

SKY INDUSTRIES LTD.

Word cloud containing the following terms: Rupees, Management, Growth, Market, Meeting, Gains, Finances, Profession, Dollar, Conclusive, Office Manager, Signature, Commodity, Stock, Equity, Promotion, Capital, Shares, Profit, Advertiserising, Career, Strategy, Trade, Currency, Success, Pound, Contract.

2018-19
30th ANNUAL
REPORT

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ABOUT US

Established in the year 1989, we Sky Industries Limited, are one of India’s leading player in Narrow Woven Fabrics.

We have grown to become one of India’s leading suppliers and dominant players in Narrow Woven Fabrics, especially Hook and Loop tape fasteners, and continue to grow steadily year after year.

OUR VALUES

Trust. Reliability. Quality. Innovation. Customer Satisfaction.

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.

OUR MANAGEMENT

BOARD OF DIRECTORS

Mr. Shailesh Shah

Managing Director

Mr. Sharad Shah

Executive Director

Mr. Vaibhav Desai

Executive Director

Mr. Maikal Raorani

Executive Director

Ms. Aditi Bhatt

Independent Non - Executive Woman Director

Mr. Narendra Mahajani *

Independent Non - Executive Director

Mr. Amarendra Mohapatra**

Independent Non - Executive Director

Ms. Sanghamitra Sarangi***

Independent Non - Executive Director

*ceased to be Director w.e.f. February 14, 2019

**Appointed as Director w.e.f. July 27, 2018

***Appointed as Director w.e.f. August 14, 2019

Company Secretary

Ms. Arushi Singhal*

*Appointed w.e.f January 26, 2019

Auditors

M/s UKG & Associates, Chartered Accountants

(Firm Registration No. 123393W)

B-11, West View, 2nd Floor,

Opp. Swami Narayan Temple,

L.N. Road, Dadar (East), Mumbai – 400 014

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Ms. Aditi Bhatt (Chairman)

Mr. Amarendra Mohapatra

Mr. Maikal Raorani

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Amarendra Mohapatra (Chairman)

Ms. Aditi Bhatt

Mr. Maikal Raorani

NOMINATION AND REMUNERATION COMMITTEE

Ms. Aditi Bhatt (Chairman)

Mr. Amarendra Mohapatra

Mr. Maikal Raorani

Ms. Sanghamitra Sarangi

REGISTERED OFFICE	CORPORATE OFFICE	REGISTRAR & SHARE TRANSFER AGENTS
C-58, TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai – 400705	1101, Universal Majestic, Ghatkopar Mankhurd Link Road, Chembur (West), Mumbai – 400043	Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083

Notice to the Members

NOTICE is hereby given that the **30th Annual General Meeting** (the Meeting) of the Members of **Sky Industries Limited** will be held on Saturday, September 14, 2019 at 10:30 AM at Hotel Highway view/ Shikara, Plot No.3, Sector-24, Mumbai – Pune Highway, Opposite Sanpada Railway Station, Navi Mumbai, Maharashtra - 400705 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2019; the Reports of the Board of Directors and Auditors thereon;
2. To declare Final Dividend on equity shares of the Company for the financial year ended 31st March, 2019;

The Board has recommended a Final Dividend of Rs. 1/- per Equity Share (Face value Rs. 10 per equity share) amounting to Rs. 46.06 lakhs for the year ended 2018-19.

SPECIAL BUSINESS:

3. To Consider Ratification of Sky Industries ESOP Plan 2018 (ESOP 2018)

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

“RESOLVED THAT pursuant to In - principle approval obtained from BSE Limited for issue and allotment of 5,00,000 (Five Lakh) stock options convertible into 5,00,000 (Five Lakh) equity shares of the Company the consent of the Members of the Company be and is hereby accorded to ratify the non-disclosure of points as mentioned in explanatory statement to the notice.

RESOLVED FURTHER THAT Mr. Maikal Raorani - Director & Mr. Shailesh Shah - Managing Director be and are hereby jointly and 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;

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).”

