,452	34,93,36,264	36,04,59,023
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	14	4,38,64,000	4,17,64,000	3,97,64,000
Other Equity	15	14,19,30,893	12,28,13,969	10,70,10,864
Total Equity		18,57,94,893	16,45,77,969	14,67,74,864
Liabilities				
Non - Current Liabilities				
Financial Liabilities				
Borrowings	16	27,63,317	81,85,671	92,02,425
Other	17	2,51,75,154	5,66,154	5,66,154
Provisions	18	19,60,621	21,89,363	1,15,07,394
Deferred Tax Liabilities (Net)	19	91,35,355	77,59,106	68,77,482
Total Non - Current Liabilities		3,90,34,447	1,87,00,294	2,81,53,454
Current Liabilities				
Financial Liabilities				
(i) Borrowings	20	7,93,47,656	8,83,46,469	9,19,57,294
(ii) Trade Payables	21	8,92,22,405	6,27,67,313	6,70,48,480
(iii) Other Financial Liabilities	22	-	1,26,294	1,26,294
Other Current Liabilities	23	1,27,27,431	1,37,78,669	2,30,04,719
Provisions	24	8,54,557	9,92,081	5,66,890
Current Tax Liabilities (Net)	25	19,063	47,176	28,27,028
Total Current Liabilities		18,21,71,112	16,60,58,002	18,55,30,705
Liabilities associated with groups of assets held for sale				
Total Liabilities		22,12,05,559	18,47,58,296	21,36,84,159
TOTAL EQUITY AND LIABILITIES		40,70,00,452	34,93,36,264	36,04,59,023

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As per our report attached of even date
THANAWALA & COMPANY
 CHARTERED ACCOUNTANTS
 Firm Reg. No. 110948W

For and on behalf of the Board of Directors

VIJAY K THANAWALA
 PROPRIETOR
 Membership No. 15632
 Mumbai, Dated : 28/04/2018

Sd/-
 Shailesh Shah
 Managing Director

Sd/-
 Sharad Shah
 Director

Sd/-
 Maikal Raorani
 Director

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note. No.	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from Operations	26	52,98,83,036	48,67,26,346
Other Income	27	33,72,627	27,37,204
Total Income		53,32,55,663	48,94,63,550
Expenses			
Cost of Material Consumed	28	31,34,92,196	27,30,25,225
Excise Duty on Sale of Goods		2,79,097	12,13,327
Purchase of Stock In Trade	29	4,94,71,386	4,00,37,855
Changes in Inventories of Finished Goods / Stock in Trade	30	(48,22,862)	3,72,11,732
Employee Benefit Expenses	31	4,40,15,282	2,33,51,666
Finance Cost	32	1,29,29,467	1,62,36,024
Depreciation and Amortization	3	97,77,854	88,74,987
Other Expenses	33	7,18,77,388	5,34,59,456
Total Expenses		49,70,19,807	45,34,10,272
Profit Before Tax and Exceptional Item		3,62,35,856	3,60,53,278
Exceptional Gain / (Loss)	36	(1,14,64,467)	(1,13,34,416)
Profit Before Tax		2,47,71,389	2,47,18,862
Tax Expenses			
Current Tax		52,62,225	17,20,000
Deferred Tax		13,86,267	8,81,624
MAT Credit (Entitlement) / Utilization (Excess) / Short Provision of Earlier Years			1,29,001
Profit After Tax		1,81,22,897	2,19,88,237
Other Comprehensive Income			
Items that will not to be reclassified to Profit & Loss			
- Remeasurment of define benefit liability/(asset) (net of tax)		(5,09,026)	(1,12,57,633)
- Change in Fair Value of FVOCI equity instruments (net of tax)		(19,447)	-
Total Other Comprehensive Income for the year		(5,28,473)	(1,12,57,633)
Total Comprehensive Income for the year		1,75,94,424	1,07,30,604
Earnings Per Share - Basic & Diluted (₹)	37	4.13	5.26

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As per our report attached of even date
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 Firm Reg. No. 110948W

For and on behalf of the Board of Directors

VIJAY K THANAWALA
 PROPRIETOR
 Membership No. 15632
 Mumbai, Dated : 28/04/2018

Sd/-
 Shailesh Shah
 Managing Director

Sd/-
 Sharad Shah
 Director

Sd/-
 Maikal Raorani
 Director

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	2,47,71,389	2,47,18,862
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
Depreciation & Amortization	97,77,854	88,74,987
Finance Cost	1,29,29,467	1,62,36,024
Interest Income	(1,19,783)	(89,442)
Dividend Income	(60,000)	(65,000)
Exceptional Items	39,62,987	1,13,34,416
Ind AS Notional Income		(46,77,225)
Fair Valuation impact of security deposits	26,751	2,36,857
Employee Benefit Expense treated as OCI	(7,71,251)	(1,12,57,633)
Fair Valuation impact of certain financial instruments	29,465	
Foreign Exchange Loss / (Gain)	-	2,05,92,984
	<u>2,57,75,490</u>	<u>-</u>
Operating Profit Before Changes in Working Capital	5,05,46,879	4,53,11,846
Adjustment for Changes in Working Capital		
(Increase) / Decrease in Trade Receivables	52,55,635	78,05,800
(Increase) / Decrease in Other Receivables	-	(1,04,92,566)
(Increase) / Decrease in Inventories	(2,00,39,248)	2,54,61,288
(Increase) / Decrease in Loans & Advances	1,00,001	-
(Increase) / Decrease in Other Current Assets	7,40,001	-
(Increase) / Decrease in Other Non - Current Financial Assets	8,68,364	-
(Increase) / Decrease in Other Non - Current Assets	26,76,771	-
Increase / (Decrease) in Trade Payables	2,64,55,092	(53,69,803)
Increase / (Decrease) in Other Current Financial Liabilities	(1,26,294)	-
Increase / (Decrease) in Other Current Liabilities	(10,51,238)	(2,83,64,560)
Increase / (Decrease) in Current Tax Liabilities	-	-
Increase / (Decrease) in Provisions	(3,66,266)	(1,09,59,841)
	<u>1,45,12,818</u>	<u>-</u>
Cash Generated from Operations	6,50,59,697	3,43,52,006
Less: Taxes Paid (Net of refund received)	(50,84,329)	(46,28,963)
NET CASH FLOW FROM OPERATING ACTIVITY (A)	5,99,75,368	2,97,23,043
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment & Intangible Assets	(5,70,52,688)	(1,67,80,701)
Sale of Property, Plant & Equipment & Intangible Assets	3,75,000	
Sale of Investments	2,34,000	
Investments during the year	(10,00,000)	
Interest Received	1,19,783	89,442
Dividend Received	60,000	65,000
Movement in other bank balances	5,58,522	30,98,512
	<u>5,58,522</u>	<u>30,98,512</u>
NET CASH FLOW FROM INVESTING ACTIVITY (B)	(5,67,05,383)	(1,35,27,747)
C CASH FLOW FROM FINANCING ACTIVITY		
Increase/(Decrease) of Term Loan/Vehicle Loans	(9,20,069)	24,33,246
Increase/(Decrease) of Unsecured Loans	(79,52,285)	(50,18,494)
Increase/ (Decrease)in Working Capital facility (net)	(55,48,813)	(20,42,331)
Receipt of Equity Share Capital (incl. Share Premium)	36,22,500	46,00,000
Proceeds from issue of Share warrants	-	24,72,500
Increase/(Decrease) of Non current Financial liabilities	2,46,09,000	
Finance Cost	(1,29,29,467)	(1,62,36,024)
	<u>(1,29,29,467)</u>	<u>(1,62,36,024)</u>
NET CASH FLOW FROM FINANCING ACTIVITY (C)	8,80,866	(1,37,91,102)
NET CASH FLOW FOR THE YEAR (A + B + C)	41,50,851	24,04,193

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Add: Opening Balance of Cash & Cash Equivalents	44,81,106	20,76,913
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	<u>86,31,957</u>	<u>44,81,106</u>
RECONCILIATION OF CASH AND CASH EQUIVALENT		
TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET		
CASH AND CASH EQUIVALENT COMPRISES AS UNDER:		
Balance with banks in current accounts	84,97,217	38,81,430
Cash on Hand	1,34,741	5,99,676
CASH AND CASH EQUIVALENT	<u>86,31,957</u>	<u>44,81,106</u>
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	<u>86,31,957</u>	<u>44,81,106</u>

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As per our report attached of even date
THANAWALA & COMPANY
CHARTERED ACCOUNTANTS
 Firm Reg. No. 110948W

For and on behalf of the Board of Directors

VIJAY K THANAWALA
PROPRIETOR
 Membership No. 15632
 Mumbai, Dated : 28/04/2018

Sd/-
 Shailesh Shah
 Managing Director

Sd/-
 Sharad Shah
 Director

Sd/-
 Maikal Raorani
 Director

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 2017-2018**1 CORPORATE INFORMATION**

Sky Industries Limited is a Public Limited Company incorporated and domiciled in India, under the Indian Companies Act, 1956. Its Equity shares are listed on BSE Limited. Its registered office is situated at C-58, TTC Industrial Area, Thane Belapur Road, Pawne, Navi Mumbai - 400 705.

The company is engaged in manufacturing of "Narrow Woven Fabrics". The Company is engaged in manufacturing and marketing in various products like Hook and Loop Tape Fasteners, Value added items and Velvet tapes etc.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the Significant Accounting Policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS FOR PREPARATION OF ACCOUNTS**a) Statement of Compliance with Ind AS**

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial Statements for the year ended 31st March, 2018 are the first financial statements of the Company under IND AS. The date of transition to Ind AS is 1st April, 2016. Accordingly, the Company has followed the provisions of Ind AS 101, 'First Time Adoption of Indian Accounting Standards', in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. 1 April 2016. Certain of the Company's Ind AS accounting policies used in the Opening Balance sheet differed from its previous GAAP policies applied as at 31 March 2016, and accordingly adjustments were made to restate the opening balances as per Ind AS. The resulting adjustments arose from events and transactions before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those adjustments were recognized directly through retained earnings as at 1 April 2016.

Refer Note 34 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and Cash Flows.

b) Historical Cost Convention

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following:

- Certain financial assets and liabilities that are measured at fair value
- Defined benefit plans - plan assets measured at fair value

c) Current versus Non-Current classification

All assets and liabilities have been classified as Current or Non Current as per the Company's normal operation cycle i.e. twelve months and other criteria set out in the Schedule III of the Act.

2.2 USE OF ESTIMATES

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, impairment of trade receivables, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

2.3 REVENUE RECOGNITION

a) Sale of Goods

Revenue from the sale of goods is recognised when property in the goods, or all significant risks and rewards of ownership of the goods have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods as well as its collection. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts and volume rebates. It includes excise duty and subsidy and excludes Value Added Tax / Sales Tax/ GST.

b) Rendering of services

Revenue of services are recognized when the services are rendered.

c) Dividend

Dividend income from investments is recognised when the shareholder's rights to receive payment has been established.

d) Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

2.4 FOREIGN CURRENCY TRANSACTIONS

a) Functional and Presentation Currency

The financial statements are presented in Indian Rupee (INR), which is the company's functional and presentation currency.

b) Initial Recognition

Transactions in foreign currencies are recorded at the exchange rate prevailing on the dates of the transactions. Exchange difference arising on foreign exchange transaction settled during the year are recognized in the Statement of Profit and Loss for the year.

c) Measurement of foreign currency items at the Balance sheet date

Monetary assets and liabilities denominated in foreign currencies are re-translated into functional currency at the exchange rate prevailing at the end of the reporting period. Non monetary assets and liabilities that are measured based on historical cost in a foreign currency are not re-translated. Exchange differences arising out of these transactions are charged to the profit and loss.

2.5 PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

a) Property, Plant and Equipment (PPE)

i) Recognition and measurement

Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to the acquisition of the assets. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to

its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

ii) Subsequent expenditure

Expenditure incurred on substantial expansion upto the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

b) Capital Work-In-Progress And Pre-Operative Expenses During Construction Period

Capital work-in progress includes expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective Property, Plant and Equipment on their completion / commencement of commercial production.

c) Intangible assets

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment loss if any.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant and Equipment, including intangible assets, recognised as at 1 April 2016, as per the previous GAAP and used that carrying value as its deemed cost of such Property, Plant and Equipment and Intangible Assets

2.6 IMPAIRMENT OF NON- FINANCIAL ASSETS

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.7 DEPRECIATION AND AMORTISATION

Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013. Leasehold land is amortised over the period of lease.

Useful lives of the items of Property, Plant and Equipment are as follows:

Asset	Estimated Useful Life
Building	30 Years
Plant & Machinery	10 Years
Furniture and Fixtures	15 Years
Vehicles	10 Years
Other equipment	6 Years

Intangible Assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the Company for its intended use. The useful life so determined is as follows:

Assets	Amortisation period
Software Licenses	3 Years

The management believes that the useful life as given above best represent the period over which the management expects to use these assets.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation and amortization on property, plant and equipment added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

2.8 FINANCIAL INSTRUMENTS

I. Financial Assets

a) Classification of financial assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit & loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

i) Debt instrument at amortised cost:

A 'debt Instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objectives is to hold assets for collecting contractual cash flow and

- Contractual terms of the asset give rise on specified dates to cash flow that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of the EIR. Amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. The category generally applies to trade and other receivable.

ii) Debt instrument at fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flow and selling the financial assets, where the assets' cash flow represents solely payments of principal and interest are measuring at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest

revenue or foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the EIR method. The company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

iii) Debt instrument measured at fair through profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iv) Equity investments:

Investment in associates are accounted using equity method.

All other equity investments which are in scope of Ind-AS 109 are measured at fair value. Equity instrument which are held for trading are classified as at FVTPL. For all other equity investments, the Company decide to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

For equity investments classified as FVOCI, all fair value changes on the instruments, excluding dividend, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of such investment

Equity investments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost that represents the best estimate of fair value within that range.

b) Initial recognition and measurement

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction cost that are attributable to the acquisition of the financial assets.

Trade receivable are carried at original invoice price as the sales arrangements do not contain any significant financial component. Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

c) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has neither transferred nor retained substantially all the risks and rewards all the assets, but has transferred control of the assets.

When the company has transferred its rights to receive cash flow from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. When it has neither transferred nor retained substantially all

of the risks and rewards of the assets, nor transferred control of the assets, the Company continues to recognise the transferred asset to the extent of the company's continuing involvement. In the case, the company recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflect the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at lower of the original carrying amount of the asset and maximum amount of consideration that the company could be required to repay.

d) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loan, debt security, deposits, and bank balance.

- Trade Receivables

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application simplified approach does not require the company to track change in risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivable. The provision matrix based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historically observed default rate updated and change in the forward looking estimates are analysed.

II. Financial Liabilities and equity instruments

Debt and equity instruments issued by an entity are classified as either financial liability or as equity in accordance with substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

a) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

b) Financial liabilities :- Classification

Financial liabilities that are classified as either FVTPL or other financial liabilities consists of derivative financial instruments, wherein the gain/losses arising from remeasurement of these Instruments are recognized in the statements of profit and loss. Other financial liability (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

c) Initial recognition and measurement:

All financial liability are recognised initially at fair value and for those instruments that are not Subsequently measured at FVTPL, plus/minus transaction cost are attributable to issue of these instruments.

d) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires .When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and Loss.

III. Fair Value

The Company determines the fair value of its financial instruments on the basis of the following hierarchy

- a) **Level 1** : The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange traded commodity derivatives and other financial instruments in equity and debt securities which are listed in a recognised stock exchange
- b) **Level 2** : The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques using observable market data. Such valuations techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate
- b) **Level 3** : The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs)

2.9 INVENTORIES

Inventories are stated at the lower of cost and net realizable value.

Cost of Raw Material is determined on a First In First Out (FIFO) basis.

Packing Materials are valued at cost.

Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises direct materials and where applicable, direct labour costs, those overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition. Cost is arrived on weighted average cost basis.

Work in Progress is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs, manufacturing overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition.

2.10 BORROWING COSTS

Borrowing Costs that are interest and other costs that the company incurs in connection with the borrowings of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest cost measured at EIR and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. Such capitalisation is done only when it is probable that the asset will result in future economic benefits and the costs can be measured reliably. Capitalisation of borrowing cost is suspended and charged to statement when active development is interrupted

Capitalisation of borrowing costs commences when all the following conditions are satisfied:

- i. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;
- ii. Borrowing costs are being incurred; and
- iii. Activities that are necessary to prepare the asset for its intended use are in progress.

A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account.

2.11 EMPLOYEE BENEFITS

a) Short term employee benefit obligations

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other long term employee benefit obligations

i) Compensated absences

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of reporting period that have terms approximating to the terms of related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income.

c) Post-employment obligations

The Company operates the following post-employment schemes:

- A. Defined benefit plans such as Gratuity
- B. Defined contribution plan such as Provident Fund

Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is calculated annually by actuaries using the Projected Unit Credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plans

The Company pays provident fund contributions to publicly administered funds as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

2.12 ACCOUNTING FOR TAXES ON INCOME

a) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Current tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognized amounts; and
- ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred Taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purpose

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only if it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit including MAT credit available is recognised as Deferred Tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the Statement of Profit and Loss and shown under the head deferred tax asset

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it

is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax Asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2.13 PROVISIONS AND CONTINGENT LIABILITIES

a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingent Liability

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent Liability is disclosed in the case of:

- i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. A present obligation arising from the past events, when no reliable estimate is possible;
- iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent assets are not recognized in financial statements as this may result in the recognition of income that may never be realised. However, Contingent assets (if any) are disclosed in the notes to the financial statements

2.14 EARNING PER SHARE

a) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

2.15 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise cash and deposits with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand,

deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 STATEMENT OF CASH FLOWS

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing Cash Flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

2.17 DIVIDEND

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.18 ROUNDING OFF

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

2.19 EVENTS OCCURRING AFTER THE REPORTING DATE

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

2.20 EXCEPTIONAL ITEMS

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.21 OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per each of the normal operating cycles of the Company and other criteria set out in the Schedule III to the Act.

2.22 SEGMENT REPORTING

As the Company has only one primary business activity, Segment Reporting is not applicable.

NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION				NET BLOCK	
	As At April 01, 2017	Additions / Transfers	Deductions	As At March 31, 2018	As At April 01, 2017	For The Year	On Deductions	As At March 31, 2018	As At March 31, 2017
(A) TANGIBLE ASSETS									
Land - Leasehold	41,33,186	4,19,18,386		4,60,51,572	64,564	64,564		4,59,22,444	40,68,622
Factory Buildings	1,77,92,823	89,28,410		2,67,21,233	11,16,182	13,40,943		2,42,64,108	1,66,76,641
Plant & Machinery	6,59,23,676	1,04,93,962	3,69,586	7,60,48,052	58,08,667	63,10,456	1,08,850	6,40,37,779	6,01,15,009
Furniture & Fixture	53,01,596	79,537		53,81,133	2,62,859	3,77,462		47,40,812	50,38,737
Vehicles	89,49,352	11,76,668	36,70,354	64,55,666	11,50,378	11,13,086	22,19,092	64,11,294	77,98,974
Office Equipments	33,07,995	2,82,427		35,90,422	2,22,830	2,52,032		31,15,560	30,85,165
Computers	11,99,366	4,32,092		16,31,458	2,34,591	2,64,316		11,32,551	9,64,775
Total - Tangible Assets	10,66,07,994	6,33,11,482	40,39,940	16,58,79,536	88,60,071	97,22,859	23,27,942	14,96,24,548	9,77,47,923
(B) CAPITAL WORK IN PROGRESS									
Factory Buildings	61,14,538		61,14,538	-				-	61,14,538
Plant & Machinery	3,64,256	2,20,000	3,64,256	2,20,000	-	-	-	2,20,000	3,64,256
Total - Capital Work In Progress	64,78,794	2,20,000	64,78,794	2,20,000	-	-	-	2,20,000	64,78,794
(C) INTANGIBLE ASSETS									
Software Licences	1,65,000			1,65,000	14,916	54,995		69,911	1,50,084
Total - Intangible Assets	1,65,000	-	-	1,65,000	14,916	54,995	-	69,911	1,50,084
TOTAL(A)+(B)+(C)	11,32,51,788	6,35,31,482	1,05,18,734	16,62,64,536	88,74,987	97,77,854	23,27,942	14,99,39,637	10,43,76,801
Previous Year's Total	9,64,71,087	1,67,80,701	-	11,32,51,788	-	88,74,987	-	10,43,76,801	9,64,71,087

NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION				NET BLOCK	
	As At April 01, 2016	Additions / Transfers	Deductions	As At March 31, 2017	As At April 01, 2016	For The Year	On Deductions	As At March 31, 2017	As At March 31, 2016
(A) TANGIBLE ASSETS									
Land - Leashold	41,33,186			41,33,186		64,564		40,68,622	41,33,186.00
Factory Buildings	1,77,92,823.00			1,77,92,823		11,16,182		1,66,76,641	1,77,92,823.00
Plant & Machinery	6,40,52,386.00	18,71,290		6,59,23,676		58,08,667		6,01,15,009	6,40,52,386.00
Furniture & Fixture	4,55,455.00	48,46,141		53,01,596		2,62,859		50,38,737	4,55,455.00
Vehicles	78,27,355.00	11,21,997		89,49,352		11,50,378		77,98,974	78,27,355.00
Office Equipments	14,16,916.00	18,91,079		33,07,995		2,22,830		30,85,165	14,16,916.00
Computers	4,28,710.00	7,70,656		11,99,366		2,34,591		9,64,775	4,28,710.00
Total - Tangible Assets	9,61,06,831	1,05,01,163	-	10,66,07,994	-	88,60,071	-	9,77,47,923	9,61,06,831
(B) CAPITAL WORK IN PROGRESS									
Factory Buildings	-	61,14,538		61,14,538		-		61,14,538	-
Plant & Machinery	3,64,256	-		3,64,256		-		3,64,256	3,64,256
Total - Capital Work In Progress	3,64,256	61,14,538	-	64,78,794	-	-	-	64,78,794	3,64,256
(C) INTANGIBLE ASSETS									
Software Licences	-	1,65,000		1,65,000		14,916		1,50,084	-
Total - Intangible Assets	-	1,65,000	-	1,65,000	-	14,916	-	1,50,084	-
TOTAL(A)+(B)+(C)	9,64,71,087	1,67,80,701	-	11,32,51,788	-	88,74,987	-	10,43,76,801	9,64,71,087

Notes

- 1) Lease hold land under varying lease arrangement for period ranging from 75 - 99 years
- 2) The Company has capitalised borrowing cost of ₹ 33,32,195 in land. (Previous year ₹ Nil)
- 3) Refer Note no. 20 for assets provided as security
- 4) On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment, including intangible assets, recognised as at 1 April 2016, as per the previous GAAP and used that carrying value as its deemed cost of such property, plant and equipment and intangible assets.

NOTE 4 : FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Investment in Equity Instruments carried at amortised cost						
Investment in Subsidiaries (Unquoted and fully paid up)						
Equity shares of 'SK Stabel Industries Pvt Ltd of ₹ 10/- each	-	-	2,59,999	28,59,989	2,59,999	28,59,989
Investment in Others (Unquoted and fully paid up)						
Equity shares of Dombivali Nagarik Sahakari Bank Ltd. Of ₹ 10/- each	50,000	5,00,010	50,000	5,00,010	50,000	5,00,010
TOTAL		5,00,010		33,59,999		33,59,999
Aggregate Amount of Quoted Investment & Market Value thereof		-		-		-
Aggregate amount of Unquoted Investments		5,00,010		33,59,999		33,59,999
Aggregate amount of impairment in value of Investments		-		-		-

NOTE 5: FINANCIAL ASSETS - LOANS (NON-CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Loans to Employees	49,76,166	50,76,167	49,76,167
TOTAL	49,76,166	50,76,167	49,76,167

NOTE 6: FINANCIAL ASSETS - OTHERS (NON-CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposits	39,78,579	47,18,580	37,37,864
TOTAL	39,78,579	47,18,580	37,37,864

NOTE 7: OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Advances	-	21,48,500	15,11,790
Others			
Balances with Excise,VAT and GST Authorities			
Inventory**			
Raw materials (including Consumables/Stores/Tools)			
Work-in-progress	-	-	1,20,31,360

Finished goods	27,64,267	31,41,072	3,13,01,011
Stock in Trade	16,56,941		
TOTAL	44,21,208	52,89,572	4,48,44,161

** Non and slow moving inventory as per the management policy at cost.

NOTE 8: INVENTORIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
At Lower of Cost or Net Realisable Value			
Raw Materials	2,30,42,474	2,04,34,350	1,53,12,691
Raw Materials - Goods in Transit	2,46,64,492	1,17,16,584	43,28,085
Work in Process	56,67,431	4,88,404	7,94,883
Finished Goods	6,46,12,722	6,62,49,023	6,29,62,976
Others (Packing Material, etc..)	25,35,734	15,95,244	23,54,959
TOTAL	12,05,22,853	10,04,83,605	8,57,53,594

Note:

The value of inventories above is stated after impairment of ₹ 1,32,63,624/- (Previous year of ₹ 1,20,31,360) for write-down to the net realisable value and provision for slow moving obsolete items based on management inventory policy. The same has been recognised as an expense during the year and included in " Change in Inventories" in statement of Profit and loss account.

NOTE 9: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Units	Amount	No. of Shares	Amount	No. of Shares	Amount
Investment designated at Fair Value Through OCI						
Investment in Mutual Funds		9,70,535	-	-	-	-
TOTAL		9,70,535		-		-
Aggregate Amount of Quoted Investment & Market Value thereof		-		-		-
Aggregate amount of Unquoted Investments		9,70,535		-		-
Aggregate amount of impairment in value of Investments		-		-		-

NOTE 10: FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
Trade Receivables						
Unsecured - Considered Good	8,68,31,427		9,20,87,062		9,54,10,177	
Unsecured Considered for Doubtful	48,84,456	9,17,15,883	70,19,943	9,91,07,005	1,15,02,628	10,69,12,805

Less :- Allowance for unsecured doubtful debts		(48,84,456)		(70,19,943)		(1,15,02,628)
TOTAL		8,68,31,427		9,20,87,062		9,54,10,177

Notes:

1. Refer Note No. 34 for information about impairment, credit risk and market risk of trade receivables.
2. There are no outstanding dues from directors or other officers of the Company.

NOTE 11: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with Banks in Current Accounts	84,97,216	38,81,430	6,01,450
Cash on Hand	1,34,740	5,99,676	14,75,463
TOTAL	86,31,957	44,81,106	20,76,913

NOTE 12: FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unpaid Dividend Account		1,26,669	1,26,669
Margin Money Pledged with Banks	12,39,917	16,71,770	47,70,282
TOTAL	12,39,917	17,98,439	48,96,951

NOTE 13: OTHER CURRENT ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances other than capital advances			
Advance to Employees	83,161	3,03,100	6,99,659
Advance to Suppliers / Expenses	26,55,611	63,34,179	32,64,929
Others			
Prepaid Expenses	28,47,296	20,42,330	7,43,157
Export Incentive Receivable	5,11,644	4,44,582	1,18,030
Balances with Excise and VAT Authorities	1,85,38,859	1,63,94,242	1,41,06,335
DEPB licences	5,891	21,46,500	-
TDS Receivable from GIDC	3,45,700		
TOTAL	2,49,88,162	2,76,64,933	1,89,32,110

NOTE 14: EQUITY SHARE CAPITAL

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
1,50,00,000 Equity Shares (Previous year 1,50,00,000) of ₹ 10/- each	15,00,00,000	15,00,00,000	15,00,00,000
500,000 Redeemable Preference Shares of ₹ 100/-each	5,00,00,000	5,00,00,000	5,00,00,000

TOTAL AUTHORIZED SHARE CAPITAL	20,00,00,000	20,00,00,000	20,00,00,000
Issued, Subscribed & Paid Up Equity Shares			
43,86,400 Equity Shares (Previous year as at 31 st March 2017 41,76,400 and as at 01 st April 2016 39,76,400) of ₹10/- each fully paid up	4,38,64,000	4,17,64,000	3,97,64,000
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	4,38,64,000	4,17,64,000	3,97,64,000

a) Reconciliation of the number of shares outstanding :

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	41,76,400	4,17,64,000	39,76,400	3,97,64,000	39,76,400	3,97,64,000
Add: Fresh Issue of Equity Share made during the year	2,10,000	21,00,000	2,00,000	20,00,000		
Shares at the end	43,86,400	4,38,64,000	41,76,400	4,17,64,000	39,76,400	3,97,64,000

b) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a par value ₹ 1/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding

c) Details of Shareholders holding more than 5% equity shares

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Skay Finvest Pvt Ltd	2,63,500	6.01%	2,63,500	6.31%	2,63,500	6.63%
Sharad Shah	8,62,043	19.65%	8,62,043	20.64%	8,62,043	21.68%
Shailesh Shah	10,40,623	23.72%	8,30,623	19.88%	6,17,748	15.54%
TOTAL	21,66,166	49.38%	19,56,166	46.83%	17,43,291	43.84%

NOTE 15: OTHER EQUITY

Particulars	Securities Premium	General Reserve	Retained Earnings	Share Warrants	Other Comprehensive Income	Total
Balance as on April 01, 2016	-	80,00,000	9,90,10,864	-		10,70,10,864
Profit for the period			2,19,88,237			2,19,88,237
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans			(1,12,57,633)			(1,12,57,633)
Total comprehensive income for the year	-	-	1,07,30,604	-	-	1,07,30,604
Money received against share warrants				36,22,500		36,22,500

Issue of equity shares on conversion of share warrants	26,00,000			(11,50,000)		14,50,000
As at March 31, 2017	26,00,000	80,00,000	10,97,41,469	24,72,500	-	12,28,13,969
Profit for the period			1,81,22,897			1,81,22,897
Other comprehensive income						-
- Remeasurements gains / (loss) on defined benefit plans			(5,09,026)			(5,09,026)
- Fair value loss on FVOCI financial asset				(19,447)		(19,447)
Total comprehensive income for the year	-	-	1,76,13,871	-	(19,447)	1,75,94,424
Issue of equity shares on conversion of share warrants	27,30,000			(12,07,500)		15,22,500
As at March 31, 2018	53,30,000	80,00,000	12,73,55,340	12,65,000	(19,447)	14,19,30,893

Nature and Purpose of the Reserves

Securities Premium

Security premium account is created when shares are issue at premium. A company may utilise the security premium reserve account as per the requirements of Companies Act, 2013

General Reserve

The Company has transferred a portion of Net Profits of the Company before declaring Dividends to General Reserve pursuant to the earlier provision of The Companies Act, 1956. Mandatory transfer to General Reserve, is not required under the Companies Act, 2013

Share Warrants

The Company issued 6,30,000 convertible warrants to the Promoter in the previous year of which 2,00,000 warrants were converted to 2,00,000 equity share of ₹ 23 per share on 10/02/2017 and 2,10,000 warrants were converted to 2,10,000 equity share of ₹ 23 per share on 29/04/2017.

C. Dividends Paid / Proposed during the year

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Corporate Dividend Paid During the year		
Dividend Paid	-	-
Dividend Per Fully Paid Up Share	-	-
Corporate Dividend Proposed for the year		
Dividend Proposed	21,93,200	-
Dividend Proposed Per Fully Paid Up Share	0.5 ₹	-

NOTE 16: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
SECURED :			
Term Loans			
Banks	27,63,317	36,83,386	35,22,425

UNSECURED :			
	-	45,02,285	56,80,000
TOTAL	27,63,317	81,85,671	92,02,425

Notes :-

A Term Loans :

- i. Term loan from HDFC bank aggregating to ₹ 5,71,690/- (previous year ₹ 9,26,526/- and April 01, 2016 ₹ Nil) carries interest rate @ 10.00% p.a. repayable in 36 equated monthly installments of ₹ 36,379/- .
- ii. Term loan from HDFC bank aggregating to ₹ 2,81,730/- (previous year ₹ Nil and April 01, 2016 ₹ Nil) carries interest rate @ 8.55% p.a. repayable in 36 equated monthly installments of ₹ 12,950/- .
- iii. Term loan from HDFC bank aggregating to ₹ 7,57,518/- (previous year ₹ 10,53,332/- and April 01, 2016 ₹ 11,49,472/-) carries interest rate @ 9.75% p.a. repayable in 60 equated monthly installments of ₹ 32,700/-
- iv. Term loan from HDFC bank aggregating to ₹ 3,99,346/- (previous year ₹ Nil and April 01, 2016 ₹ Nil) carries interest rate @ 8.60 % p.a. repayable in 36 equated monthly installments of ₹ 17,700/- .
- v. Term loan from DNSB bank aggregating to ₹ Nil /- (previous year ₹ 5,17,755/- and April 01, 2016 ₹ 6,27,059/-) carries interest rate @ 10.00 % p.a. repayable in 60 equated monthly installments of ₹ 13,800. Same was prepaid in the the FY 2017-18
- vi. Term loan from ICICI bank aggregating to ₹ 93,274/- (previous year ₹ 2,68,376/- and April 01, 2016 ₹ 4,26,099/-) carries interest rate @ 10.50 % p.a. repayable in 36 equated monthly installments of ₹ 16,251 /- .
- vii. Term loan from HDFC bank aggregating to ₹ 6,59,759/- (previous year ₹ 9,17,397 and April 01, 2016 ₹ 13,19,795) carries interest rate @ 9.75 % p.a. repayable in 60 equated monthly installments of ₹ 28,480 /- .

B Loans from related parties:

- 1 Loan from directors is @ 15% p.a. interest payable in various installments

NOTE 17: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Creditors for Capital Goods	2,46,79,000	-	-
Deposit from Customers	4,96,154	5,66,154	5,66,154
TOTAL	2,51,75,154	5,66,154	5,66,154

NOTE 18: PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits			
Gratuity Payable	19,60,621	21,89,363	1,15,07,394
TOTAL	19,60,621	21,89,363	1,15,07,394

NOTE 19: INCOME TAX

A. COMPONENTS OF INCOME TAX EXPENSE

Particulars	As at March 31, 2018	As at March 31, 2017
I. Tax expense recognised in statement of profit & loss		
Current Tax		
Current year	52,62,225	17,20,000
Adjustements/ (Credit) related to pervious years - (net)		1,29,001
Sub-Total	52,62,225	18,49,001
Deferred tax charge/ (credit)		
Origination and reversal of tepemorary difference	13,86,267	8,81,624
Sub-Total	13,86,267	8,81,624
Total	66,48,492	27,30,625
II. Tax on other comprehensive income		
Items that will not be reclassified to Profit and Loss		
Remeasurement of the Defined Benefit Plans	(2,62,225)	-
(Gain) / Loss on financial instruments through other comperhensive income	(10,018)	-
Total	(2,72,243)	-

B. RECONCILIATION OF EFFECTIVE TAX RATES

Particulars	As at March 31, 2018	As at March 31, 2017
Profit/(loss) before tax	2,47,71,389	2,47,18,862
Tax using the company's domestic tax rate(Current year 33.063% and Previous year 30.09%)	81,90,164	76,38,128
Allowance U/s 43B	(10,03,585)	(86,70,737)
Terrminal Disallowance / (Allowance) u/s 35DDA	(6,61,775)	24,73,925
Non-Deductible tax expenses	13,19,127	5,43,146
Expenses allowed at reduced rate of tax	1,67,795	-
Disallowance U/s 43B	15,099	2,38,906
Set-off of earlier year losses	-	(12,48,406)
Excess Provision of Current year	51,54,309	1,075
Short Provision of Previous Year	-	1,29,001
Other temporary differences	99,073	(93,338)
Tax under MAT / (MAT Credit Availment)	(21,31,715)	17,18,925
Total	1,11,48,491	27,30,625
Effective tax rate for the year	0	11.05%

C. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

Particular	Net deferred tax asset / (liabilities) as on 1st April, 2017	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2018
Deferred tax assets/ (liabilities)				
Property, plant and equipment	-2,46,02,034	-1,12,000		-2,47,14,034
Unabsorbed losses	1,11,59,938			1,11,59,938
Employee benefits	29,22,781			29,22,781
Deferred income / expenses	5,87,903			5,87,903
Provision for doubtful debts	21,72,307	-7,26,065		14,46,242
Other items	-	-5,38,184		-5,38,184
Deferred tax assets/ (liabilities)	-77,59,106	-13,76,249	-	-91,35,355

MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

Particular	Net deferred tax asset / (liabilities) as on 1st April, 2016	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2017
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(2,50,66,560)	4,64,526		(2,46,02,034)
Unabsorbed losses	1,11,59,938			1,11,59,938
Employee benefits	29,22,781			29,22,781
Deferred income / expenses	5,87,903			5,87,903
Provision for doubtful debts	35,18,457	(13,46,150)		21,72,307
Deferred tax assets/ (liabilities)	(68,77,482)	(8,81,624)	-	(77,59,106)

D. DEFERRED TAX ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred Tax Liabilities			
Accelerated depreciation for tax purposes	2,47,14,034	2,46,02,034	2,50,66,560
Other items giving rise to temporary differences	5,48,202		
	2,52,62,236	2,46,02,034	2,50,66,560
Deferred Tax Assets			
Provision for gratuity	29,22,781	29,22,781	29,22,781
Expenditure covered by 43B of Income Tax Act, 1961	5,87,903	5,87,903	5,87,903
Provision for loss allowances for doubtful debts	14,46,242	21,72,307	35,18,457
Unabsorbed Depreciation	1,11,59,938	1,11,59,938	1,11,59,938
Other Items	10,018		
	1,61,26,881	1,68,42,928	1,81,89,078
NET DEFERRED TAX LIABILITIES	91,35,355	77,59,106	68,77,482

NOTE 20: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
SECURED:			
Loans repayable on demand			
From banks (Refer Note below)	7,93,47,656	8,48,96,469	8,69,38,800
UNSECURED:			
Inter Corporate Deposits			
From Related Party	-	34,50,000	50,18,494
TOTAL	7,93,47,656	8,83,46,469	9,19,57,294