4. To approve Preferential issue and allotment of 7,20,000 convertible warrants into equity shares of the company to promoter(s)

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

“RESOLVED THAT pursuant to the provisions of Section 42 & 62 and other applicable provisions, if any, of the Companies Act, 2013, as amended (“Companies Act”) read with Companies (Share Capital and Debentures) Rules, 2014, to the extent notified and in this effect, and all other applicable provisions, if any, various rules, circulars, press

notes, clarification issued by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), and subsequent amendments thereto, including but not restricted to the (SEBI ICDR Regulations), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“SEBI Takeover Regulations”) and amendments thereto as in force and subject to other applicable rules, regulations and guidelines of the Securities and Exchange Board of India (“SEBI”) (“SEBI Regulations”), and the stock exchanges where the shares of the Company are listed (“Stock Exchanges”) and enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into between the Company and the Stock Exchanges and subject to requisite approvals, consents, permissions and/or sanctions of the appropriate statutory authorities, if any, and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise one or more of its power including the powers conferred hereunder), the Board be and is hereby authorized to create, offer, issue and allot up to 7,20,000 convertible warrants into 7,20,000 equity shares of face value of Re. 10/- each (“Equity Shares”) fully paid up, for cash, at such price (including premium) being not less than the price determined in accordance with Chapter VII of SEBI ICDR Regulations, on a preferential basis to the promoter(s) in one or multiple tranches and on such terms and conditions and in such manner, as the Board may think fit and proper and in its absolute discretion.

RESOLVED FURTHER THAT in accordance with the provisions of Chapter V of the SEBI ICDR Regulations, the “Relevant Date” for the purpose of calculating the floor price for the issue of convertible warrants into Equity Shares is 14th August 2019 which would be the date falling 30 days prior to the date of this Annual General Meeting and the floor price as calculated as per ICDR Regulation 2018 is of Rs. 29.25 per share (Rupees Twenty Nine and Twenty Five Paise Per Share).

RESOLVED FURTHER THAT the shares of the company are being infrequently traded as required under regulations 165 the company has obtained a certificate from an independent valuer giving valuation of the equity shares of the company and the minimum price suggested is of Rs. 29.25 per share.

RESOLVED FURTHER THAT the issue of shares, as above shall be subject to the following terms and conditions:

- A) Pursuant to regulation 167 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, on conversion of warrants into the equity shares allotted on preferential basis to promoters or promoter Group, shall be locked in up to a period of 3 year from the date the of trading permission;
- B) the equity shares to be allotted on conversion of warrants, pursuant to the aforesaid preferential allotment in one or multiple tranches, shall rank pari-passu in all respects including as to dividend, bonus and other corporate actions with the existing fully paid up equity shares of face value of Re. 10/- each of the Company;
- C) Subject to regulations of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, at any given point of time in any financial year, the Board shall not allot more than 2,50,000 equity share arising out of the conversion of 7,20,000 convertible warrants into equity shares of Rs. 10/- each;
- D) the Equity Shares on conversion of warrants shall be issued and allotted by the Company to the promoters mentioned herein above shall be in dematerialized form and within a period of 15 days from the date of passing of this resolution or in receipt of the in-principle approval from the Stock Exchanges, whichever is later, and provided further that where the issue and allotment of the said Equity Shares be pending on account of pendency of any approval for such issue and allotment by any regulatory authority, Stock Exchange or the Central Government, the issue and allotment shall be completed within a period of 15 days from the date of such approval; AND
- E) Any Loan (Loan Includes Prior Loan) outstanding in the Books of the company at any given time from the promoters shall be adjusted towards the subscription amount, including initial subscription amount.

RESOLVED FURTHER THAT subject to the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable laws, the Board be and is hereby authorized to vary, modify or alter any of the relevant terms and conditions, including size of the preferential issue to the Investor, as may deem expedient.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board/ the Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid equity shares on conversion of warrants and listing of the equity shares in one or multiple tranches to be allotted on preferential allotment basis with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said equity shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, including without limitation, issuing clarifications on the offer, making any application etc., to the concerned regulatory authorities, issue and allotment of the equity shares, to execute necessary documents and enter into contracts, arrangements, other documents (including for appointment of agencies, intermediaries and advisors for the issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and appoint any consultants and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings and applications etc., with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental and regulatory authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.”

5. Sale/transfer/disposal of manufacturing unit(s)

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

RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the SEBI(Listing Obligations & Disclosure Requirements)Regulations, 2015 entered into by the Company with the Stock Exchanges, and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to sell / transfer / dispose off its manufacturing unit situated at :

1. C-57/1 & 2, TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai-400705.

Including land and Building in relation to the undertaking at such price and on such terms and conditions as may be deemed fit by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize and execute necessary documents including Agreements /deeds of assignment / conveyance and other ancillary documents and in such manner as is decided by the Board to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