Note : The above Cash Credit facility is secured by mortgage of Industrial Land, Building and Plant & Machinery at Pawne, Navi Mumbai and Personal guarantees by all Promoter Directors

NOTE 21: FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Due to Micro, Small and Medium Enterprises			
Due to Others (Refer Notes below)	8,92,22,405	6,27,67,313	6,70,48,480
TOTAL	8,92,22,405	6,27,67,313	6,70,48,480

- i. Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, no amount of dues outstanding as at 31st March 2018 have been identified as relating to Micro and Small Enterprises referred to in the said Act.
- ii. Trade Payables includes amount due to Related Parties ₹ 59,012 as at 31st March 2018 (Previous Year as at 31st March 2017 ₹ 3,51,636 and as 1st April 2016 NIL)

NOTE 22: FINANCIAL LIABILITIES - OTHERS (CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unclaimed Dividend*	-	1,26,294	1,26,294
TOTAL	-	1,26,294	1,26,294

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

NOTE 23: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance Received from Customer	10,07,302	13,94,828	10,23,896
Statutory Payments	84,94,360	88,72,984	1,70,15,261
Other Payables	32,25,769	35,10,858	49,65,562
TOTAL	1,27,27,431	1,37,78,669	2,30,04,719

NOTE 24: PROVISIONS (CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits			
Gratuity	45,666	2,06,267	
Compensated absences		27,320	58,648
Others Provision			
Provision for expenses	8,08,891	7,58,494	5,08,242
TOTAL	8,54,557	9,92,081	5,66,890

NOTE 25: CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current Tax Asset / (Liabilities) [Net]	19,063	47,176	28,27,028
	19,063	47,176	28,27,028

NOTE 26: REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products (including excise duty)	52,71,58,957	48,39,48,272
Other Operating Revenue:		
Scrap Sales	10,59,869	10,31,762
Export Incentives	2,21,805	5,75,978
Others (Including freight and octroi charges)	14,42,405	11,70,334
TOTAL	52,98,83,036	48,67,26,346

NOTE 27: OTHER INCOME

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Finance Income	3,48,704	2,83,982
Dividend Income	60,000	65,000
Commission Income	1,45,341	-
Service charges	15,50,129	17,74,758
Liability no longer required	12,67,793	2,52,464
Miscellaneous income	660	3,61,000
TOTAL	33,72,627	27,37,204

NOTE 28: COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Raw Material Consumed	31,34,92,196	27,30,25,225
TOTAL	31,34,92,196	27,30,25,225

NOTE 29: PURCHASE OF STOCK IN TRADE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of Stock in Trade	4,94,71,386	4,00,37,855
TOTAL	4,94,71,386	4,00,37,855

NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stocks :		
Finished Goods	5,35,17,370	8,04,67,458
Work in Progress	4,88,404	1,28,26,243
Stock In Trade	1,58,72,725	1,37,96,530
Less : Closing Stocks :		
Finished Goods	5,46,92,341	5,35,17,370
Work in Progress	56,67,431	4,88,404
Stock In Trade	1,43,41,589	1,58,72,725
NET CHANGE IN INVENTORIES	(48,22,862)	3,72,11,732

NOTE 31: EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages and Bonus	3,49,30,041	1,52,70,306
Directors Remuneration	73,08,075	63,19,459
Contribution to Provident and Other Funds	4,20,742	4,80,554
Gratuity	-	2,41,430
Staff Welfare Expenses	13,56,424	10,39,917
TOTAL	4,40,15,282	2,33,51,666

NOTE 32: FINANCE COST

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expense		
On Borrowings	97,50,376	1,35,70,276
Others (Including interest on delay / deferred payment)	1,98,434	12,80,448
Bank and other finance charges	29,80,657	13,85,300
TOTAL	1,29,29,467	1,62,36,024

NOTE 33: OTHER EXPENSES

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power, Fuel and Utilities	84,42,703	30,75,218
Processing Charges	1,22,81,127	94,73,234
Lease Rent	88,55,079	96,74,692
Repairs & Maintenance on :		
Building	1,09,000	-
Plant and Machinery	42,97,272	8,80,620
Other Repairs	36,40,080	51,07,764
Advertisement, Publicity & Sales Promotion	11,11,455	13,42,756
Insurance	4,75,284	6,54,574
Rates and Taxes	14,67,913	15,02,223
Pollution Control Expenses	60,144	20,000
Legal and Professional Fees	70,33,415	67,12,531
Foreign Exchange Fluctuation (Net)	(28,09,480)	(31,47,731)
Commission	14,04,816	21,21,997
Discount - Scheme		7,85,536
Freight Forwarding Charges	69,80,574	62,18,794
Octroi Charges	1,05,303	6,12,026
Travelling and Conveyance	54,64,600	44,32,168
Payment to Auditors		
Audit Fees	6,00,000	6,00,000
Other Services	50,000	-
Donations	10,15,000	5,29,100
Bad Debts Written off net of provisions	35,67,063	(31,29,689)
Postage, Telegram , Telephone & Courier	17,60,186	17,14,267
Printing & Stationery	10,18,120	8,42,742
Miscellaneous expenses	49,47,734	34,36,635
TOTAL	7,18,77,387	5,34,59,456

NOTE 34(i): FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

These are the Company's first financial statements prepared in accordance with Ind AS

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31 March, 2017 and in the preparation of an opening Ind AS Balance Sheet at 1 April, 2016 (the Company's date of transition).

In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and Cash Flows is set out in the following tables and notes.

Exemptions applied

Ind AS 101 “First-time adoption of Indian Accounting Standards” allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in transition from previous GAAP to Ind AS:

Optional Exemption**(i) Deemed cost - Fair Value of Property, Plant and Equipment**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition.

Mandatory Exemption**(i) Estimates**

An entity’s estimates in accordance with Ind AS’s at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were an error.

Ind AS estimates as at 1 April 2016 and 31 March 2017 are consistent with the estimates as at the same date made in conformity with the previous GAAP.

The Company made estimates for the following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Impairment of financial assets based on expected credit loss model.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of Financial Assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

NOTE 34(ii): RECONCILIATION OF EQUITY AS AT APRIL 01, 2016 AND MARCH 31, 2017

₹ in lakhs

Particulars	Note. No.	As at March 31, 2017			As at April 01, 2016		
		Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
ASSETS							
Non - Current Assets							
Property, Plant & Equipment		9,77,47,923		9,77,47,923	9,61,06,831		9,61,06,831
Capital Work - In - Progress		64,78,794		64,78,794	3,64,256		3,64,256
Other Intangible Assets		1,50,084		1,50,084	-		-
Financial Assets		-		-	-		-
(i) Investments		33,59,999		33,59,999	33,59,999		33,59,999
(ii) Loans		50,76,167		50,76,167	49,76,167		49,76,167
(iii) Others	1	57,77,207	(10,58,627)	47,18,580	43,33,835	(5,95,971)	37,37,864
Other Non - Current Assets		52,89,572		52,89,572	4,48,44,161		4,48,44,161
Total Non - Current Assets		12,38,79,746	(10,58,627)	12,28,21,119	15,39,85,249	(5,95,971)	15,33,89,278
Current Assets							
Inventories		10,04,83,605		10,04,83,605	8,57,53,594		8,57,53,594
Financial Assets		-		-	-		-
(i) Investments		-		-	-		-
(ii) Trade Receivables	2	9,64,47,875	(43,60,813)	9,20,87,062	10,42,53,675	(88,43,498)	9,54,10,177
(iii) Cash & Cash Equivalents		44,81,106		44,81,106	20,76,913		20,76,913
(iv) Bank Balance other than (iii) above		17,98,439		17,98,439	48,96,951		48,96,951
Other Current Assets	1	2,66,37,609	10,27,324	2,76,64,933	1,83,25,125	6,06,985	1,89,32,110
Total Current Assets		22,98,48,634	(33,33,489)	22,65,15,145	21,53,06,258	(82,36,513)	20,70,69,745
Non - Current Assets classified as held for sale							
TOTAL ASSETS		35,37,28,381	(43,92,116)	34,93,36,265	36,92,91,508	(88,32,484)	36,04,59,024
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital		4,17,64,000		4,17,64,000	3,97,64,000		3,97,64,000
Other Equity		12,58,96,533	(30,82,564)	12,28,13,969	11,31,87,646	(61,76,782)	10,70,10,864
Total Equity		16,76,60,533	(30,82,564)	16,45,77,969	15,29,51,646	(61,76,782)	14,67,74,864
Liabilities							
Non - Current Liabilities							
Financial Liabilities							
(i) Borrowings		81,85,671		81,85,671	92,02,425		92,02,425
(ii) Other Financial Liabilities		5,66,154		5,66,154	5,66,154		5,66,154
Provisions		21,89,363		21,89,363	1,15,07,394		1,15,07,394
Deferred Tax Liabilities (Net)	3	90,68,658	(13,09,552)	77,59,106	95,33,184	(26,55,702)	68,77,482
Total Non - Current Liabilities		2,00,09,846	(13,09,552)	1,87,00,294	3,08,09,157	(26,55,702)	2,81,53,455
Current Liabilities							
Financial Liabilities							
(i) Borrowings		8,83,46,469		8,83,46,469	9,19,57,294		9,19,57,294
(ii) Trade Payables		6,27,67,313		6,27,67,313	6,70,48,480		6,70,48,480
(iii) Other Financial Liabilities		1,26,294		1,26,294	1,26,294		1,26,294
Other Current Liabilities		1,37,78,669		1,37,78,669	2,30,04,719		2,30,04,719
Provisions		9,92,081		9,92,081	5,66,890		5,66,890
Current Tax Liabilities (Net)		47,176		47,176	28,27,028		28,27,028
Total Current Liabilities		16,60,58,002	-	16,60,58,002	18,55,30,705	-	18,55,30,705
Liabilities associated with groups of assets held							
Total Liabilities		18,60,67,848	(13,09,552)	18,47,58,296	21,63,39,861	(26,55,702)	21,36,84,159
TOTAL EQUITY AND LIABILITIES		35,37,28,381	(43,92,116)	34,93,36,265	36,92,91,508	(88,32,484)	36,04,59,024

NOTE 34(iii): RECONCILIATION OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note. No.	For the year ended March 31, 2017		
		Indian GAAP	Adjustment	Ind AS
Income				
Revenue from Operations		48,67,26,346		48,67,26,346
Other Income	1	25,42,664	1,94,540	27,37,204
Total Income		48,92,69,010	1,94,540	48,94,63,550
Expenses				
Excise Duty on Sale of Goods		-	12,13,327	12,13,327
Cost of Material Consumed		27,30,25,225		27,30,25,225
Purchase of Stock In Trade		4,00,37,855		4,00,37,855
Changes in Inventories of Finished Goods / Stock in Trade		3,72,11,732		3,72,11,732
Employee Benefit Expenses	4, 5	3,46,09,299	(1,12,57,633)	2,33,51,666
Finance Cost		1,18,07,845	44,28,179	1,62,36,024
Depreciation and Amortization		88,74,987		88,74,987
Other Expenses	1, 2	6,33,46,790	(98,87,334)	5,34,59,456
Total Expenses		46,89,13,733	(1,55,03,461)	45,34,10,272
Profit Before Tax and Exceptional Item		2,03,55,277	1,56,98,001	3,60,53,278
Exceptional Item		(1,13,34,416)		(1,13,34,416)
Profit Before Tax		90,20,861	1,56,98,001	2,47,18,862
Tax Expenses				
Current Tax		17,20,000		17,20,000
Deferred Tax	3	(4,64,526)	13,46,150	8,81,624
Deferred Tax - MAT Credit Entitlement		-		-
(Excess) / Short Provision of Earlier Years		1,29,001		1,29,001
Profit After Tax		76,36,386	1,43,51,851	2,19,88,237
Other Comprehensive Income not to be reclassified to Profit & Loss in subsequent years				
Re-measurement of Gains / (Losses) on Defined Benefit Plans (net of tax)	4, 5	-	(1,12,57,633)	(1,12,57,633)
Total Other Comprehensive Income for the year		-	(1,12,57,633)	(1,12,57,633)
Total Comprehensive Income for the year		76,36,386	30,94,218	1,07,30,604

NOTE 34 (iv): NOTES TO RECONCILIATION OF EQUITY AS AT APRIL 01, 2016 AND MARCH 31, 2018 AND PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

1 Security Deposits

Under previous GAAP, the group accounted for deposits at transaction value. Under Ind AS, the deposits with inherent significant financing element are initially recorded at fair value with difference between transaction value and fair value being treated as prepaid expenses. The deposits are subsequently measured at amortised cost and deferred rent is amortised over contract period on a straight line basis. This has resulted to an increase in equity on the transition date. The profit before tax for the year ended March 31, 2017 has decreased.

2 Expected Credit Loss Allowance

Under previous GAAP, the group had recognised provision on trade receivables based on the expectation of the company. Under Ind AS, the group provides loss allowance on receivables based on Expected Credit Loss (ECL) model which is measured following the "Simplified Approach" at an amount equal to the lifetime ECL at each reporting date. Consequently, trade receivable have been reduced with a corresponding decrease in retained earnings on the date of transition and there has been reduction in provision for the year ended 31 March, 2017.

3 Deferred Tax

Indian GAAP requires Deferred Tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

4 Remeasurement of Defined Benefit Employee Plans

Under previous GAAP company measured the defined benefit obligations internally. On adoption of Ind AS the company has obtained actuarial valuation for its defined benefit obligation. The difference between defined benefit obligation as per actuarial valuation under Ind AS 19 and as measured under previous GAAP is recognised under retained earnings on transition to Ind AS. Consequently, provisions for employee benefit has been reduced / increased with a corresponding increase / reduction in retained earnings on the date of transition Further under previous GAAP the company recognized actuarial gains and losses in the statement of profit and loss in the period in which they occur. Under Ind AS, the company recognised all measurement gains and losses arising from defined benefit plans in Other Comprehensive Income in the period in which they occur.

5 Other Comprehensive Income

Under Indian GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled Indian GAAP Profit or Loss to Ind AS Profit or Loss. Further, Indian GAAP Profit and Loss account is reconciled to total Comprehensive Income as per Ind AS.

6 Other adjustments

Assets and Liabilities as well as items of Income and Expenses have been regrouped / re-classified wherever necessary to align with the provisions of Ind AS.

7 Reconciliation of Equity

The impact of the above Ind AS adjustment on the Equity is as below

Particulars	Note	As at March 31, 2017	As at April 01, 2016
Indian GAAP Equity		16,76,60,532	15,29,51,646
Fair Valuation of security deposits as per Ind AS 109	1	(31,303)	11,014
Impairment (mainly based on expected credit loss)	2	(43,60,813)	(88,43,498)
Tax Adjustments	3	13,09,552	26,55,702
Net Impact on Retained Earnings		(30,82,564)	(61,76,782)
Ind AS Equity		16,45,77,968	14,67,74,864

NOTE 35: CONTINGENT LIABILITIES AND COMMITMENTS

1 Letter of Credit, Bank Guarantees and Bill Discounting

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bank Guarantees			
Guarantees given by the Company's banker against counter guarantee given by the company	5,83,700	5,83,700	5,83,700
Total	5,83,700	5,83,700	5,83,700

2 Disputed Liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax as at March 31, 2018

Statute	Financial Year to which matter pertains	Forum where matter is pending	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Gujarat VAT	FY 2006-07	Commissioner of Sales Tax	15,21,427	15,21,427	15,21,427
CST	FY 2006-07	Commissioner of Sales Tax	1,25,145	1,25,145	1,25,145
Gujarat VAT	FY 2007-08	Commissioner of Sales Tax	16,87,325	16,87,325	16,87,325
Gujarat VAT	FY 2011-12	Commissioner of Sales Tax	-	1,49,528	-
CST	FY 2011-12	Commissioner of Sales Tax	-	3,27,679	-
Property Tax	Various years	Navi Mumbai Municipal Corporation	5,79,61,576	-	-
Gujarat VAT	FY 2013-14	Commissioner of Sales Tax	17,13,505	-	-
CST	FY 2013-14	Commissioner of Sales Tax	1,03,15,104	-	-
TOTAL			7,33,24,082	38,11,104	33,33,897

Notes :-

- (i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) The Company's pending litigations comprise of proceedings pending with Sales tax/VAT. The Management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Management does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

NOTE 36: EXCEPTIONAL ITEMS

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Terminal allowance to employees	-	1,00,07,789
Property Tax	-	13,26,627
TUF Subsidy written off	75,01,480	
Write of property, plant and equipment	2,64,959	-
Loss on disposal of property, plant and equipment	10,72,039	-
Loss on disposal of investments	26,25,989	-
TOTAL	1,14,64,467	1,13,34,416

NOTE 37: EARNINGS PER SHARE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year as per Statement of Profit & Loss	1,81,22,897	2,19,88,237
Weighted Average No. of Equity Shares for of Face Value ₹ 10 each	43,86,400	41,76,400
Earnings Per Share - Basic & Diluted	4.13	5.26

NOTE 38: CAPITAL MANAGEMENT

The Company's objective for Capital Management is to maximise shareholder value, safeguard business continuity, and support the growth of the Company. Capital includes, Equity Capital, Securities Premium and other reserves and surplus attributable to the equity shareholders of the Company. The Company determines the capital requirement based on annual operating plans and long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of the Company regularly monitors its key gearing ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total interest bearing financial liabilities	8,21,10,973	9,65,32,140
Less : Cash and Cash Equivalents	86,31,957	44,81,106
Adjusted Net Debt	7,34,79,016	9,20,51,034
Total Equity	18,57,94,893	16,45,77,969
Adjusted Equity	18,57,94,893	16,45,77,969
Adjusted Net Debt to adjusted Equity Ratio	0.40	0.56

NOTE 39: FINANCIAL RISK MANAGEMENT AND POLICIES

The Company has a formal Risk Management (RM) framework, which has grown and refined over a period of time as the businesses are becoming more complex and increasingly facing various challenges across the globe. The Company has put in place a risk management framework in line with its vision, mission and business strategy. The details of different types of risk and management policy to address these risks are listed below:

(a) Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

(a) (i) Market Risk - Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates primarily to the Company's borrowings, both short term and long term obligations with floating interest rates.

The company is also exposed to interest rate risk on its financial assets that include fixed deposits (which are part of cash and cash equivalents) since all these are generally for short durations, there is no significant interest rate risks pertaining to these deposits.

Exposure to interest rate risk

Particulars	As at March 31, 2018	As at March 31, 2017
Fixed-rate instruments		
Financial Liabilities - Borrowings	27,63,317	81,85,671
Total	27,63,317	81,85,671

Sensitivity analysis to interest rate risk

The company doesn't account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(a) (ii) Market Risk - Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price.

Exposure to Currency risk

The Company is mainly exposed to the price risk due to its investment in equity based mutual funds. At 31st March 2018, the investments in mutual fund (at market value) amounts to ₹ 9,70,535/- (31st March, 2017 : ₹ Nil and 01st April, 2016 ₹ Nil). These are exposed to price risk.