6. To approve increase in remuneration of Mr. Shailesh Shah, Managing Director of the Company:

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

“**Resolved that** pursuant to the recommendation of Nomination and Remuneration Committee & Audit Committee and pursuant to the provisions of Sections 196, 197, 198, 201 and other applicable provisions if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be

enacted from time to time) read with Schedule V of the said act, and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the Members be and is hereby accorded to the revision in the remuneration of Mr. Shailesh Shah (DIN: 00006154), Managing Director of the Company on following terms & conditions effective from August 14, 2019 for a period of 3 (Three) years:

Particulars	Amount
Term	3 years
Basic Salary	Rs. 2,50,000/- per month
House Rent Allowance	Rs. 1,25,000/- per month
Special Allowances	Rs. 1,25,000/- per month
Other Allowances	All other allowances as applicable to other senior managerial personnel & KMP as per company policy
Variable Pay	As may be decided by Board from time to time

Resolved Further That the overall Managerial Remuneration Payable to Mr. Shailesh Shah shall be such amount as may be fixed by the Board from time to time on recommendation of Nomination & Remuneration and Audit Committee but not exceeding Rs. 60 lakhs p.a. at any point of time and that the terms and conditions of the aforesaid remuneration payable to the said Managing Director & CEO be varied/ altered/ revised within said overall limit, in such manner as may be required during aforesaid period of 3 (Three) years.

Resolved Further That where in any Financial Year during the tenure of the said Managing Director, the Company has no profits or profits are inadequate, the aforesaid remuneration or remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration.

Resolved Further That any of the Directors and the Company Secretary of the company be and are hereby severally authorized to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in the said regard.

7. To appoint Ms. Sanghamitra Sarangi (DIN: 08536750) 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 Ms. Sanghamitra Sarangi (DIN: 08536750), as Independent Director of the Company, for a term of 5(five) consecutive years, that is up to August 13, 2024.

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.”

By Order of the Board

Sd/-

Arushi Singhal
Company Secretary

Mumbai, August 14, 2019

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.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

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. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this notice under Note No.14.
5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
6. 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.
7. 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.
8. 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.
9. The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.
10. The Register of Members and the Share Transfer Books of the Company will be closed from Friday, 6th September, 2019 to Saturday, 14th September, 2019, both days inclusive for the purpose of payment of dividend for the financial year ended March 31, 2019 and the AGM.
11. 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 6th September, 2019:
 - a) As Beneficial Owners as at the end of business 5th September, 2019 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 Thursday, 5th September, 2019.

12. 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.
13. 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-101, 247 Park, LBS Road, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai – 400 083.

- (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.
- (b) The company has engaged the services of Central Depository Services Limited (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 11th September, 2019
End of e-voting : Up to 05.00 PM on 13th September, 2019

E-voting shall not be allowed beyond 5.00 PM on 13th September, 2019. 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 5th September, 2019.

- (b) The company has engaged the services of CDSL as the Authorized Agency to provide e-voting facilities.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 11th September, 2019 at 10:00 a.m. and ends on 13th September, 2019 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 05 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (c) The company has appointed M/s. Ramesh Chandra Mishra (Company Secretaries), as ‘scrutinizer’ for conducting and scrutinizing the e-voting process in a fair and transparent manner. The result declared along with scrutinizer report shall be placed on the Company’s website www.skycorp.in and the same shall be sent to the stock exchanges simultaneously.
 - (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’.
 - (f) 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.in.

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. 3

The Board of Directors had 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 Lac equity shares / securities linked to equity shares (convertible into equivalent number of equity shares of Rs.10/- each) of the Company. The members of the Company had duly approved the same at their meeting held on 7th September, 2018. In accordance, with the same the Company had applied for obtaining In principle approval from BSE Limited. The BSE limited granted in-principle approval subject to ratification of following points which were inadvertently not disclosed by the Company at the time of approval of ESOP – 2018. Pursuant to In-principle approval obtained from the BSE limited and point regulation 6 (2) (j) to 6 (2)(q) of SEBI (Share Based Employee Benefits) Regulations, 2014 the following points are placed before the members for ratification.

The Salient features of the Scheme are detailed below:-

j) Maximum quantum of benefits to be provided per employee under a scheme(s);

The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the Market price of the shares as on the date of sale of shares arising out of Exercise of Options.

k) The scheme(s) is to be implemented and administered directly by the company or through a trust;

The scheme shall be implemented and administered directly by the company.

l) The scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both;

The scheme only involves new issue of the shares by the company at the time of exercise of options by the employees of the company.

m) The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.;

This is not applicable under the present scheme.

n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);

This is not applicable under the present scheme.

o) A statement to the effect that the company shall conform to the accounting policies specified in regulation 15;

The Company shall conform to the accounting policies specified in the SEBI (Share based Employee Benefits) Regulations, 2014.

p) The method which the company shall use to value its options or SARs;

Fair Value Method or such other method as may be prescribed from time to time

q) The following statement, if applicable:

In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.'