The Company does make deposit with the banks as margin money against the borrowing facility provided by the banks. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

Sensitivity analysis to price risk

A 1% movement in prices would have led to the following pre-tax impact in the statement of profit and loss.

Financial Instrument	Increase / (Decrease) in Profit			
	As at March 31, 2018		As at March 31, 2017	
	3% increase	3% Decrease	3% increase	3% Decrease
Investment in Mutual Funds	29,116	(29,116)	-	-
Total	29116.05	(29,116.05)	0.00	0.00

(a) (iii) Market Risk - Currency Risk

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The company is exposed to currency risk on account of its trade payables in foreign currency. The functional currency of the company is Indian Rupees. The Company follows a natural hedge driven currency risk mitigation policy to the extent possible

Exposure to Currency risk

The summary quantitative data about the Company's exposure to currency risk are reported to management of the company are as follows:

in foreign currency

Particulars	Foreign Currency	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial Assets				
Trade receivables	USD	5,722	15,243	3,595
Financial Liabilities				
Trade payables	USD	10,32,438	6,37,434	5,89,690
	EURO	-	15,328	16,761

Sensitivity analysis to currency risk

A reasonable possible strengthening / (weakening) of the foreign currencies at March 31 would have affected the measurement of above mentioned financial assets and financial liabilities denominated in foreign currencies and affected the equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast of sales and purchases

in Indian Rupees

Foreign Currency	Increase / (Decrease) in Profit			
	As at March 31, 2018		As at March 31, 2017	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	(20,03,455)	20,03,455	(12,10,285)	12,10,285
EURO	-	-	(31,844)	31,844
Total	(20,03,455)	20,03,455	(12,42,130)	12,42,130

(b) Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of Financial Assets represents the maximum credit exposure.

Trade Receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the company are as under:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance of expected loss provision	70,19,943	1,15,02,628
Add : Provisions made / (reversed)	30,32,486	-31,29,689
Less : Utilisation for impariment / de-recognition	51,67,972	13,52,996
Closing balance	48,84,457	70,19,943

Other Financial Assets

The company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Expected credit loss on financial assets other than trade receivable:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet

The Company's maximum exposure to credit risk as at 31st March 2018, 31st March 2017 and 1st April, 2016 is the carrying value of each class of financial assets.

(c) Liquidity Risk

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

Exposure to Liquidity Risk

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings		27,63,317		81,85,671		92,02,425
Working Capital Loans from Banks	7,93,47,656		8,83,46,469		9,19,57,294	
Trade Payables	8,92,22,405		6,27,67,313		6,70,48,480	
Other Financial Liabilities	-	2,51,75,154	1,26,294	5,66,154	1,26,294	5,66,154
TOTAL	16,85,70,061	2,79,38,471	15,12,40,076	87,51,825	15,91,32,068	97,68,579

NOTE 40: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

(a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2018 is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial Assets			
Fair Value through Other Comprehensive Income			
Investments (Other than in Subsidiary)	14,70,545	5,00,010	5,00,010
Amortised Cost			
Loans	49,76,166	50,76,167	49,76,167
Trade Receivables	8,68,31,427	9,20,87,062	9,54,10,177
Cash & Cash Equivalents	86,31,957	44,81,106	20,76,913
Other Bank Balances	12,39,917	17,98,439	48,96,951
Other Financial Assets	39,78,579	47,18,580	37,37,864
Total	10,71,28,591	10,86,61,364	11,15,98,082
Financial Liabilities			
Amortised Cost			
Borrowings	8,21,10,973	9,65,32,140	10,11,59,718
Trade Payable	8,92,22,405	6,27,67,313	6,70,48,480
Other Financial Liabilities	2,51,75,154	6,92,448	6,92,448
Total	19,65,08,532	15,99,91,901	16,89,00,646

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair Value Hierarchy

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 - Inputs are not based on observable market data (unobservable inputs).

The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

The financial instruments included in Level 3 of Fair Value Hierarchy have been valued using whole or in part using a valuation model based on assumptions as described below:

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

For Assets and Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial Assets			
Level 1			
Investment in Mutual Fund Units	9,70,535	-	-
Level 2			
Security Deposits	8,29,706	10,58,627	5,95,971
Total	18,00,241	10,58,627	5,95,971

Measurement of Fair Values:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of investment in mutual fund is the N.A.V as on the reporting date of balance sheet
- The fair values of loans given and security deposit given is estimated by discounting cash flows using rates currently available for instruments with similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value

NOTE 41: EMPLOYEE BENEFITS

(a) Retirement Benefits

As per Ind AS 19 the Company has recognized "Employees Benefits" in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2018

(A) Details of defined benefit obligation and plan assets

(a) Retiring Gratuity

I Components of Employer Expenses

Particulars	31 st March 2018	31 st March 2017
Current Service Cost	3,94,077	20,44,868
Interest Cost	1,54,895	7,56,956
Actuarial (Gain)/Loss	(7,77,699)	(1,15,28,274)
Total Expenses/(Gain) recognized in the Profit & Loss Account	(2,28,727)	(87,26,450)

II Net Asset/ (Liability) recognized in Balance Sheet

Particulars	31 st March 2018	31 st March 2017
Present value of Funded Obligation	20,06,287	23,95,629
Fair Value of Plan Assets	-	-
Assets/(Liability) recognized in the Balance Sheet	20,06,287	23,95,629

III Change in Defined Benefit Obligations (DBO)

Particulars	31 st March 2018	31 st March 2017
Opening Balance of Present Value of Obligation	23,95,629	1,15,07,394
Current Service Cost	3,94,077	20,44,868
Interest Cost	1,54,895	7,56,956
Actuarial (Gain)/Loss	(7,77,699)	(1,15,28,274)
Benefit Paid	(1,60,615)	(3,85,315)
Closing Balance of Present Value of Obligation	20,06,287	23,95,629

IV Changes in the Fair Value of Plan Assets

Particulars	31 st March 2018	31 st March 2017
Opening Balance of Fair Value of Plan assets of Obligation	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	1,60,615	3,85,315
Benefit Paid	(1,60,615)	(3,85,315)
Fair Value of Plan Assets as at 31 st March	-	-

V Actuarial Assumption

Particulars	31 st March 2018	31 st March 2017
Discount Rate (Per Annum)	7.89%	6.69%
Annual Increase in Salary Costs Per Annum	5.00%	5.00%
Attrition Rate	3.00%	5.00%
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		

VI Major Categories of plan assets as a percentage of total plan assets

Particulars	31 st March 2018	31 st March 2017
Government of India Securities		
High Quality Corporate Bonds		
Equity Shares of listed companies		
Gratuity Fund (LIC)	100.00%	100.00%
Insurance Company		

VII Movement in net liability recognized in Balance Sheet

Particulars	31 st March 2018	31 st March 2017
Net Opening Liability	23,95,629	1,15,07,394
P & L Charges / (Income)	3,54,925	(91,11,765)
Closing Net Liability	27,50,554	23,95,629

VIII Gratuity - Sensitivity Analysis

Particulars	₹ In Lakhs			
	31 st March 2018		31 st March 2017	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	20,92,713	19,29,713	25,98,230	22,14,423
Discount Rate (1% movement)	19,30,954	20,92,675	22,13,350	26,02,923

(B) Defined Contribution Plans

Amount recognised as expenses on account of Contribution / Provision to and for Provident and other Funds of Statement of Profit and Loss ₹ (4,20,742/-) (Previous year ₹ 4,80,554/-)

NOTE 42: LEASES

The Company has taken certain immovable properties on operating lease which cancellable.

These leave and license agreements for the immovable properties are generally for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. There are no restrictions imposed by lease arrangements or any contingent rents payable. There are no subleases

Annual commitments for lease payments under non-cancellable operating leases for immovable properties are as follows

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
(a)	In respect of operating lease payments recognized in Statement of Profit and Loss.	83,20,779	73,49,066
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	93,05,365	81,28,779
	For the period later than one year and not later than five years	2,04,12,208	2,87,28,373

NOTE 43: RELATED PARTY

List of related parties

Enterprises where control exists

Wholly Owned Subsidiaries

SK Stabel Industries Private Limited*

* Ceased to be wholly owned subsidiary w.e.f 31st March, 2018

Enterprise in which Key Managerial Personnel and their relatives have significant Influence :

S. K. Ultratech Machines Pvt. Ltd.

Key Managerial Personnel / persons exercising significant influence & their relatives

i. Executive Directors :

Mr. Shailesh Shah
Mr. Sharad Shah
Mr. Vaibhav Desai
Mr. Maikal Raorani

ii. Non-Executive Directors :

Mr. Narendra Mahajani
Mr. Aditi Bhat

iii. Relatives of Key Managerial Personnel :

Mrs. Saloni Shah
Nikhil Mehra (HUF)

Particulars	Subsidiary Companies, Associates and Joint Venture		Key Managerial Personnel / persons exercising significant influence & their relatives		Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Total
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017	
PURCHASES							
S. K. Ultratech Machines Pvt. Ltd.	-	-	-	-	15,340	11,350	15,340
Total	-	-	-	-	15,340	11,350	15,340
PURCHASES OF FIXED ASSETS							
S. K. Ultratech Machines Pvt. Ltd.	-	-	-	-	2,59,600	-	2,59,600
Total	-	-	-	-	2,59,600	-	2,59,600
SERVICE CHARGES PAID							
S. K. Ultratech Machines Pvt. Ltd.	-	-	-	-	-	3,60,000	-
Total	-	-	-	-	-	3,60,000	3,60,000
REMUNERATION							
Shailesh Shah	-	-	24,00,000	24,00,000	-	-	24,00,000
Sharad Shah	-	-	24,00,000	24,00,000	-	-	24,00,000
Vaibhav Desai	-	-	11,18,075	10,69,459	-	-	11,18,075
Maikal Raorani	-	-	6,00,000	-	-	-	6,00,000
Total	-	-	65,18,075	58,69,459	-	-	65,18,075
SITING FEES							
Narendra Mahajani	-	-	7,50,000	4,00,000	-	-	7,50,000
Aditi Bhat	-	-	40,000	50,000	-	-	40,000
Total	-	-	7,90,000	4,50,000	-	-	7,90,000
SALARY							
Saloni Shah	-	-	8,47,500	5,50,000	-	-	8,47,500
Total	-	-	8,47,500	5,50,000	-	-	8,47,500
INTEREST EXPENSE							
Shailesh Shah	-	-	1,43,856	8,18,157	-	-	1,43,856
Sharad Shah	-	-	11,91,966	1,28,56,02	-	-	11,91,966
Total	-	-	13,35,822	21,03,759	-	-	13,35,822
COMMISSION EXPENSE							
Nikhil Mehra HUF	-	-	1,49,300	5,17,523	-	-	1,49,300
Total	-	-	1,49,300	5,17,523	-	-	1,49,300
LOAN RECEIVED							
Shailesh Shah	-	-	9,00,000	1,03,55,000	-	-	9,00,000
Sharad Shah	-	-	72,00,000	1,06,00,000	-	-	72,00,000
Total	-	-	81,00,000	2,09,55,000	-	-	81,00,000
LOAN REPAID							
Shailesh Shah	-	-	43,77,500	82,77,500	-	-	43,77,500
Sharad Shah	-	-	99,80,000	1,21,00,000	-	-	99,80,000
Total	-	-	1,43,57,500	2,03,77,500	-	-	1,43,57,500
MONEY RECEIVED AGAINST SHARE WARRANTS							
Shailesh Shah	-	-	-	36,22,500	-	-	36,22,500
Total	-	-	-	36,22,500	-	-	36,22,500
ISSUE OF SHARES							
Shailesh Shah	-	-	48,30,000	46,00,000	-	-	48,30,000
Total	-	-	48,30,000	46,00,000	-	-	48,30,000

Particulars	Subsidiary Companies, Associates and Joint Venture		Key Managerial Personnel / persons exercising significant influence & their relatives		Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Total	
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017
OUTSTANDING BALANCES								
PAYABLES								
S. K. Ultratech Machines Pvt. Ltd.	-	-	-	-	59,012	3,51,636	59,012	3,51,636
Total	-	-	-	-	59,012	3,76,902	59,012	3,76,902
REMUNERATION PAYABLE TO KMP								
Shailesh Shah	-	-	2,23,530	99,800	-	-	2,23,530	99,800
Sharad Shah	-	-	6,700	3,61,040	-	-	6,700	3,61,040
Vaibhav Desai	-	-	89,125	73,869	-	-	89,125	73,869
Maikal Raorani	-	-	1,25,900	-	-	-	1,25,900	-
Total	-	-	4,45,255	5,34,709	-	-	4,45,255	5,34,709
SITTING FEES PAYABLE								
Narendra Mahajani	-	-	1,68,750	1,89,000	-	-	1,68,750	1,89,000
Aditi Bhat	-	-	9,000	9,000	-	-	9,000	9,000
Total	-	-	1,77,750	1,98,000	-	-	1,77,750	1,98,000
SALARY PAYABLE								
Saloni Shah	-	-	78,200	43,200	-	-	78,200	43,200
Total	-	-	78,200	43,200	-	-	78,200	43,200
INTEREST PAYABLE								
Shailesh Shah	-	-	-	5,37,744	-	-	-	5,37,744
Sharad Shah	-	-	-	11,57,041	-	-	-	11,57,041
Total	-	-	-	16,94,785	-	-	-	16,94,785
LOANS PAYABLE								
Shailesh Shah	-	-	-	34,77,500	-	-	-	34,77,500
Sharad Shah	-	-	-	27,80,000	-	-	-	27,80,000
Total	-	-	-	62,57,500	-	-	-	62,57,500
Share Warrants								
Shailesh Shah	-	-	12,65,000	24,72,500	-	-	12,65,000	24,72,500
Total	-	-	12,65,000	24,72,500	-	-	12,65,000	24,72,500

44 SEGMENT REPORTING :

As the company has only one primary business activity, Segment Reporting is not applicable

- 45 Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.
- 46 Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation

47 Figures in brackets indicate previous year's figures.

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As per our report attached of even date
THANAWALA & COMPANY
CHARTERED ACCOUNTANTS
Firm Reg. No. 110948W

For and on behalf of the Board of Directors

VIJAY K THANAWALA
PROPRIETOR
Membership No. 15632
Mumbai, Dated : 28/04/2018

Sd/-
Shailesh Shah
Managing Director

Sd/-
Sharad Shah
Director

Sd/-
Maikal Raorani
Director

**CONSOLIDATED FINANCIAL STATEMENTS FORMING
PART OF ANNUAL REPORT OF SKY INDUSTRIES LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2018**

Independent Auditor's Report on Consolidated Financial Statement

To
The Members of **SKY INDUSTRIES LIMITED**

1. Report on the consolidated financial Statements

We have audited the accompanying consolidated financial statements of SKY INDUSTRIES LIMITED ("the Company") and its subsidiary comprising of consolidated Balance Sheet as at 31 March 2018, the consolidated Statement of Profit and Loss (including other comprehensive income), and consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flow and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with relevant Rules issued there under

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity

with the accounting principles generally accepted in India including the IND AS of the financial position of the company as at 31st March 2018 and its profit and its cash flows and changes in the equity for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

As required by Section 3 of section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated statement of change in Equity and Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with the relevant Rules issued thereunder;
- e. On the basis of the written representations received from the directors as at 31 March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigation on its financial position in its consolidated financial statement Refer Note 29(ii) to the consolidated financial statement.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2018.

**For and on behalf of –Thanawala & Company
Chartered Accountants
Firm Reg. No. 110948W**

**Place : Mumbai
Date : 28 April 2018**

**Sd/-
[CA V.K. Thanawala]
Proprietor
Membership No. 15632**

Annexure A to the Independent Auditors Report

THE ANNEXURE A REFERRED TO IN INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF THE COMPANY ON THE STANDALONE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2018,

We Report That -

1. a. The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed asset.
- b. As explained to us the Company has a phased program for physical verification of the fixed asset of the company to cover all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company. No material discrepancies were noticed on such verification carried on during the year, as compared with the available records.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the company.
2. The inventory of finished goods, raw materials, components, stores and spare parts except those lying with third parties, and in transit, has been physically verified by the management at regular intervals, which we consider to be reasonable. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
3. According to the information and explanation given to us, the Company's has not granted any loans secured or unsecured during the period to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the companies Act 2013. Accordingly, the clause 3(iii) (a)(b) & (c) of the order are not applicable.
4. According to the information and explanation given to us, the company has complied the provisions of section 185 and 186 of the Companies Act 2013 with respect to the loans & investment made.
5. The company has not accepted any deposit from the public and hence the directives issued by Reserve Bank of India and provision of section 73 to 76 or any other relevant provisions of the Act and the Rule framed there under are not applicable.
6. According to the information and explanation given to us, cost records were maintain by the company pursuant to the order of the Central Government under Section 148(1) of the Act.
7. a. According to the records of the Company and information and explanations given to us, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Cess, Excise Duty, Service Tax, Value added tax, Goods & Service Tax and other material statutory dues have been deposited regularly during the period with the appropriate authorities, whenever applicable there are no such outstanding as at 31st March 2018, for a period of more than six months from the date they become payable.