The said statement is not applicable to the Company since the Company is opting for the Fair Value Method.

Members are requested to note that 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 10:30 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 ratification of the above mentioned points..

The Board of Directors accordingly recommends the resolution set out at Item No 3, 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.

Item No. 4

Your company is proposing to offer and issue not exceeding 7,20,000 convertible warrants into equity shares of face value of Rs. 10/- each and a subscription price of Rs. 29.25/- each of the company in accordance with the SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2018 to Promoter & Promoter group,

As per regulation 163 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the required details are furnished as under:

a) Objects of the issue:

At present capital of the company is Rs. 4,60,64,000/- consists of 4606400 equity shares of face value of Rs.10/- each.

The Company as part of its future growth strategy aims to enlarge its core businesses and to meet with that requirements mainly needs short term requirements, tax obligations, working capital, Bank Guarantee or general Corporate purposes. For, the purpose of same the Company is raising capital by issuing shares to the promoters of the company.

b) Maximum number of specified Securities to be issued:

The resolution set out in the accompanying notice authorizes the Board to issue to the allottee, up to 7,20,000 Equity shares of face value of Re. 10/- each, in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter V of the Regulations. The Allotment will be carried in one or more tranches.

c) Intention of the Promoters / Directors / Key Managerial personnel to subscribe the offer:

The present promoter and promoter group holding consist of 23,94,916 equity shares of Rs.10/- each.

The Mr. Shailesh Shah, Promoter, from among the Promoter Group has proposed to subscribe not more than 7,20,000 convertible Warrants and will give the convertible warrants subscription money in one or more tranches and also the shares will be allotted in one or more trances by the company.

** The name, address and PAN no of the allottees as annexed and marked as “Annexure -1” for the ready reference of the members.

d) Shareholding pattern before and after the allotment of the Equity share

Shareholding Pattern before and after allotment of equity shares shall be as follows:

Shareholding Prior to allotment of Equity Share		
Category of Shareholder	Number of Shares held	% of Total paid up capital
Promoter	2394916	51.99
Public	2211484	48.01
Total	4606400	100

Shareholding After allotment of Equity Share		
Category of Shareholder	Number of Shares held	% of Total paid up capital
Promoter	3114916	58.48
Public	2211484	41.52
Total	5326400	100

e) Proposed time within which allotment shall be completed:

Within 15 days from the date of passing this resolution or receipt of the In-principle approval from the Stock Exchange whichever is later.

In any financial year the promoters shall not subscribe more than 2,50,000 equity shares arising out of the total conversion of 7,20,000 convertible warrants into equity shares of Rs 10/- each.

f) Identification of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue

The Ultimate beneficial owner of the shares proposed to be allotted shall be Mr. Shailesh Shah, promoter of the company.

g) Undertaking that the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so;

The issue price of Rs.29.25/- Per convertible warrants into share of face value of Rs.10/- each and is in accordance with regulation 165 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and for the purpose of the above guidelines the Relevant Date is 14/08/2019. The Valuation is as per regulation 165 of the SEBI (ICDR) Regulation, 2018. Presently the shares of the company fall into the infrequently traded category.

The price of the shares to be issued wherever required shall be re-computed/adjusted in accordance with the above said regulation.

h) Undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees.

The Equity shares to be allotted on preferential basis on conversion of the warrants shall be subject to lock- in as per regulation 167 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with the SEBI (LODR) Regulations, 2018. The equity shares allotted on preferential basis to promoters or promoter Group shall be locked in from the date of relevant date for a period of three (3) years from the date of their allotment/trading permission, whichever is later.

Further, pursuant to section 167 (6) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the entire pre preferential holding of the allottee shall be locked-in from the relevant date up to a period of six months from the date of trading approval.

If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked – in till the time such amount is paid by the allottees.

i) Disclosures specified in Schedule VI, if the issuer or any of its promoters or directors is a wilful defaulter.

The company or any of its promoters or Directors is not a wilful defaulter.

j) Auditor's certificate:

A certificate as required under 163(2) of the SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2018, certifying that the proposed issues is in accordance with the Chapter V of SEBI (ICDR) Regulations, has been obtained from the Statutory Auditors of the company and the same will be available for inspection at the registered office of the company during the business hours till the date of the meeting between 10:30 a.m. to 1 p.m. and the copy of the same made available to any member free of cost.

ANNEXURE -1

SL. NO.	NAME	CATEGORY	PAN NO	ADDRESS
1	SHAILESH SHAH	PROMOTER	ADDPS3982K	MUMBAI

The Board of Directors accordingly recommends the resolution set out at Item No 4, 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 Mr. Shailesh Shah.

Item No. 5

The company has two manufacturing units situated in Navi Mumbai, at:

1. C-58, TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai-400705;
2. C-57/1 & 2, TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai-400705, which are neighboring units.

The Company is expected to get additional FSI which will facilitate the sale of neighboring unit and move the operations to the existing unit i.e. C-58, TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai-400705.

The net proceeds from the sale of the Undertaking will be utilized for reduction of working capital of the Company or general business purpose, resulting in substantial savings in borrowing costs for the Company, and thus improving profitability and enhancing the value for the shareholders. The sale of the said Undertaking will not have any impact on the Company's existing business.

The Board of Directors of the Company, at its meeting held on 01 August, 2019 has accorded their consent to sell / dispose off the land and building portion of the manufacturing Unit C-57/1 & 2 at a price as decided.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolution.

All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours. In terms of the provisions of Section 180 (1) and Section 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of Companies (Management and Administration) Rules 2014, to the extent applicable, the Board seek the above resolution by way of the approval of Members by way of Special Resolution. The Board therefore recommends the Resolution as set out at Item No. 5 for approval of the members as Special Resolution.

Item No. 6:

Mr. Shailesh Shah, was re-appointed and designated as Managing Director of the Company by the shareholders of the company at their meeting held on 10th August, 2017 for a period of 5 years.

Further, considering the contribution of Mr. Shailesh Shah and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on August 01, 2019 approved the revision in remuneration of Mr. Shailesh Shah for a period of 3 years effective from August 01, 2019 on terms and conditions enumerated in the Resolution.

Pursuant to Section 197 read with schedule V of the Companies Act, 2013 the revised remuneration of Mr. Shailesh Shah as decided by the Board is required to be approved by the Members at their meeting due to inadequacy of profits.

It is hereby confirmed that the Company has not committed any default in respect of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year and in the current financial year.

It is submitted that based on the projections, the overall managerial remuneration may exceed the limits specified in Section 197 of the Companies Act, 2013. The Members are requested to consider the revision in remuneration of Mr. Shailesh Shah, Managing Director of the Company.

Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following statement is given:

Sr. No.	Particulars	Details
I. General Information		
1	Nature of Industry	: Manufacturing of Narrow Woven Fabrics (Technical Textiles)
2	Date or expected date of commencement of commercial production	: Not Applicable
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in prospectus	Not Applicable
4	Financial Performance based on given indicators	Performance for F.Y. 2018-19 1. Gross Revenue: Rs. 58 Crore 2. Profit After Tax: Rs. 1.8 Crore 3. Dividend: Rs. 46.06 lakhs 4. EPS: Rs. 3.43
5	Foreign investments or collaborations, if any	N.A.
II. Information about the appointee		
1	Background Details	Mr. Shailesh Shah is a post graduate and having a vast industry experience of more than 30 years. He has been associated with the Company from the inception stage.
2	Past Remuneration	Rs. 24,00,000/- p.a.
3	Recognition or rewards	N.A.
4	Job Profile and his suitability	He has been associated with textiles and related business since 1984. He is looking broadly into marketing as well as operations of the Company since the manufacturing activity had commenced. Owing to his vast exposure to the above, he is suitable for the aforesaid position.
5	Remuneration Proposed	As mentioned in the remuneration stated above
6	Comparative Remuneration Profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibilities shouldered by him of the enhanced business activities of the company, proposed remuneration is commensurate with Industry Standards and board Level positions held in similar sized and similarly positioned business.
7	Pecuniary Relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Not Applicable
III. Other Information		
1	Reasons of loss or inadequate profits	The proposed remuneration is not falling within the limits specified under section 197 of the Companies Act, 2013. However, the same is in line with the Industry Standards for managerial personnel falling under the same cadre.
2	Steps taken or proposed to be taken for improvement	N.A.
3	Expected increase in productivity and profits in measurable terms	N.A.

Pursuant to the applicable provisions of the Companies Act, 2013, and the relevant rules made thereunder, consent of members is being sought by way of a Special Resolution.