Except the following undisputed statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

Sr. No.	Name of statutory dues	Nature of dues	Total (₹)	Period to which it relates	Whether paid before balance sheet signing
1	Navi Mumbai Cess	CESS	71,53,072	(Various years)	No

- b. According to the records of the Company and information and explanations given to us the following are the particulars of disputed amounts payable in respect of Sales tax and Central Sales Tax and other statutory dues as at the last day of the period ending 31st March, 2018 -

Nature of Dues	Amount in ₹	Period for which dispute relates	Forum where dispute is pending
Gujarat VAT	49,22,257	2006-07, 2007-08 & 2013-14	Commissioner of Sales Tax
CST	1,04,40,249	2006-07 & 2013-14	Commissioner of Sales Tax
Property Tax	5,79,61,576	Various years	Navi Mumbai Corporation

8. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks, governments or debenture holders.
9. The company has not raised money through initial public offer or further public offer and term loans hence the provision of para 3(ix) of the order are not applicable.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, its officers or employees, noticed or reported during the period, nor have been informed of such case by the management.
11. According to the information and explanation given to us and based on our examination of the books and records of the Company, we are the opinion that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
12. In our opinion, the company is not a Nidhi Company therefore, provision of clause 3(xii) of the order not applicable.
13. According to the information and explanation given to us and based on our examination of the records of the company, all the transactions with related parties are in compliance with section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statement as required by the applicable Accounting Standard.
14. According to the information and explanation given to us and based on our examination of the records, the Company has made preferential allotment of equity shares during the period under review.
15. According to the information and explanation given to us and based on our examination of the records of the Company has not entered into any non-cash transactions during the period with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of –Thanawala & Company
Chartered Accountants
Firm Reg. No. 110948W

Place : Mumbai
Date : 28 April 2018

Sd/-
[CA V.K. Thanawala]
Proprietor
Membership No. 15632

Annexure – B to the Auditors Report**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To the Members of **SKY INDUSTRIES LIMITED**

We have audited the internal financial controls over financial reporting of SKY INDUSTRIES LIMITED ("the Company") as of March 31, 2018, in conjunction with our audit of the consolidated statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the

company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For and on behalf of –Thanawala & Company
Chartered Accountants
Firm Reg. No. 110948W**

**Place : Mumbai
Date : 28th April 2018**

**Sd/-
[CA V.K. Thanawala]
Proprietor
Membership No. 15632**

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
ASSETS				
Non - Current Assets				
Property, Plant & Equipment	3	14,96,24,548	9,77,47,923	9,61,06,831
Capital Work - In - Progress	3	2,20,000	64,78,794	3,64,256
Other Intangible Assets	3	95,089	1,50,084	-
Financial Assets				
Investments	4	5,00,010	5,00,010	5,00,010
Loans	5	49,76,166	50,76,167	49,76,167
Others	6	39,78,579	47,18,580	37,37,864
Other Non - Current Assets	7	44,21,208	52,89,572	4,48,44,161
Total Non - Current Assets		16,38,15,600	11,99,61,130	15,05,29,289
Current Assets				
Inventories	8	12,05,22,853	10,04,83,605	8,57,53,594
Financial Assets				
Investments	9	9,70,535	-	-
Trade Receivables	10	8,68,31,427	9,20,87,062	9,54,10,177
Cash & Cash Equivalents	11	86,31,958	45,02,324	20,98,223
Bank Balance other than above	12	12,39,917	18,25,724	49,20,840
Other Current Assets	13	2,49,88,162	2,77,77,933	1,90,45,110
Current Tax Assets (Net)			3,75,028	3,75,028
Total Current Assets		24,31,84,852	22,70,51,676	20,76,02,972
TOTAL ASSETS		40,70,00,452	34,70,12,806	35,81,32,261
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	14	4,38,64,000	4,17,64,000	3,97,64,000
Other Equity	15	14,19,30,892	12,01,77,943	10,43,72,802
Total Equity		18,57,94,892	16,19,41,943	14,41,36,802
Liabilities				
Non - Current Liabilities				
Financial Liabilities				
Borrowings	16	27,63,317	81,85,671	92,02,425
Other	17	2,51,75,154	5,66,154	5,66,154
Provisions	18	19,60,621	21,89,363	1,15,07,394
Deferred Tax Liabilities/Assets (Net)	19	91,35,355	77,59,106	68,77,482
Total Non - Current Liabilities		3,90,34,447	1,87,00,294	2,81,53,454
Current Liabilities				
Financial Liabilities				
(i) Borrowings	20	7,93,47,656	8,83,46,469	9,19,57,294
(ii) Trade Payables	21	8,92,22,405	6,30,74,971	6,73,44,638
(iii) Other Financial Liabilities	22	-	1,26,294	1,26,294
Other Current Liabilities	23	1,27,27,431	1,37,83,579	2,30,19,862
Provisions	24	8,54,557	9,92,081	5,66,890
Current Tax Liabilities (Net)	25	19,063	47,176	28,27,028
Total Current Liabilities		18,21,71,112	16,63,70,570	18,58,42,005
Total Liabilities		22,12,05,559	18,50,70,864	21,39,95,459
TOTAL EQUITY AND LIABILITIES		40,70,00,452	34,70,12,806	35,81,32,262

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NOTES ON ACCOUNTS

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As per our report attached of even date

For and on behalf of the Board of Directors

THANAWALA & COMPANY
CHARTERED ACCOUNTANTS
Firm Reg. No. 110948W

VIJAY K THANAWALA
PROPRIETOR
Membership No. 15632
Mumbai, Dated : 28/04/2018

Sd/-
Shailesh Shah
Managing Director

Sd/-
Sharad Shah
Director

Sd/-
Maikal Raorani
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note. No.	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from Operations	26	52,98,83,036	48,67,26,346
Other Income	27	33,90,167	27,55,742
Total Income		53,32,73,203	48,94,82,089
Expenses			
Cost of Material Consumed	28	31,34,92,196	27,30,25,225
Excise Duty on Sale of Goods		2,79,097	12,13,327
Purchase of Stock In Trade	29	4,94,71,386	4,00,37,855
Changes in Inventories of Finished Goods / Stock in Trade	30	(48,22,862)	3,72,11,732
Employee Benefit Expenses	31	4,40,15,282	2,33,51,666
Finance Cost	32	1,29,29,595	1,62,36,116
Depreciation and Amortization	3	97,77,854	88,74,987
Other Expenses	33	7,18,77,388	5,34,75,866
Total Expenses		49,70,19,935	45,34,26,774
Profit Before Tax and Exceptional Item		3,62,53,268	3,60,55,315
Exceptional Gain / (Loss)	36	(88,45,853)	(1,13,34,416)
Profit Before Tax		2,74,07,415	2,47,20,899
Tax Expenses			
Current Tax		52,62,225	17,20,000
Deferred Tax		13,86,267	8,81,624
(Excess) / Short Provision of Earlier Years			1,29,001
Profit After Tax		2,07,58,922	2,19,90,274
Other Comprehensive Income			
Items that will not to be reclassified to Profit & Loss			
- Remeasurment of define benefit liability/(asset) (net of tax)		(5,09,026)	(1,12,57,633)
- Change in Fair Value of FVOCI equity instruments (net of tax)		(19,447)	-
Total Other Comprehensive Income for the year		(5,28,473)	(1,12,57,633)
Total Comprehensive Income for the year		2,02,30,450	1,07,32,641
Earnings Per Share - Basic & Diluted (₹)	37	4.73	5.27

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As per our report attached of even date
THANAWALA & COMPANY
CHARTERED ACCOUNTANTS
 Firm Reg. No. 110948W

For and on behalf of the Board of Directors

VIJAY K THANAWALA
PROPRIETOR
 Membership No. 15632
 Mumbai, Dated : 28/04/2018

Sd/-
Shailesh Shah
 Managing Director

Sd/-
Sharad Shah
 Director

Sd/-
Maikal Raorani
 Director

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	2,74,07,415	2,47,20,899
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
Depreciation & Amortization	97,77,854	88,74,987
Finance Cost	1,29,29,595	1,62,36,024
Interest Income	(1,21,960)	(89,442)
Dividend Income	(60,000)	(65,000)
Exceptional Items	13,44,373	1,13,34,416
Ind AS Notional Income		(46,77,225)
Fair Valuation impact of security deposits	26,751	2,36,857
Employee Benefit Expense treated as OCI	(7,71,251)	(1,12,57,633)
Fair Valuation impact of certain financial instruments	29,465	
Foreign Exchange Loss / (Gain)	-	-
	2,31,54,827	-
Operating Profit Before Changes in Working Capital	5,05,62,242	4,53,13,883
Adjustment for Changes in Working Capital		
(Increase) / Decrease in Trade Receivables	52,55,635	78,05,800
(Increase) / Decrease in Other Receivables	-	(1,04,92,566)
(Increase) / Decrease in Inventories	(2,00,39,248)	2,54,61,288
(Increase) / Decrease in Loans & Advances	1,00,001	-
(Increase) / Decrease in Other Current Assets	7,40,001	-
(Increase) / Decrease in Other Non - Current Financial Assets	8,68,364	-
(Increase) / Decrease in Other Non - Current Assets	27,89,771	-
Increase / (Decrease) in Trade Payables	2,61,47,434	(53,69,803)
Increase / (Decrease) in Other Current Financial Liabilities	(1,26,294)	-
Increase / (Decrease) in Other Current Liabilities	(10,56,148)	(2,83,64,560)
Increase / (Decrease) in Current Tax Liabilities	-	-
Increase / (Decrease) in Provisions	(3,66,266)	-
	1,43,13,250	-
Cash Generated from Operations	6,48,75,492	3,43,54,042
Less: Taxes Paid (Net of refund received)	(50,84,329)	(46,28,963)
NET CASH FLOW FROM OPERATING ACTIVITY (A)	5,97,91,163	2,97,25,079
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment & Intangible Assets	(5,70,52,688)	(1,67,80,701)
Sale of Property, Plant & Equipment & Intangible Assets	3,75,000	
Sale of Investments	(7,375)	
Investments during the year	(10,00,000)	
Interest Received	1,21,960	89,442
Dividend Received	60,000	65,000
Movement in other bank balances	5,85,807	30,95,116
NET CASH FLOW FROM INVESTING ACTIVITY (B)	(5,69,17,296)	(1,35,31,143)
C CASH FLOW FROM FINANCING ACTIVITY		
Increase/(Decrease) of Term Loan/Vehicle Loans	(9,20,069)	24,33,246
Increase/(Decrease) of Unsecured Loans	(79,52,285)	(50,18,494)
Increase/ (Decrease)in Working Capital facility (net)	(55,48,813)	(20,42,331)
Receipt of Equity Share Capital (incl. Share Premium)	36,22,500	46,00,000
Proceeds from issue of Share warrants	-	24,72,500
Increase/(Decrease) of Non current Financial liabilities	2,46,09,000	
Finance Cost	(1,29,29,595)	(1,62,36,024)
NET CASH FLOW FROM FINANCING ACTIVITY (C)	8,80,738	(1,37,91,102)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
NET CASH FLOW FOR THE YEAR (A + B + C)	37,54,605	24,02,834
Add: Opening Balance of Cash & Cash Equivalents	45,01,057	20,98,223
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	82,55,661	45,01,057
RECONCILATION OF CASH AND CASH EQUIVALENT		
TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET		
CASH AND CASH EQUIVALENT COMPRISES AS UNDER:		
Balance with banks in current accounts	84,97,217	39,02,648
Cash on Hand	1,34,741	5,99,676
CASH AND CASH EQUIVALENT	86,31,957	45,02,324
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	82,55,661	45,01,057

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As per our report attached of even date
THANAWALA & COMPANY
CHARTERED ACCOUNTANTS
 Firm Reg. No. 110948W

For and on behalf of the Board of Directors

VIJAY K THANAWALA
PROPRIETOR
 Membership No. 15632
 Mumbai, Dated : 28/04/2018

Sd/-
 Shailesh Shah
 Managing Director

Sd/-
 Sharad Shah
 Director

Sd/-
 Maikal Raorani
 Director

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 2017-2018**1 CORPORATE INFORMATION**

Sky Industries Ltd is a Public limited incorporated and domiciled in India, under the Indian Companies Act, 1956. Its Equity shares are listed on BSE Limited. Its registered office is situated at C-58, TTC Industrial Area, Thane Belapur Road, Pawne, Navi Mumbai - 400 705.

The company is engaged in manufacturing of “ Narrow Woven Fabrics”. The Company is engaged in manufacturing and marketing in various products like Hook and Loop Tape Fasteners, Value added items and Velvet tapes etc.,

Sky Industries along with its subsidiaries is collectively referred to as “the Group”

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the Significant Accounting Policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS FOR PREPARATION OF ACCOUNTS**a) Statement of Compliance with Ind AS**

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial Statements for the year ended 31st March, 2018 are the first financial statements of the Company under IND AS. The date of transition to Ind AS is 1st April, 2016. Accordingly, the Company has followed the provisions of Ind AS 101, ‘First Time Adoption of Indian Accounting Standards’, in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. 1 April 2016. Certain of the Company’s Ind AS accounting policies used in the Opening Balance sheet differed from its previous GAAP policies applied as at 31 March 2016, and accordingly adjustments were made to restate the opening balances as per Ind AS. The resulting adjustments arose from events and transactions before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those adjustments were recognized directly through retained earnings as at 1 April 2016.

Refer Note 34 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and Cash Flows.

b) Current versus Non-Current classification

All assets and liabilities have been classified as Current or Non Current as per the Company’s normal operation cycle i.e. twelve months and other criteria set out in the Schedule III of the Act.

c) Historical Cost Convention

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following:

- Certain financial assets and liabilities that are measured at fair value
- Defined benefit plans - plan assets measured at fair value

d) Principles of Consolidation

The Consolidation financial statement of the Group represents consolidation of financial statements with subsidiary companies. The proportion of ownership interest in each subsidiary is as follows :

Name of the subsidiaries	Country of Domicile	Proportion of Ownership Interest
SK Stabel Industries Pvt Ltd	India	100%

Sky Industries Ltd cease to have control w.e.f 31st March, 2018

2.2 USE OF ESTIMATES

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, impairment of trade receivables, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

2.3 REVENUE RECOGNITION

a) Sale of Goods

Revenue from the sale of goods is recognised when property in the goods, or all significant risks and rewards of ownership of the goods have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods as well as its collection. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts and volume rebates. It includes excise duty and subsidy and excludes Value Added Tax / Sales Tax/ GST.

b) Rendering of services

Revenue of services are recognized when the services are rendered.

c) Dividend

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

d) Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

e) Export Incentives

Export incentives under various schemes are accounted in the year of Exports

2.4 FOREIGN CURRENCY TRANSACTIONS

a) Functional and Presentation Currency

The financial statements are presented in Indian Rupee (INR), which is company's functional and presentation currency.

b) Initial Recognition

Transactions in foreign currencies are recorded at the exchange rate prevailing on the dates of the transactions. Exchange difference arising on foreign exchange transaction settled during the year are recognized in the Statement of profit and loss for the year.

c) Measurement of foreign currency items at the Balance sheet date

Monetary assets and liabilities denominated in foreign currencies are re-translated into functional currency at the exchange rate prevailing at the end of the reporting period. Non monetary assets and liabilities that are measured based on a historical cost in a foreign currency are not re-translated. Exchange differences arising out of these transaction are charged to the profit and loss.

2.5 PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS**a) Property, plant and equipment (PPE)****i) Recognition and measurement**

Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to the acquisition of the assets. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

ii) Subsequent expenditure

Expenditure incurred on substantial expansion upto the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

b) Capital Work-In-Progress And Pre-Operative Expenses During Construction Period

Capital work-in progress includes expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective Property, Plant and Equipment on their completion / commencement of commercial production.

c) Intangible assets

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment loss if any.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment, including intangible assets, recognised as at 1 April 2016, as per the previous GAAP and used that carrying value as its deemed cost of such property, plant and equipment and intangible assets

2.6 IMPAIRMENT OF NON- FINANCIAL ASSETS

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.7 DEPRECIATION AND AMORTISATION

Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act,2013. Lease hold land is amortised over the period of lease.

Useful lives of the items of Property, Plant and Equipment are as follows:

Asset	Estimated Useful Life
Building	30 Years
Plant & Machinery	10 Years
Furniture and Fixtures	15 Years
Vehicles	10 Years
Other equipment	6 Years

Intangible Assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the Company for its intended use. The useful life so determined is as follows:

Assets	Amortisation period
Software Licenses	3 Years

The management believes that the useful life as given above the best represent the period over which the management expects to use these assets.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation and amortization on property, plant and equipment added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

2.8 FINANCIAL INSTRUMENTS

I. Financial Assets

a) Classification of financial assets

The Company classifies financial assets as subsequently measures at amortised cost, fair value through other comprehensive income or fair value through profit & loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

i) Debt instrument at amortised cost:

A 'debt Instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objectives is to hold assets for collecting contractual cash flow and
- Contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of the EIR. The EIR. Amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. The category generally applies to trade and other receivable.

ii) Debt instrument at fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flow and selling the financial assets, where the assets' cash flow represents solely payments of principal and interest are measuring at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue or foreign exchange gains and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the EIR method. The company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

iii) Debt instrument measured at fair through profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iv) Equity investments:

Investment in associates are accounted using equity method.

All other equity investments which are in scope of Ind-AS 109 are measured at fair value. Equity instrument which are held for trading are classified as at FVTPL. For all other equity investments, the Company decide to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

For equity investments classified as FVOCI, all fair value changes on the instruments, excluding dividend, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of such investment

Equity investments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost that represents the best estimate of fair value within that range.

b) Initial recognition and measurement

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction cost that are attributable to the acquisition of the financial assets.

Trade receivable are carried at original invoice price as the sales arrangements do not contain any significant financial component. Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

c) Derecognition of financial assets

"A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) primarily derecognised (i.e. removed from the company's balance sheet) when :

- The rights to receive cash flows from the asset have expired, or
- The Company has neither transferred nor retained substantially all the risks and rewards all the assets, but has transferred control of the assets."

When the company has transferred its rights to receive cash flow from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. When it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the Company continues to recognise the transferred asset to the extent of the company's continuing involvement. In the case, the company recognises and associated liability. The transferred asset and the associated liability are measured on a basis that reflect the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and maximum amount of consideration that the company could be required to repay.

d) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loan, debt security, deposits, and bank balance.
- Trade Receivables"

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application simplified approach does not require the company to track change in risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivable. The provision matrix based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historically observed default rate updated and change in the forward looking estimates are analysed.

II. Financial Liabilities and equity instruments

Debt and equity instruments issued by an entity are classified as either financial liability or as equity in accordance with substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

a) Equity instruments:

An equity instruments is any contact the evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

b) Financial liabilities :- Classification

Financial liabilities are classified as either 'at FVTPL' or 'other financial liabilities' which consists of derivative financial instruments, wherein the gain/losses arising from remeasurement of these instruments are recognized in the statements of profit and loss. Other financial liability (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

c) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction cost that are attributable to issue of these instruments.

d) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and Loss.

III. Fair Value

The Company determines the fair value of its financial instruments on the basis of the following hierarchy

- a) Level 1 : The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange traded commodity derivatives and other financial instruments in equity and debt securities which are listed in a recognised stock exchange
- b) Level 2 : The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate
- b) Level 3 : The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs)

2.9 INVENTORIES

Inventories are stated at the lower of cost and net realizable value.

Cost of Raw Material is determined on a First In First Out (FIFO) basis.

Packing materials are valued at cost.

Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises direct materials and where applicable, direct labour costs, those overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition. Cost is arrived on weighted average cost basis.

Work in Progress is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs, manufacturing overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition.

2.10 BORROWING COSTS

Borrowing Costs that are interest and other costs that the company incurs in connection with the borrowings of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest cost measured at EIR and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. Such capitalisation is done only when it is probable that the asset will result in future economic benefits and the costs can be measured reliably. Capitalisation of borrowing cost is suspended and charged to statement when active development is interrupted

Capitalisation of borrowing costs commences when all the following conditions are satisfied:

- i. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;
- ii. Borrowing costs are being incurred; and
- iii. Activities that are necessary to prepare the asset for its intended use are in progress.

A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account.

2.11 EMPLOYEE BENEFITS

a) Short term employee benefit obligations

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other long term employee benefit obligations

i) Compensated absences

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of reporting period that have terms approximating to the terms of related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income.

c) Post-employment obligations

The Company operates the following post-employment schemes:

- A. Defined benefit plans such as Gratuity
- B. Defined contribution plan such as Provident Fund

Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plans

The Company pays provident fund contributions to publicly administered funds as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

2.12 ACCOUNTING FOR TAXES ON INCOME

a) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Current tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognized amounts; and
- ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred Taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purpose

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only if it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised; such reductions are reversed when the probability of future taxable profits improves

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit including MAT credit available is recognised as Deferred Tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the Statement of Profit and Loss and shown under the head deferred tax asset

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax Asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2.13 PROVISIONS AND CONTINGENT LIABILITIES

a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingent Liability

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent Liability is disclosed in the case of:

- i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. A present obligation arising from the past events, when no reliable estimate is possible;
- iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

2.14 EARNING PER SHARE**a) Basic Earnings Per Share**

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

2.15 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise cash and deposits with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 STATEMENT OF CASH FLOWS

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing Cash Flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

2.17 DIVIDEND

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.18 ROUNDING OFF

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees, unless otherwise stated.