Except, Mr. Shailesh Shah none of the promoters, directors, key managerial personnel and their relatives is considered to be concerned or instead financially or otherwise, in the Resolution.

The Board of Directors recommends passing of the Special Resolution at Item No. 6 of the Notice.

Item No. 7

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Human Resources, Nomination and Remuneration Committee, the Board of Directors has proposed that Ms. Sanghamitra Sarangi (DIN: 08536750) be appointed as an Independent Director on the Board of the Company.

Ms. Sanghamitra Sarangi is a graduate holding degree of Company Secretary and L.L.B. having an experience of more than four years. She has worked with companies such as Sri Kailash Trader Private Limited, Neelkanth Natural Resources Private Limited, Sri V B Medicare Private Limited. She has a vast experience in the field of Company Secretary, legal and due diligence in manufacturing industries.

In the opinion of the Board, Ms. Sanghamitra Sarangi fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations. Ms. Sanghamitra Sarangi is independent of the management and possesses appropriate skills, experience and knowledge.

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 Director 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 Companies 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.

Ms. Sanghamitra Sarangi is interested and concerned in the Resolution mentioned at Item No.7 of the Notice. Other than Ms. Sanghamitra Sarangi, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 7 of the Notice.

The Board recommends the resolution set forth in Item no. 7 for the approval of the members.

By Order of the Board

Sd/-

Arushi Singhal

Company Secretary

Mumbai, August 14, 2019

Registered Office:

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



Hotel Highway View,

Plot No. 3, Mumbai - Pune Highway,
Opposite, Sanpada Railway Station Road,
Navi Mumbai, Maharashtra 400705.

For query Contact us:

Phone No : 022-67137900

Mail : corporate@skycorp.in



Route Map to Company's 30th AGM.

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their **30th Annual Report** on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019.

1. Financial summary or highlights/Performance of the Company

The Board's Report shall be prepared on the basis of financial statements of the company.

Rs. In lacs

Particulars	2018 – 19	2017 - 18
Gross Income	5,845	5,333
Provision for Depreciation	130	98
Net Profit Before Tax	256	242
Provision for Tax	76	66
Net Profit After Tax	180	176
Balance of Profit brought forward	178	176
Balance available for appropriation	178	176
Proposed Dividend on Equity Shares	46.06	23.03
Tax on proposed Dividend	5.35	4.73
Transfer to General Reserve	Nil	Nil
Surplus carried to Balance Sheet	126.59	148.24

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 now. The contribution of Hook and Loop Tape Fasteners is 84% approx of the overall revenue of the Company. The other significant division, viz Velvet Manufacturing is based in Navi Mumbai.

The turnover of the Company for financial year ended March 31, 2019 was Rs. 58 Crores, an increase from Rs. 52 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 Rs. 1/- per equity share of face value of Rs. 10/- each for the financial year ended 31st March, 2019.

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 as well as neither 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, 220000 warrants have been converted into shares.

7. Directors and Key Managerial Personnel

During the year, Mr. Narendra Mahajani ceased to be Director of the Company w.e.f February 14, 2019.

Further, Miss Mansi Bagadiya ceased to be Company Secretary of the Company w.e.f January 25, 2019 and Miss Arushi Singhal was appointed as Company Secretary of the Company w.e.f January 26, 2019.

Particulars of Employees

In terms of provisions of Section 197 (12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules together with disclosures pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure - II to this Report.

8. 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.

9. 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 other Committees.

10. 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 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.

11. 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.

12. 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, 2019.

13. AUDITORS:

Under section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the Statutory Auditors on Completion of the maximum term permitted under the provisions of the Companies Act, 2013. In line with the same, M/s UKG & Associates, Chartered Accountants, (Form registration number 123393W), was appointed as the statutory auditors of the Company to hold office for a period of five consecutive years from the conclusion of 29th Annual General Meeting of the Company held on 7th September, 2018, till the conclusion of 34th Annual General Meeting to be held in year 2023. The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 07, 2018.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under Companies Act, 2013 and code of ethics issued by Institute of Chartered Accountants of India.

14. AUDITORS' 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.

15. 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 2018-19

16. Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under, M/s. Ramesh Chandra Mishra, 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 do not call for any further comments.

17. Internal Audit & Controls

The Company continues to engage M/s Sitendu Sharma & Co as its Internal Auditor. During the year, the Company continued to implement 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.

18. Issue of employee stock options

The Company granted 172462 options to the employees of the Company. Detailed report on same is enclosed as **Annexure V** to this report.

19. 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.

20. Risk management policy

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

21. 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** as a part of this Annual Report as **ANNEXURE I**.

22. Material Changes

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

23. Deposits

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

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

Details of Loans:

SL No	Date of making loan	Details of Borrower	Amount	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of BR	Date of SR (if reqd)	Rate of Interest	Security
NIL									

Details of Investments:-

SL No	Date of investment	Details of Investee	Amount INR Lacs	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Expected rate of return
NIL							

Details of Guarantee / Security Provided:

SL No	Date of providing security/ guarantee	Details of recipient	Amount	Purpose for which the security/ guarantee is proposed to be utilized by the recipient	Date of BR	Date of SR (if any)	Commission
NIL							

25. Particulars of contracts or arrangements with related parties:

The particulars of every contract or arrangements 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. The Disclosure of same is given in **Annexure IV**.

26. 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.

27. 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.

28. 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

Details of Foreign exchange earnings and outgo for the financial year ended March 31, 2019 are as follows:

Foreign Exchange Earning : Rs. 2.54 Crores

Foreign Exchange Outgo : Rs. 29 Crores

29. Corporate Social Responsibility (CSR)

As per the Companies Act, 2013, all companies having net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs.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.

30. Human Resources

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

31. Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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;
- (c) I 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;
- (d) the directors have prepared the annual accounts on a going concern basis; and

I 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.
- (e) 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.

32. Transfer of Amounts to Investor Education and Protection Fund

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, there are no amounts due to be transferred to the IEPF.

33. 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

For and on behalf of the Board of Directors

Sd/-
Maikal Raorani

Sd/-
Shailesh Shah

Place : MUMBAI
Date : August 14, 2019

Whole-time Director
00037831

Managing Director
00006154

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

Annexure - I

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019**

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	84%
2	Others	13999	16%

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				

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 - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	1911416	0	1911416	43.5760	2231416	0	2231416	48.4416	4.8656
(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	6.0072	163500	0	163500	3.5494	0
	Sub Total (A)(1)	2174916	0	2174916	49.5832	2394916	0	2394916	51.9911	2.4079
[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)	2174916	0	2174916	49.5832	2394916	0	2394916	51.9911	2.4079
(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 Rs. 2 lakh.	922171	221526	1143697	26.0737	912398	215276	1127674	24.4806	-1.5931

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	587360	0	587360	13.3905	659153	0	659153	14.3095	0.9190
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)				0.0000	371737	52920	424657	9.2188	9.2188
	Hindu Undivided Family	85090	0	85090	1.9399	92040	0	92040	1.9981	0.0582
	Non Resident Indians (Non Repat)	27526	0	27526	0.6275	26772	0	26772	0.5812	-0.0463
	Non Resident Indians (Repat)	81207	94410	175617	4.0037	78502	48120	126622	2.7488	-1.2549
	Clearing Member	12155	0	12155	0.2771	12198	0	12198	0.2648	-0.0123
	Bodies Corporate	175239	4800	180039	4.1045	162225	4800	167025	3.6259	-0.4786
	Sub Total (B)(3)	1890748	320736	2211484	50.4168	1943288	268196	2211484	48.0089	-2.4079
	Total Public Shareholding(B)=(B(1)+(B)(2)+(B)(3)	1890748	320736	2211484	50.4168	1943288	268196	2211484	48.0089	-2.4079
	Total (A)+(B)	4065664	320736	4386400	100	4338204	268196	4606400	100	0
(C)	Non Promoter - Non Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
[1]	Shares Underlying DRs	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Shares Held By Employee Trust	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	4065664	320736	4386400	100	4338204	268196	4606400	100	0.0000

**IV (ii) Shareholding_of_Promoters
Sky Industries Limited**

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% change in share holding 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	19.6526	'0.0000	862043	19.6526	'0.0000	0.0000
2	SHAILESH S SHAH	1040623	23.7239	'0.0000	1360623	29.5377	0	5.8138
3	SKAY FINVEST PRIVATE LIMITED*	263500	6.0072	6.0072	163500	3.5494	6.38	-2.4578
4	SALONI S SHAH	4400	0.1003	'0.0000	4400	0.1003	'0.0000	0.0000
5	SANGITA SHILESH SHAH	4350	0.0992	'0.0000	4350	0.0992	'0.0000	0.0000
	Total	2174916	49.5832	'6.0072	2394916	52.9392	6.827	3.3560

* Beneficial Ownership is of Mr. Shailesh Shah pursuant to *inter-se* transfer dated February 26, 2016