2.19 EVENTS OCCURRING AFTER THE REPORTING DATE

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

2.20 EXCEPTIONAL ITEMS

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.21 OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per each of the normal operating cycle of the Company and other criteria set out in the Schedule III to the Act

2.22 SEGMENT REPORTING

As the Company has only one primary business activity, Segment reporting is not applicable.

NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION				NET BLOCK	
	As At April 01, 2017	Additions / Transfers	Deductions	As At March 31, 2018	As At April 01, 2017	For The Year	On Deductions	As At March 31, 2018	As At March 31, 2017
(A) TANGIBLE ASSETS									
Land - Leashold	41,33,186	4,19,18,386		4,60,51,572	64,564	64,564		1,29,128	4,59,22,444
Factory Buildings	1,77,92,823	89,28,410		2,67,21,233	11,16,182	13,40,943		24,57,125	2,42,64,108
Plant & Machinery	6,59,23,676	1,04,93,962	3,69,586	7,60,48,052	58,08,667	63,10,456	1,08,850	1,20,10,273	6,40,37,779
Furniture & Fixture	53,01,596	79,537		53,81,133	2,62,859	3,77,462		6,40,321	47,40,812
Vehicles	89,49,352	11,76,668	36,70,354	64,55,666	11,50,378	11,13,086	22,19,092	44,372	64,11,294
Office Equipments	33,07,995	2,82,427		35,90,422	2,22,830	2,52,032		4,74,862	31,15,560
Computers	11,99,366	4,32,092		16,31,458	2,34,591	2,64,316		4,98,907	11,32,551
Total - Tangible Assets	10,66,07,994	6,33,11,482	40,39,940	16,58,79,536	88,60,071	97,22,859	23,27,942	1,62,54,988	14,96,24,548
(B) CAPITAL WORK IN PROGRESS									
Factory Buildings	61,14,538		61,14,538	-					-
Plant & Machinery	3,64,256	2,20,000	3,64,256	2,20,000	-	-	-	-	2,20,000
Total - Capital Work In Progress	64,78,794	2,20,000	64,78,794	2,20,000	-	-	-	-	2,20,000
(C) INTANGIBLE ASSETS									
Software Licences	1,65,000			1,65,000	14,916	54,995		69,911	95,089
Total - Intangible Assets	1,65,000	-	-	1,65,000	14,916	54,995		69,911	95,089
TOTAL(A)+(B)+(C)	11,32,51,788	6,35,31,482	1,05,18,734	16,62,64,536	88,74,987	97,77,854	23,27,942	1,63,24,899	14,99,39,637
Previous Year's Total	9,64,71,087	1,67,80,701	-	11,32,51,788	-	88,74,987	-	88,74,987	10,43,76,801
									9,64,71,087

NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK		
	As At April 01, 2016	Additions / Transfers	Deductions	As At March 31, 2017	As At April 01, 2016	For The Year	On Deductions	As At March 31, 2017	As At March 31, 2016
(A) TANGIBLE ASSETS									
Land - Leashold	41,33,186			41,33,186		64,564		40,68,622	41,33,186.00
Factory Buildings	1,77,92,823.00			1,77,92,823		11,16,182		1,66,76,641	1,77,92,823.00
Plant & Machinery	6,40,52,386.00	18,71,290		6,59,23,676		58,08,667		6,01,15,009	6,40,52,386.00
Furniture & Fixture	4,55,455.00	48,46,141		53,01,596		2,62,859		50,38,737	4,55,455.00
Vehicles	78,27,355.00	11,21,997		89,49,352		11,50,378		77,98,974	78,27,355.00
Office Equipments	14,16,916.00	18,91,079		33,07,995		2,22,830		30,85,165	14,16,916.00
Computers	4,28,710.00	7,70,656		11,99,366		2,34,591		9,64,775	4,28,710.00
Total - Tangible Assets	9,61,06,831	1,05,01,163		10,66,07,994		88,60,071		9,77,47,923	9,61,06,831
(B) CAPITAL WORK IN PROGRESS									
Factory Buildings		61,14,538		61,14,538				61,14,538	
Plant & Machinery				3,64,256				3,64,256	3,64,256
Total - Capital Work In Progress		61,14,538		64,78,794				64,78,794	3,64,256
(C) INTANGIBLE ASSETS									
Software Licences		1,65,000		1,65,000		14,916		14,916	1,50,084
Total - Intangible Assets		1,65,000		1,65,000		14,916		1,50,084	
TOTAL (A)+(B)+(C)	9,64,71,087	1,67,80,701		11,32,51,788		88,74,987		10,43,76,801	9,64,71,087

Notes

- 1) Lease hold land under varying lease arrangement for period ranging from 75 - 99 years
- 2) The Company has capitalised borrowing cost of ₹ 33,32,195 in land. (Previous year ₹ Nil)
- 3) Refer Note no. 20 for assets provided as security
- 4) On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment, including intangible assets, recognised as at 1 April 2016, as per the previous GAAP and used that carrying value as its deemed cost of such property, plant and equipment and intangible assets"

NOTE 4 : FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Investment in Equity Instruments carried at amortised cost						
Investment in Others (Unquoted and fully paid up)						
Equity shares of Dombivali Nagarik Sahakari Bank Ltd. Of ₹ 10/- each	50,000	5,00,010	50,000	5,00,010	50,000	5,00,010
TOTAL		5,00,010		5,00,010		5,00,010
Aggregate Amount of Quoted Investment & Market Value thereof		-		-		-
Aggregate amount of Unquoted Investments		5,00,010		5,00,010		5,00,010
Aggregate amount of impairment in value of Investments		-		-		-

NOTE 5: FINANCIAL ASSETS - LOANS (NON-CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Loans to Employees	49,76,166	50,76,167	49,76,167
TOTAL	49,76,166	50,76,167	49,76,167

NOTE 6: FINANCIAL ASSETS - OTHERS (NON-CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposits	39,78,579	47,18,580	37,37,864
TOTAL	39,78,579	47,18,580	37,37,864

NOTE 7: OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Advances	-	21,48,500	15,11,790
Others			
Inventory**			
Raw materials			
Work-in-progress	-	-	1,20,31,360
Finished goods	27,64,267	31,41,072	3,13,01,011
Stock in Trade	16,56,941		
TOTAL	44,21,208	52,89,572	4,48,44,161

** Non and slow moving inventory as per the management policy at cost.

NOTE 8: INVENTORIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
At Lower of Cost or Net Realisable Value			
Raw Materials	2,30,42,474	2,04,34,350	1,53,12,691
Raw Materials - Goods in Transit	2,46,64,492	1,17,16,584	43,28,085
Work in Process	56,67,431	4,88,404	7,94,883
Finished Goods	6,46,12,722	6,62,49,023	6,29,62,976
Others (Packing Material, etc..)	25,35,734	15,95,244	23,54,959
TOTAL	12,05,22,853	10,04,83,605	8,57,53,594

Note

The value of inventories above is stated after impairment of ₹ 1,32,63,624/- (Previous year of ₹ 1,20,31,360) for write-down to the net realisable value and provision for slow moving obsolete items based on management inventory policy. The same has been recognised as an expenses during the year and included in "Change in Inventories" in statement of Profit and loss account.

NOTE 9: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Units	Amount	No. of Units	Amount	No. of Units	Amount
Investment designated at Fair Value Through OCI						
Investment in Mutual Funds		9,70,535	-	-	-	-
TOTAL		9,70,535		-		-
Aggregate Amount of Quoted Investment & Market Value thereof		-		-		-
Aggregate amount of Unquoted Investments		9,70,535		-		-
Aggregate amount of impairment in value of Investments		-		-		-

NOTE 10: FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
Trade Receivables						
Unsecured - Considered Good	8,68,31,427		9,20,87,062		9,54,10,177	
Unsecured Considered for Doubtful	48,84,456	9,17,15,883	70,19,943	9,91,07,005	1,15,02,628	10,69,12,805
Less :- Allowance for unsecured doubtful debts		(48,84,456)		(70,19,943)		(1,15,02,628)
TOTAL		8,68,31,427		9,20,87,062		9,54,10,177

Notes -

- i. Refer Note No.39 for information about impairment, credit risk and market risk of trade receivables.
- ii. There are no outstanding dues from directors or other officers of the Company.

NOTE 11: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with Banks in Current Accounts	84,97,217	39,02,648	6,16,454
Cash on Hand	1,34,741	5,99,676	14,81,769
TOTAL	86,31,958	45,02,324	20,98,223

NOTE 12: FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unpaid Dividend Account		1,26,669	1,26,669
Margin Money Pledged with Banks	12,39,917	16,99,055	47,94,171
TOTAL	12,39,917	18,25,724	49,20,840

NOTE 13: OTHER CURRENT ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances other than capital advances			
Advance to Employees	83,161	3,03,100	6,99,659
Advance to Suppliers / Expenses	26,55,611	63,34,179	32,64,929
Others			
Prepaid Expenses	28,47,296	20,42,330	7,43,157
Export Incentive Receivable	5,11,644	4,44,582	1,18,030
Balances with Excise and VAT Authorities	1,85,38,859	1,65,07,242	1,42,19,335
DEPB licences	5,891	21,46,500	-
TDS Receivable from GIDC	3,45,700		
TOTAL	2,49,88,162	2,77,77,933	1,90,45,110

NOTE 14: EQUITY SHARE CAPITAL

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
1,50,00,000 Equity Shares (Previous year 1,50,00,000) of ₹ 10/- each	15,00,00,000	15,00,00,000	15,00,00,000
500,000 Redeemable Preference Shares of ₹ 100/-each	5,00,00,000	5,00,00,000	5,00,00,000
TOTAL AUTHORIZED SHARE CAPITAL	20,00,00,000	20,00,00,000	20,00,00,000
Issued, Subscribed & Paid Up Equity Shares			
43,86,400 Equity Shares (Previous year as at 31 st March 2017 41,76,400 and as at 01 st April 2016 39,76,400) of ₹ 10/- each fully paid up	4,38,64,000	4,17,64,000	3,97,64,000
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	4,38,64,000	4,17,64,000	3,97,64,000

a) Reconciliation of the number of shares outstanding :

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	41,76,400	4,17,64,000	39,76,400	3,97,64,000	39,76,400	3,97,64,000
Add: Fresh Issue of Equity Share made during the year	2,10,000	21,00,000	2,00,000	20,00,000		
Shares at the end	43,86,400	4,38,64,000	41,76,400	4,17,64,000	39,76,400	3,97,64,000

b) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a par value ₹ 1/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding

c) Details of Shareholders holding more than 5% equity shares

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Skay Finvest Pvt Ltd	2,63,500	6.01%	2,63,500	6.31%	2,63,500	6.63%
Sharad Shah	8,62,043	19.65%	8,62,043	20.64%	8,62,043	21.68%
Shailesh Shah	10,27,748	23.43%	8,17,748	19.58%	6,17,748	15.54%
TOTAL	21,53,291	49.09%	19,43,291	46.53%	17,43,291	43.84%

NOTE 15: OTHER EQUITY

Particulars	Securities Premium	General Reserve	Retained Earnings	Share Warrants	Other Comprehensive Income	Total
Balance as on April 01, 2016	-	80,80,000	9,62,92,802	-		10,43,72,802
Profit for the period			2,19,90,274			2,19,90,274
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans			(1,12,57,633)			(1,12,57,633)
Total comprehensive income for the year	-	-	1,07,32,641	-	-	1,07,32,641
Money received against share warrants				36,22,500		36,22,500
Issue of equity shares on conversion of share warrants	26,00,000			(11,50,000)		14,50,000
As at March 31, 2017	26,00,000	80,80,000	10,70,25,443	24,72,500	-	12,01,77,943
Profit for the period			2,07,58,922			2,07,58,922
Other comprehensive income						-
- Remeasurements gains / (loss) on defined benefit plans			(5,09,026)			(5,09,026)
- Fair value loss on FVOCI financial asset					(19,447)	(19,447)

Total comprehensive income for the year	-	-	2,02,49,896	-	(19,447)	2,02,30,450
Issue of equity shares on conversion of share warrants	27,30,000			(12,07,500)		15,22,500
As at March 31, 2018	53,30,000	80,80,000	12,72,75,339	12,65,000	(19,447)	14,19,30,892

Nature and Purpose of the Reserves

Securities Premium

Security premium account is created when shares are issue at premium. A company may utilise the security premium reserve account as per the provision of Companies Act, 2013

General Reserve

The Company has transferred a portion of Net Profits of the Company before declaring Dividends to General Reserve pursuant to the earlier provision of The Companies Act, 1956. Mandatory transfer to General Reserve, is not required under the Companies Act, 2013

Share Warrants

The Company issued 6,30,000 convertible warrants to the Promoter in the previous year of which 2,00,000 warrants were converted to 2,00,000 equity share of ₹ 23 per share on 10/02/2017 and 2,10,000 warrants were converted to 2,10,000 equity share of ₹ 23 per share on 29/04/2017.

C. Dividends Paid / Proposed during the year

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Corporate Dividend Paid During the year		
Dividend Paid	-	-
Dividend Per Fully Paid Up Share	-	-
Corporate Dividend Proposed for the year		
Dividend Proposed	21,93,200	-
Dividend Proposed Per Fully Paid Up Share	0.5 ₹	-

NOTE 16: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
SECURED :			
Term Loans			
Banks	27,63,317	36,83,386	35,22,425
UNSECURED :			
Loans from Related Parties - Directors	-	45,02,285	56,80,000
TOTAL	27,63,317	81,85,671	92,02,425

Notes :-

A Term Loans :

- i. Term loan from HDFC bank aggregating to ₹ 5,71,690/- (previous year ₹ 9,26,526/- and April 01, 2016 ₹ Nil) carries interest rate @ 10.00% p.a. repayable in 36 equated monthly installments of ₹ 36,379/- .

- ii. Term loan from HDFC bank aggregating to ₹ 2,81,730/- (previous year ₹ Nil and April 01, 2016 ₹ Nil) carries interest rate @ 8.55% p.a. repayable in 36 equated monthly installments of ₹ 12,950/- .
- iii. Term loan from HDFC bank aggregating to ₹ 7,57,518/- (previous year ₹ 10,53,332/- and April 01, 2016 ₹ 11,49,472/-) carries interest rate @ 9.75% p.a. repayable in 60 equated monthly installments of ₹ 32,700/-
- iv. Term loan from HDFC bank aggregating to ₹ 3,99,346/- (previous year ₹ Nil and April 01, 2016 ₹ Nil) carries interest rate @ 8.60 % p.a. repayable in 36 equated monthly installments of ₹ 17,700/- .
- v. Term loan from DNSB bank aggregating to ₹ Nil -/-(previous year ₹ 5,17,755/- and April 01, 2016 ₹ 6,27,059/-) carries interest rate @ 10.00 % p.a. repayable in 60 equated monthly installments of ₹ 13,800. Same was prepaid in the the FY 2017-18
- vi. Term loan from ICICI bank aggregating to ₹ 93,274/- (previous year ₹ 2,68,376/- and April 01, 2016 ₹ 4,26,099/-) carries interest rate @ 10.50 % p.a. repayable in 36 equated monthly installments of ₹ 16,251 /- .
- vii. Term loan from HDFC bank aggregating to ₹ 6,59,759/- (previous year ₹ 9,17,397 and April 01, 2016 ₹ 13,19,795) carries interest rate @ 9.75 % p.a. repayable in 60 equated monthly installments of ₹ 28,480 /- .

B Loans from related parties:

- 1 Loan from directors is @ 15% p.a. interest payable in various installments

NOTE 17: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Creditors for Capital Goods against land from GIDC	2,46,79,000	-	-
Deposit from Customers	4,96,154	5,66,154	5,66,154
TOTAL	2,51,75,154	5,66,154	5,66,154

NOTE 18: PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits			
Gratuity Payable	19,60,621	21,89,363	1,15,07,394
TOTAL	19,60,621	21,89,363	1,15,07,394

NOTE 19: INCOME TAX

A. COMPONENTS OF INCOME TAX EXPENSE

Particulars	As at March 31, 2018	As at March 31, 2017
I. Tax expense recognised in statement of profit & loss		
Current Tax		
Current year	52,62,225	17,20,000
Adjustments/ (Credit) related to pervious years - (net)		1,29,001
Sub-Total	52,62,225	18,49,001

Deferred tax charge/ (credit)		
Origination and reversal of temporary difference	13,86,267	8,81,624
Sub-Total	13,86,267	8,81,624
Total	66,48,492	27,30,625
II. Tax on other comprehensive income		
Items that will not be reclassified to Profit and Loss		
Remeasurement of the Defined Benefit Plans	(2,62,225)	-
(Gain) / Loss on financial instruments through other comprehensive income	(10,018)	-
Total	(2,72,243)	-

B. RECONCILIATION OF EFFECTIVE TAX RATES

Particulars	As at March 31, 2018	As at March 31, 2017
Profit/(loss) before tax	2,74,07,415	2,47,20,899
Tax using the company's domestic tax rate(Current year 33.063% and Previous year 30.09%)	90,61,713	76,38,758
Allowance U/s 43B	(10,03,585)	(86,70,737)
Terminal Disallowance / (Allowance) u/s 35DDA	(6,61,775)	24,73,925
Non-Deductible tax expenses	13,19,127	5,43,146
Expenses allowed at reduced rate of tax	1,67,795	-
Disallowance U/s 43B	15,099	2,38,906
Set-off of earlier year losses	-	(12,48,406)
Excess Provision of Current year	51,54,309	1,075
Short Provision of Previous Year	-	1,29,001
Other temporary differences	99,073	(93,338)
Tax under MAT / (MAT Credit Availment)	(30,03,262)	17,18,925
Total	1,11,48,493	27,31,254
Effective tax rate for the year	40.68%	11.05%

C. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

Particular	Net deferred tax asset / (liabilities) as on 1st April, 2017	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2018
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(2,46,02,034)	(1,12,000)		(2,47,14,034)
Unabsorbed losses	1,11,59,938			1,11,59,938
Employee benefits	29,22,781			29,22,781
Deferred income / expenses	5,87,903			5,87,903
Provision for doubtful debts	21,72,307	(7,26,065)		14,46,242
Other items	-	(5,28,166)	-10,018	(5,38,184)
Deferred tax assets/ (liabilities)	(77,59,106)	(13,66,231)	-10,018	(91,35,355)

MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

Particular	Net deferred tax asset / (liabilities) as on 1st April, 2016	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2017
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(2,50,66,560)	4,64,526		(2,46,02,034)
Unabsorbed losses	1,11,59,938			1,11,59,938
Employee benefits	29,22,781			29,22,781
Deferred income / expenses	5,87,903			5,87,903
Provision for doubtful debts	35,18,457	(13,46,150)		21,72,307
Deferred tax assets/ (liabilities)	(68,77,482)	(8,81,624)	-	(77,59,106)

D. DEFERRED TAX ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred Tax Liabilities			
Accelerated depreciation for tax purposes	2,47,14,034	2,46,02,034	2,50,66,560
Other items giving rise to temporary differences	5,48,202		
	2,52,62,236	2,46,02,034	2,50,66,560
Deferred Tax Assets			
Provision for gratuity	29,22,781	29,22,781	29,22,781
Expenditure covered by 43B of Income Tax Act, 1961	5,87,903	5,87,903	5,87,903
Provision for loss allowances for doubtful debts	14,46,242	21,72,307	35,18,457
Unabsorbed Depreciation	1,11,59,938	1,11,59,938	1,11,59,938
Other Items	10,018		
	1,61,26,881	1,68,42,928	1,81,89,078
NET DEFERRED TAX LIABILITIES	91,35,355	77,59,106	68,77,482

NOTE 20: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
SECURED:			
Loans repayable on demand			
From banks (Refer Note below)	7,93,47,656	8,48,96,469	8,69,38,800
UNSECURED:			
Inter Corporate Deposits			
From Related Party	-	34,50,000	50,18,494
TOTAL	7,93,47,656	8,83,46,469	9,19,57,294

Note : The above cash credit facility is secured by mortgage of Industrial Land, Building and Plant & Machinery at Pawne, Navi Mumbai and Personal guarantees by Promoter Directors

NOTE 21: FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Due to Micro, Small and Medium Enterprises			
Due to Others (Refer Notes below)	8,92,22,405	6,30,74,971	6,73,44,638
TOTAL	8,92,22,405	6,30,74,971	6,73,44,638

- i. Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, no amount of dues outstanding as at 31st March 2018 have been identified as relating to Micro and Small Enterprises referred to in the said Act.
- ii. Trade Payables includes amount due to Related Parties ₹ 59012/- as at 31st March 2018 (Previous Year as at 31st March 2017 ₹ 351,636/-, and as 1st April 2016 NIL)

NOTE 22: FINANCIAL LIABILITIES - OTHERS (CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unclaimed Dividend*	-	1,26,294	1,26,294
TOTAL	-	1,26,294	1,26,294

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

NOTE 23: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance Received from Customer	10,07,302	13,94,828	10,23,896
Statutory Payments	84,94,360	88,72,984	1,70,30,403
Other Payables	32,25,769	35,15,768	49,65,562
TOTAL	1,27,27,431	1,37,83,579	2,30,19,862

NOTE 24: PROVISIONS (CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits			
Gratuity	45,666	2,06,267	
Compensated absences		27,320	58,648
Others Provision			
Provision for expenses	8,08,891	7,58,494	5,08,242
TOTAL	8,54,557	9,92,081	5,66,890

NOTE 25: CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current Tax Asset / (Liabilities) [Net]	19,063	47,176	28,27,028
	19,063	47,176	28,27,028

NOTE 26: REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products (including excise duty)	52,71,58,957	48,39,48,272
Other Operating Revenue:		
Scrap Sales	10,59,869	10,31,762
Export Incentives	2,21,805	5,75,978
Other revenue income	14,42,405	11,70,334
TOTAL	52,98,83,036	48,67,26,346

NOTE 27: OTHER INCOME

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Finance Income	3,50,881	2,87,378
Dividend Income	60,000	65,000
Commission Income	1,45,341	-
Service charges	15,50,129	17,74,758
Liability no longer required	12,83,156	2,67,606
Miscellaneous income	660	3,61,000
TOTAL	33,90,167	27,55,742

NOTE 28: COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Raw Material Consumed	31,34,92,196	27,30,25,225
TOTAL	31,34,92,196	27,30,25,225

NOTE 29: PURCHASE OF STOCK IN TRADE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of Stock in Trade	4,94,71,386	4,00,37,855
TOTAL	4,94,71,386	4,00,37,855

NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stocks :		
Finished Goods	5,35,17,370	8,04,67,458
Work in Progress	4,88,404	1,28,26,243
Stock In Trade	1,58,72,725	1,37,96,530
Less : Closing Stocks :		
Finished Goods	5,46,92,341	5,35,17,370
Work in Progress	56,67,431	4,88,404
Stock In Trade	1,43,41,589	1,58,72,725
NET CHANGE IN INVENTORIES	(48,22,862)	3,72,11,732

NOTE 31: EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages and Bonus	3,49,30,041	1,52,70,306
Directors Remuneration	73,08,075	63,19,459
Contribution to Provident and Other Funds	4,20,742	4,80,554
Gratuity	-	2,41,430
Staff Welfare Expenses	13,56,424	10,39,917
TOTAL	4,40,15,282	2,33,51,666

NOTE 32: FINANCE COST

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expense		
On Borrowings	97,50,376	1,35,70,276
Others (Including interest on delay / deferred payment)	1,98,434	12,80,448
Bank and other finance charges	29,80,785	13,85,392
TOTAL	1,29,29,595	1,62,36,116

NOTE 33: OTHER EXPENSES

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power, Fuel and Utilities	84,42,703	30,75,218
Processing Charges	1,22,81,127	94,73,234
Lease Rent	88,55,079	96,74,692
Repairs & Maintenance on :		
Building	1,09,000	-
Plant and Machinery	42,97,272	8,80,620
Other Repairs	36,40,080	51,07,764

Advertisement, Publicity & Sales Promotion	11,11,455	13,42,756
Insurance	4,75,284	6,54,574
Rates and Taxes	14,67,913	15,07,133
Pollution Control Expenses	60,144	20,000
Legal and Professional Fees	70,33,415	67,12,531
Foreign Exchange Fluctuation (Net)	(28,09,480)	(31,47,731)
Commission	14,04,816	21,21,997
Discount - Scheme		7,85,536
Freight Forwarding Charges	69,80,574	62,18,794
Octroi Charges	1,05,303	6,12,026
Travelling and Conveyance	54,64,600	44,32,168
Payment to Auditors		
Audit Fees	6,00,000	6,11,500
Other Services	50,000	-
Donations	10,15,000	5,29,100
Bad Debts Written off net of provisions	35,67,063	(31,29,689)
Postage, Telegram , Telephone & Courier	17,60,186	17,14,267
Printing & Stationery	10,18,120	8,42,742
Miscellaneous expenses	49,47,734	34,36,635
TOTAL	7,18,77,388	5,34,75,866

NOTE 34(i): FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

These are Group's first financial statements prepared in accordance with Ind AS

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31 March, 2017 and in the preparation of an opening Ind AS Balance Sheet at 1 April, 2016 (the Group's date of transition).

In preparing its opening Ind AS Balance Sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and Cash Flows is set out in the following tables and notes.

Exemptions applied

Ind AS 101 "First-time adoption of Indian Accounting Standards" allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Groups has applied the following exemptions in transition from previous GAAP to Ind AS:

Optional Exemption
Deemed cost - Fair Value of Property, Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure continue with the carrying values under previous GAAP for carrying value.

Mandatory Exemption

i) Estimates

An entity's estimates in accordance with Ind AS's at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were an error.

Ind AS estimates as at 1 April 2016 and 31 March 2017 are consistent with the estimates as at the same date made in conformity with the previous GAAP

"The Group made estimates for the following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP

- Impairment of financial assets based on expected credit loss model"

ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of Financial Assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

The remaining mandatory exceptions either do not apply or are not relevant to the Group

NOTE 34(ii): RECONCILIATION OF EQUITY AS AT APRIL 01, 2016 AND MARCH 31, 2017

₹ in lakhs

Particulars	Note. No.	As at March 31, 2017			As at April 01, 2016		
		Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
ASSETS							
Non - Current Assets							
Property, Plant & Equipment		9,77,47,923		9,77,47,923	9,61,06,831		9,61,06,831
Capital Work - In - Progress		64,78,794		64,78,794	3,64,256		3,64,256
Other Intangible Assets		1,50,084		1,50,084	-		-
Financial Assets		-		-	-		-
(i) Investments		5,00,010		5,00,010	5,00,010		5,00,010
(ii) Loans		50,76,167		50,76,167	49,76,167		49,76,167
(iii) Others	1	57,77,207	(10,58,627)	47,18,580	43,33,835	(5,95,971)	37,37,864
Other Non - Current Assets		52,89,572		52,89,572	4,48,44,161		4,48,44,161
Total Non - Current Assets		12,10,19,757	(10,58,627)	11,99,61,130	15,11,25,260	(5,95,971)	15,05,29,289
Current Assets							
Inventories		10,04,83,605		10,04,83,605	8,57,53,594		8,57,53,594
Financial Assets		-		-	-		-
(i) Investments		-		-	-		-
(ii) Trade Receivables	2	9,64,47,875	(43,60,813)	9,20,87,062	10,42,53,675	(88,43,498)	9,54,10,177
(iii) Cash & Cash Equivalents		45,02,324		45,02,324	20,98,223		20,98,223
(iv) Bank Balance other than (iii) above		18,25,724		18,25,724	49,20,840		49,20,840
Other Current Assets	1	2,67,50,609	10,27,324	2,77,77,933	1,84,38,125	6,06,985	1,90,45,110
Current Tax Assets (Net)		3,75,028		3,75,028	3,75,028		3,75,028
Total Current Assets		23,03,85,165	(33,33,489)	22,70,51,676	21,58,39,485	(82,36,513)	20,76,02,972
Non - Current Assets classified as held for sale							
TOTAL ASSETS		35,14,04,922	(43,92,116)	34,70,12,806	36,69,64,745	(88,32,484)	35,81,32,261
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital		4,17,64,000		4,17,64,000	3,97,64,000		3,97,64,000
Other Equity		12,32,60,507	(30,82,564)	12,01,77,943	11,05,49,584	(61,76,782)	10,43,72,802
Total Equity		16,50,24,507	(30,82,564)	16,19,41,943	15,03,13,584	(61,76,782)	14,41,36,802
Liabilities							
Non - Current Liabilities							
Financial Liabilities							
(i) Borrowings		81,85,671		81,85,671	92,02,425		92,02,425
(ii) Other Financial Liabilities		5,66,154		5,66,154	5,66,154		5,66,154
Provisions		21,89,363		21,89,363	1,15,07,394		1,15,07,394
Deferred Tax Liabilities (Net)	3	90,68,658	(13,09,552)	77,59,106	95,33,184	(26,55,702)	68,77,482
Total Non - Current Liabilities		2,00,09,846	(13,09,552)	1,87,00,294	3,08,09,156	(26,55,702)	2,81,53,454
Current Liabilities							
Financial Liabilities							
(i) Borrowings		8,83,46,469		8,83,46,469	9,19,57,294		9,19,57,294
(ii) Trade Payables		6,30,74,971		6,30,74,971	6,73,44,638		6,73,44,638
(iii) Other Financial Liabilities		1,26,294		1,26,294	1,26,294		1,26,294
Other Current Liabilities		1,37,83,579		1,37,83,579	2,30,19,862		2,30,19,862
Provisions		9,92,081		9,92,081	5,66,890		5,66,890
Current Tax Liabilities (Net)		47,176		47,176	28,27,028		28,27,028
Total Current Liabilities		16,63,70,570	-	16,63,70,570	18,58,42,005	-	18,58,42,005
Liabilities associated with groups of assets held							
Total Liabilities		18,63,80,416	(13,09,552)	18,50,70,864	21,66,51,161	(26,55,702)	21,39,95,459
TOTAL EQUITY AND LIABILITIES		35,14,04,923	(43,92,116)	34,70,12,807	36,69,64,746	(88,32,484)	35,81,32,262

NOTE 34(iii): RECONCILIATION OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note. No.	For the year ended March 31, 2017		
		Indian GAAP	Adjustment	Ind AS
Income				
Revenue from Operations		48,67,26,346		48,67,26,346
Other Income	1	25,61,202	1,94,540	27,55,742
Total Income		48,92,87,549	1,94,540	48,94,82,089
Expenses				
Excise Duty on Sale of Goods		-	12,13,327	12,13,327
Cost of Material Consumed		27,30,25,225		27,30,25,225
Purchase of Stock In Trade		4,00,37,855		4,00,37,855
Changes in Inventories of Finished Goods / Stock in Trade		3,72,11,732		3,72,11,732
Employee Benefit Expenses	4, 5	3,46,09,299	(1,12,57,633)	2,33,51,666
Finance Cost		1,18,07,937	44,28,179	1,62,36,116
Depreciation and Amortization		88,74,987		88,74,987
Other Expenses	1, 2	6,33,63,200	(98,87,334)	5,34,75,866
Total Expenses		46,89,30,235	(1,55,03,461)	45,34,26,774
Profit Before Tax and Exceptional Item		2,03,57,314	1,56,98,001	3,60,55,315
Exceptional Item		(1,13,34,416)		(1,13,34,416)
Profit Before Tax		90,22,898	1,56,98,001	2,47,20,899
Tax Expenses				
Current Tax		17,20,000		17,20,000
Deferred Tax	3	(4,64,526)	13,46,150	8,81,624
(Excess) / Short Provision of Earlier Years		1,29,001		1,29,001
Profit After Tax		76,38,423	1,43,51,851	2,19,90,274
Other Comprehensive Income not to be reclassified to Profit & Loss in subsequent years				
Re-measurement of Gains / (Losses) on Defined Benefit Plans (net of tax)	4, 5	-	(1,12,57,633)	(1,12,57,633)
Total Other Comprehensive Income for the year		-	(1,12,57,633)	(1,12,57,633)
Total Comprehensive Income for the year		76,38,423	30,94,218	1,07,32,641

NOTE 34 (iv): NOTES TO RECONCILIATION OF EQUITY AS AT APRIL 01, 2016 AND MARCH 31, 2018 AND PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

1 Security Deposits

Under previous GAAP, the group accounted for deposits at transaction value. Under Ind AS, the deposits with inherent significant financing element are initially recorded at fair value with difference between transaction value and fair value being treated as prepaid expenses. The deposits are subsequently measured at amortised cost and deferred rent is amortised over contract period on a straight line basis. This has resulted to an increase in equity on the transition date. The profit before tax for the year ended March 31, 2017 has decreased

2 Expected Credit Loss Allowance

“Under previous GAAP, the group had recognised provision on trade receivables based on the expectation of the company. Under Ind AS, the group provides loss allowance on receivables based on Expected Credit Loss (ECL) model which is measured following the “Simplified Approach” at an amount equal to the lifetime ECL at each reporting date. Consequently, trade receivable have been reduced with a corresponding decrease in retained earnings on the date of transition and there has been reduction in provision for the year ended 31 March, 2017”

3 Deferred Tax

Indian GAAP requires Deferred Tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

4 Remeasurement of Defined Benefit Employee Plans

Under previous GAAP company measured the defined benefit obligations internally. On adoption of Ind AS the company has obtained actuarial valuation for its defined benefit obligation. The difference between defined benefit obligation as per actuarial valuation under Ind AS 19 and as measured under previous GAAP is recognised under retained earnings on transition to Ind AS. Consequently, provisions for employee benefit has been reduced / increased with a corresponding increase / reduction in retained earnings on the date of transition Further under previous GAAP the company actuarial gains and losses in the statement of profit and loss in the period in which they occur. Under Ind AS, the company recognised all measurement gains and losses arising from defined benefit plans in Other Comprehensive Income in the period in which they occur.

5 Other Comprehensive Income

Under Indian GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled Indian GAAP Profit or Loss to Ind AS Profit or Loss. Further, Indian GAAP Profit and Loss account is reconciled to total Comprehensive Income as per Ind AS.

6 Other adjustments

Assets and Liabilities as well as items of Income and Expenses have been regrouped / re-classified wherever necessary to align with the provisions of Ind AS.

7 Reconciliation of Equity

The impact of the above Ind AS adjustment on the Equity is as below

Particulars	Note	“As at March 31, 2017”	“As at April 01, 2016”
Indian GAAP Equity		16,50,24,507	15,03,13,584
Fair Valuation of security deposits as per Ind AS 109	1	(31,303)	11,014
Impairment (mainly based on expected credit loss)	2	(43,60,813)	(88,43,498)
Tax Adjustments	3	13,09,552	26,55,702
Net Impact on Retained Earnings		(30,82,564)	(61,76,782)
Ind AS Equity		16,19,41,943	14,41,36,802

NOTE 35: CONTINGENT LIABILITIES AND COMMITMENTS

1 Letter of Credit, Bank Guarantees and Bill Discounting

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bank Guarantees			
Guarantees given by the Company's banker against counter guarantee given by the company	5,83,700	5,83,700	5,83,700
Total	5,83,700	5,83,700	5,83,700

2 Disputed Liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax as at March 31, 2018

Statute	Financial Year to which matter pertains	Forum where matter is pending	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Gujarat VAT	FY 2006-07	Commissioner of Sales Tax	15,21,427	15,21,427	15,21,427
CST	FY 2006-07	Commissioner of Sales Tax	1,25,145	1,25,145	1,25,145
Gujarat VAT	FY 2007-08	Commissioner of Sales Tax	16,87,325	16,87,325	16,87,325
Gujarat VAT	FY 2011-12	Commissioner of Sales Tax	-	1,49,528	-
CST	FY 2011-12	Commissioner of Sales Tax	-	3,27,679	-
Property Tax	Various years	Navi Mumbai Municipal Corporation	5,79,61,576	-	-
Gujarat VAT	FY 2013-14	Commissioner of Sales Tax	17,13,505	-	-
CST	FY 2013-14	Commissioner of Sales Tax	1,03,15,104	-	-
TOTAL			7,33,24,082	38,11,104	33,33,897.00

Notes :-

- (i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities
- (iii) The Company's pending litigations comprise of proceedings pending with Sales tax/VAT. The Management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Management does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

NOTE 36: EXCEPTIONAL ITEMS

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Terminal allowance to employees	-	1,00,07,789
Property Tax	-	13,26,627
TUF Subsidy written off	75,01,480	
Write of property, plant and equipment	2,64,959	-
Loss on disposal of property, plant and equipment	10,72,039	-
Loss on disposal of investments	7,375	-
TOTAL	88,45,853	1,13,34,416

NOTE 37: EARNINGS PER SHARE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax available for equity shareholders as per Statement of Profit & Loss	2,07,58,922	2,19,90,274
Weighted Average No. of Equity Shares for of Face Value ₹ 10 each	43,86,400	41,76,400
Earnings Per Share - Basic & Diluted	4.73	5.27

NOTE 38: CAPITAL MANAGEMENT

The Company's objective for Capital Management is to maximise shareholder value, safeguard business continuity, and support the growth of the Company. Capital includes, Equity Capital, Securities Premium and other reserves and surplus attributable to the equity shareholders of the Company. The Company determines the capital requirement based on annual operating plans and long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of the Company regularly monitors its key gearing ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total interest bearing financial liabilities	8,21,10,973	9,65,32,140
Less : Cash and Cash Equivalents	86,31,958	45,02,324
Adjusted Net Debt	7,34,79,016	9,20,29,816
Total Equity	18,57,94,892	16,19,41,943
Adjusted Equity	18,57,94,892	16,19,41,943
Adjusted Net Debt to adjusted Equity Ratio	0.40	0.57

NOTE 39: FINANCIAL RISK MANAGEMENT AND POLICIES

The Company has a formal Risk Management (RM) framework, which has grown and refined over a period of time as the businesses are becoming more complex and increasingly facing various challenges across the globe. The Company has put in place a risk management framework in line with its vision, mission and business strategy. The details of different types of risk and management policy to address these risks are listed below:

(a) Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign

currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs

(a) (i) Market Risk - Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates primarily to the Company's borrowings, both short term and long term obligations with floating interest rates.

The company is also exposed to interest rate risk on its financial assets that include fixed deposits (which are part of cash and cash equivalents) since all these are generally for short durations, there is no significant interest rate risks pertaining to these deposits

Exposure to interest rate risk

Particulars	As at March 31, 2018	As at March 31, 2017
Fixed-rate instruments		
Financial Liabilities - Borrowings	27,63,317	81,85,671
Total	27,63,317	81,85,671

Sensitivity analysis to interest rate risk

The company doesn't account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(a) (ii) Market Risk - Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price.

Exposure to Currency risk

The Company is mainly exposed to the price risk due to its investment in equity based mutual funds. At 31st March 2018, the investments in mutual fund (at market value) amounts to ₹ 9,70,535/- (31st March, 2017 : Rs Nil and 01st April, 2016 ₹ Nil). These are exposed to price risk.

The Company does make deposit with the banks as margin money against the borrowing facility provided by the banks. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

Sensitivity analysis to price risk

A 1% movement in prices would have led to the following pre-tax impact in the statement of profit and loss.

Financial Instrument	Increase / (Decrease) in Profit			
	As at March 31, 2018		As at March 31, 2017	
	3% increase	3% Decrease	3% increase	3% Decrease
Investment in Mutual Funds	29,116	(29,116)	-	-
Total	29116	(29,116)	0.00	0.00

(a) (iii) Market Risk - Currency Risk

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a

currency other than the functional currency of the Company. The company is exposed to currency risk on account of its trade payables in foreign currency. The functional currency of the company is Indian Rupees. The Company follows a natural hedge driven currency risk mitigation policy to the extent possible

Exposure to Currency risk

The summary quantitative data about the Company’s exposure to currency risk are reported to management of the company are as follows:

in foreign currency

Particulars	Foreign Currency	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial Assets				
Trade receivables	USD	5,722	15,243	3,595
Financial Liabilities				
Trade payables	USD	10,32,438	6,37,434	5,89,690
	EURO	-	15,328	16,761

Sensitivity analysis to currency risk

A reasonable possible strengthening / (weakening) of the foreign currencies at March 31 would have affected the measurement of above mentioned financial assets and financial liabilities denominated in foreign currencies and affected the equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast of sales and purchases

in Indian Rupees

Foreign Currency	Increase / (Decrease) in Profit			
	As at March 31, 2018		As at March 31, 2017	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	(20,03,455)	20,03,455	(12,10,285)	12,10,285
EURO	-	-	(31,844)	31,844
Total	(20,03,455)	20,03,455	(12,42,130)	12,42,130

(b) Credit Risk

“Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers.

The carrying amount of Financial Assets represents the maximum credit exposure.”

Trade Receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company’s review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured ,except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers’ financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to

compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the company are as under:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance of expected loss provision	70,19,943	1,15,02,628
Add : Provisions made / (reversed)	30,32,486	(31,29,689)
Less : Utilisation for impairment / de-recognition	51,67,972	13,52,996
Closing balance	48,84,457	70,19,943

Other Financial Assets

The company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Expected credit loss on financial assets other than trade receivable:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet

The Company's maximum exposure to credit risk as at 31st March, 2018, 2017 and 1st April, 2016 is the carrying value of each class of financial assets.

(c) Liquidity Risk

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

Exposure to Liquidity Risk

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings		27,63,317		81,85,671		92,02,425
Working Capital Loans from Banks	7,93,47,656		8,83,46,469		9,19,57,294	
Trade Payables	8,92,22,405		6,30,74,971		6,73,44,638	
Other Financial Liabilities	-	2,51,75,154	1,26,294	5,66,154	1,26,294	5,66,154
TOTAL	16,85,70,061	2,79,38,471	15,15,47,734	87,51,825	15,94,28,226	97,68,579

NOTE 40: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

(a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2018 is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial Assets			
Fair Value through Other Comprehensive Income			
Investments (Other than in Subsidiary)	14,70,545	5,00,010	5,00,010
Amortised Cost			
Loans	49,76,166	50,76,167	49,76,167
Trade Receivables	8,68,31,427	9,20,87,062	9,54,10,177
Cash & Cash Equivalents	86,31,958	45,02,324	20,98,223
Other Bank Balances	12,39,917	18,25,724	49,20,840
Other Financial Assets	39,78,579	47,18,580	37,37,864
Total	10,71,28,592	10,87,09,867	11,16,43,281
Financial Liabilities			
Amortised Cost			
Borrowings	8,21,10,973	9,65,32,140	10,11,59,718
Trade Payable	8,92,22,405	6,30,74,971	6,73,44,638
Other Financial Liabilities	2,51,75,154	6,92,448	6,92,448
Total	19,65,08,532	16,02,99,559	16,91,96,804

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair Value Hierarchy

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 - Inputs are not based on observable market data (unobservable inputs).

The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

The financial instruments included in Level 3 of Fair Value Hierarchy have been valued using whole or in part using a valuation model based on assumptions as described below:

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

For Assets and Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial Assets			
Level 1			
Investment in Mutual Fund Units	9,70,535	-	-
Level 2			
Security Deposits	8,29,706	10,58,627	5,95,971
Total	18,00,241.00	10,58,627.00	5,95,971.00

Measurement of Fair Values:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of investment in mutual fund is the N.A.V as on the reporting date of balance sheet
- The fair values of loans given and security deposit given is estimated by discounting cash flows using rates currently available for instruments with similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value

NOTE 41: EMPLOYEE BENEFITS

(a) Retirement Benefits

As per Ind AS 19 the Company has recognized "Employees Benefits", in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2018

(A) Details of defined benefit obligation and plan assets

(a) Retiring Gratuity

I Components of Employer Expenses

Particulars	31st March 2018	31st March 2017
Current Service Cost	3,94,077	20,44,868
Interest Cost	1,54,895	7,56,956
Actuarial (Gain)/Loss	(7,77,699)	(1,15,28,274)
Total Expenses/(Gain) recognized in the Profit & Loss Account	(2,28,727)	(87,26,450)

II Net Asset/ (Liability) recognized in Balance Sheet

Particulars	31st March 2018	31st March 2017
Present value of Funded Obligation	20,06,287	23,95,629
Fair Value of Plan Assets	-	-
Assets/(Liability) recognized in the Balance Sheet		

III Change in Defined Benefit Obligations (DBO)

Particulars	31 st March 2018	31 st March 2017
Opening Balance of Present Value of Obligation	23,95,629	1,15,07,394

Current Service Cost	3,94,077	20,44,868
Interest Cost	1,54,895	7,56,956
Actuarial (Gain)/Loss	(7,77,699)	(1,15,28,274)
Benefit Paid	(1,60,615)	(3,85,315)
Closing Balance of Present Value of Obligation	20,06,287	23,95,629

IV Changes in the Fair Value of Plan Assets

Particulars	31 st March 2018	31 st March 2017
Opening Balance of Fair Value of Plan assets of Obligation	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	1,60,615	3,85,315
Benefit Paid	(1,60,615)	(3,85,315)
Fair Value of Plan Assets as at 31 st March	-	-

V Actuarial Assumption

Particulars	31 st March 2018	31 st March 2017
Discount Rate (Per Annum)	7.89%	6.69%
Annual Increase in Salary Costs Per Annum	5.00%	5.00%
Attrition Rate	3.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI Major Categories of plan assets as a percentage of total plan assets

Particulars	31 st March 2018	31 st March 2017
Government of India Securities		
High Quality Corporate Bonds		
Equity Shares of listed companies		
Gratuity Fun (LIC)	100.00%	100.00%
Insurance Company		

VII Movement in net liability recognized in Balance Sheet

Particulars	31 st March 2018	31 st March 2017
Net Opening Liability	23,95,629	1,15,07,394
P & L Charges / (Income)	3,54,925	(91,11,765)
Closing Net Liability	27,50,554	23,95,629

VIII Gratuity - Sensitivity Analysis

Particulars	₹ In Lakhs			
	31 st March 2018		31 st March 2017	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	20,92,713	19,29,713	25,98,230	22,14,423
Discount Rate (1% movement)	19,30,954	20,92,675	22,13,350	26,02,923

(B) Defined Contribution Plans

Amount recognised as expenses on account of “Contribution / Provision to and for Provident and other Funds” of Statement of Profit and Loss ₹ (4,20,742/-) (Previous year ₹ 4,80,554/-)

NOTE 42: LEASES

The Company has taken certain immovable properties on operating lease which cancellable.

These leave and license agreements for the immovable properties are generally for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. There are no restrictions imposed by lease arrangements or any contingent rents payable. There are no subleases

Annual commitments for lease payments under non-cancellable operating leases for immovable properties are as follows

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
(a)	In respect of operating lease payments recognized in Statement of Profit and Loss.	83,20,779	73,49,066
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	93,05,365	81,28,779
	For the period later than one year and not later than five years	2,04,12,208	2,87,28,373

NOTE 43: RELATED PARTY

List of related parties

Enterprise in which Key Managerial Personnel and their relatives have significant Influence :

S. K. Ultratech Machines Pvt. Ltd.

Key Managerial Personnel / persons exercising significant influence & their relatives

i. Executive Directors :

Mr. Shailesh Shah
Mr. Sharad Shah
Mr. Vaibhav Desai
Mr. Maikal Raorani

ii. Non-Executive Directors :

Mr. Narendra Mahajani
Mr. Aditi Bhat

iii. Relatives of Key Managerial Personnel :

Mrs. Saloni Shah
Nikhil Mehra (HUF)

Particulars	Subsidiary Companies, Associates and Joint Venture		Key Managerial Personnel / persons exercising significant influence & their relatives		Enterprise in which Key Managerial Personnel and their relatives have significant influence		Total	Total
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017		
PURCHASES								
S. K. Ultratech Machines Pvt. Ltd.	-	-	-	-	15,340	11,350	15,340	11,350
Total	-	-	-	-	15,340	11,350	15,340	11,350
PURCHASES OF FIXED ASSETS								
S. K. Ultratech Machines Pvt. Ltd.	-	-	-	-	2,59,600	-	2,59,600	-
Total	-	-	-	-	2,59,600	-	2,59,600	-
SERVICE CHARGES PAID								
S. K. Ultratech Machines Pvt. Ltd.	-	-	-	-	-	3,60,000	-	3,60,000
Total	-	-	-	-	-	3,60,000	-	3,60,000
REMUNERATION								
Shailesh Shah	-	-	24,00,000	24,00,000	-	-	24,00,000	24,00,000
Sharad Shah	-	-	24,00,000	24,00,000	-	-	24,00,000	24,00,000
Vaibhav Desai	-	-	11,18,075	10,69,459	-	-	11,18,075	10,69,459
Maikal Raorani	-	-	6,00,000	-	-	-	6,00,000	-
Total	-	-	65,18,075	58,69,459	-	-	65,18,075	58,69,459
SITING FEES								
Narendra Mahajani	-	-	7,50,000	4,00,000	-	-	7,50,000	4,00,000
Aditi Bhat	-	-	40,000	50,000	-	-	40,000	50,000
Total	-	-	7,90,000	4,50,000	-	-	7,90,000	4,50,000
SALARY								
Saloni Shah	-	-	8,47,500	5,50,000	-	-	8,47,500	5,50,000
Total	-	-	8,47,500	5,50,000	-	-	8,47,500	5,50,000
INTEREST EXPENSE								
Shailesh Shah	-	-	1,43,856	8,18,157	-	-	1,43,856	8,18,157
Sharad Shah	-	-	11,91,966	12,85,602	-	-	11,91,966	12,85,602
Total	-	-	13,35,822	21,03,759	-	-	13,35,822	21,03,759
COMMISSION EXPENSE								
Nikhil Mehra HUF	-	-	1,49,300	5,17,523	-	-	1,49,300	5,17,523
Total	-	-	1,49,300	5,17,523	-	-	1,49,300	5,17,523
LOAN RECEIVED								
Shailesh Shah	-	-	9,00,000	1,03,55,000	-	-	9,00,000	1,03,55,000
Sharad Shah	-	-	72,00,000	1,06,00,000	-	-	72,00,000	1,06,00,000
Total	-	-	81,00,000	2,09,55,000	-	-	81,00,000	2,09,55,000
LOAN REPAID								
Shailesh Shah	-	-	43,77,500	82,77,500	-	-	43,77,500	82,77,500
Sharad Shah	-	-	99,80,000	1,21,00,000	-	-	99,80,000	1,21,00,000
Total	-	-	1,43,57,500	2,03,77,500	-	-	1,43,57,500	2,03,77,500
MONEY RECEIVED AGAINST SHARE WARRANTS								
Shailesh Shah	-	-	-	36,22,500	-	-	-	36,22,500
Total	-	-	-	36,22,500	-	-	-	36,22,500
ISSUE OF SHARES								
Shailesh Shah	-	-	48,30,000	46,00,000	-	-	48,30,000	46,00,000
Total	-	-	48,30,000	46,00,000	-	-	48,30,000	46,00,000

Particulars	Subsidiary Companies, Associates and Joint Venture		Key Managerial Personnel / persons exercising significant influence & their relatives		Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Total	Total
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017		
OUTSTANDING BALANCES								
PAYABLES								
S. K. Ultratech Machines Pvt. Ltd.	-	-	-	-	59,012	3,51,636	59,012	3,51,636
Total	-	-	-	-	59,012	3,51,636	59,012	3,51,636
REMUNERATION PAYABLE TO KMP								
Shailesh Shah	-	-	2,23,530	99,800	-	-	2,23,530	99,800
Sharad Shah	-	-	6,700	3,61,040	-	-	6,700	3,61,040
Vaibhav Desai	-	-	89,125	73,869	-	-	89,125	73,869
Maikal Raorani	-	-	1,25,900	-	-	-	1,25,900	-
Total	-	-	4,45,255	5,34,709	-	-	4,45,255	5,34,709
SITTING FEES PAYABLE								
Narendra Mahajani	-	-	1,68,750	1,89,000	-	-	1,68,750	1,89,000
Aditi Bhat	-	-	9,000	9,000	-	-	9,000	9,000
Total	-	-	1,77,750	1,98,000	-	-	1,77,750	1,98,000
SALARY PAYABLE								
Saloni Shah	-	-	78,200	43,200	-	-	78,200	43,200
Total	-	-	78,200	43,200	-	-	78,200	43,200
INTEREST PAYABLE								
Shailesh Shah	-	-	-	5,37,744	-	-	-	5,37,744
Sharad Shah	-	-	-	11,57,041	-	-	-	11,57,041
Total	-	-	-	16,94,785	-	-	-	16,94,785
LOANS PAYABLE								
Shailesh Shah	-	-	-	34,77,500	-	-	-	34,77,500
Sharad Shah	-	-	-	27,80,000	-	-	-	27,80,000
Total	-	-	-	62,57,500	-	-	-	62,57,500
Share Warrants								
Shailesh Shah	-	-	12,65,000	24,72,500	-	-	12,65,000	24,72,500
Total	-	-	12,65,000	24,72,500	-	-	12,65,000	24,72,500

44 SEGMENT REPORTING :

As the company has only one primary business activity, Segment Reporting is not applicable

45 Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.

46 Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation

47 Figures in brackets indicate previous year's figures.

CORPORATE INFORMATION	1
SIGNIFICANT ACCOUNTING POLICIES	2
NOTES ON ACCOUNTS	3-47

**As per our report attached of even date
THANAWALA & COMPANY
CHARTERED ACCOUNTANTS
Firm Reg. No. 110948W**

For and on behalf of the Board of Directors

**VIJAY K THANAWALA
PROPRIETOR**
Membership No. 15632
Mumbai, Dated : 28/04/2018

**Sd/-
Shailesh Shah
Managing Director**

**Sd/-
Sharad Shah
Director**

**Sd/-
Maikal Raorani
Director**

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SKY INDUSTRIES LIMITED
CIN: L17120MH1989PLC052645

Regd.Office: C 58, TTC Industrial Area, Thane Belapur Road, Pawane ,Navi Mumbai - 400705.

PROXY FORM

29th Annual General Meeting [2017-2018]

[Pursuant to this Section 105(6) of the Companies Act, 2013 and rule19(3) of the Companies (Management and Administration)Rules,2014]

Name of the Company : Sky Industries Limited

Registered office : C 58, TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai - 400705.
Tel. No.: 022-67137900
E-Mail: corporate@skycorp.in;
Website: www.skycorp.com

Name of the Member(s) : _____

Registered Address : _____

Email-Id : _____

FolioNo/ClientID: DPID: _____

I/We, being the member (s) holding shares of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature: _____,or failing him / her

2. Name:

Address:

E-mail Id:

Signature: _____,or failing him / her

3. Name:

Address:

E-mail Id:

Signature: _____,or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of Sky Industries Limited to be held on Friday, the 7th day of September, 2018 at 10:00 AM at Hotel Yogi Executive, Plot no. 31/A, Sector-24, APMC Road, Vashi, Opposite Mafco Market, Navi Mumbai, Maharashtra - 400 705 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	For	Against	Abstain
ORDINARY BUSINESS				
1)	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 st March, 2018 and the Reports of the Directors and Auditors thereon;			
2)	To declare Final Dividend on equity shares of the Company for the financial year ended 31 st March, 2018;			
	The Board has recommended a Final Dividend of Re. 0.50 per Equity Share (Face value ₹ 10 per equity share) amounting to ₹ 21.93 lakhs for the year ended 2017-18.			
3)	To appoint the Auditors in place of the existing Auditors (who are not eligible to be re-appointed due to expiry of the maximum permissible tenure as the Auditors of the Company), to fix their remuneration;			
SPECIAL BUSINESS				
4)	Appointment of Mr. Maikal Raorani (DIN : 00037831) as a Whole time Director of the Company;			
5)	To appoint Mr. Amarendra Mohapatra (DIN: 03609521) as an Independent Director of the company.			

Signed this _____ day of _____ 2018

Affix Revenue Stamp

Signature of shareholder: _____

Signature of Proxy holder(s): _____

NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The proxy need not be a member of the company

SKY INDUSTRIES LIMITED

REGISTERED OFFICE:

C-58, TTC Industrial Area, Thane Belapur Road,
Pawane, Navi Mumbai 400705

CORPORATE OFFICE:

1101, Universal Majestic, Behind RBK International School,
Chembur - West, Mumbai-400 043, Maharashtra, India
Tel No.: Board : 022-67137900
Email: corporate@skycorp.in
Website-www.skycorp.in