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 - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		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	1040623	22.5908			1040623	22.5908
	Transfer			06 Jul 2018	100000	1140623	24.7617
	Transfer			24 Aug 2018	220000	1360623	29.5377
	AT THE END OF THE YEAR					1360623	29.5377
2	SHARAD S SHAH	862043	18.7163			862043	18.7163
	Transfer						
	AT THE END OF THE YEAR					862243	18.7140
3	SKAY FINVEST PRIVATE LIMITED	263500	5.7203			263500	5.7203
	Transfer			06 Jul 2018	(100000)	163500	3.5494
	AT THE END OF THE YEAR					163500	3.5494
4	SALONI DEDHIA	4400	0.0955			4400	0.0955
	AT THE END OF THE YEAR					4400	0.0955
5	SANGITA SHILESH SHAH	4350	0.0944			4350	0.0944
	AT THE END OF THE YEAR					4350	0.0944

- Note:
1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 4606400 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 (iii) Shareholding Pattern of Top 10 Shareholder

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		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	105731	2.2953			105731	2.2953
	AT THE END OF THE YEAR					105731	2.2953
2	DHEERAJ KUMAR LOHIA	78044	1.6943			78044	1.6943
	Transfer			14 Sep 2018	7659	85703	1.8605
	Transfer			23 Nov 2018	661	86364	1.8749
	AT THE END OF THE YEAR					86364	1.8749
3	PANKAJ KHIMJI NARAM	59500	1.2917			59500	1.2917
	AT THE END OF THE YEAR					59500	1.2917

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		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
4	KAILASHBEN ASHOKKUMAR PATEL	56000	1.2157			56000	1.2157
	Transfer			27 Apr 2018	(2000)	54000	1.1723
	Transfer			27 Jul 2018	297	54297	1.1787
	Transfer			16 Nov 2018	4570	58867	1.2779
	Transfer			29 Mar 2019	(167)	58700	1.2743
	AT THE END OF THE YEAR					58700	1.2743
5	ANILKUMAR JANARDAN GOKHALE	56500	1.2266			56500	1.2266
	Transfer			06 Apr 2018	(200)	56300	1.2222
	Transfer			13 Apr 2018	(50)	56250	1.2211
	Transfer			20 Apr 2018	(750)	55500	1.2048
	Transfer			27 Apr 2018	(661)	54839	1.1905
	Transfer			24 Aug 2018	(5)	54834	1.1904
	Transfer			14 Sep 2018	(134)	54700	1.1875
	Transfer			21 Sep 2018	(200)	54500	1.1831
	Transfer			29 Sep 2018	(401)	54099	1.1744
	Transfer			19 Oct 2018	(400)	53699	1.1657
	Transfer			26 Oct 2018	(11)	53688	1.1655
	AT THE END OF THE YEAR					53688	1.1655
6	KUNAL DILIPBHAI MEHTA	0	0.0000			0	0.0000
	Transfer			27 Jul 2018	46290	46290	1.0049
	AT THE END OF THE YEAR					46290	1.0049
7	E ALLY CONSULTING INDIA PRIVATE LIMITED	45900	0.9964			45900	0.9964
	AT THE END OF THE YEAR					45900	0.9964
8	VIJAY BABULAL SHAH	43842	0.9518			43842	0.9518
	AT THE END OF THE YEAR					43842	0.9518
9	ARCHANA NAVIN SAXENA	40996	0.8900			40996	0.8900
	AT THE END OF THE YEAR					40996	0.8900
10	SANJAY TULSIDAS	46290	1.0049	6 Jul 2018	(46290)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

Note:

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 4606400 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 - 2018		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	19.6526	862043	18.7140
	At the End of the year	862043	19.6526	862043	18.7140
2	Mr. Shailesh Shah				
	At the beginning of the year	1040623	22.5908	1040623	22.5908
	At the End of the year	1360623	29.5377	1360623	29.5377
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
5	Ms. Arushi Singhal				
	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		2222666	49.1903	2222666	48.2517

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	793.48	-	793.48
ii) Interest due but not paid			
iii) Interest accrued but not due			
Total (i+ii+iii)			
Change in Indebtedness during the financial year			
Additions			
Reduction			
Net Change			
Indebtedness at the end of the financial year			
i) Principal Amount	906.53		906.53
ii) Interest due but not paid			
iii) Interest accrued but not due			
Total (i+ii+iii)			

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.	2400000	1800000	2400000	1200900	7800900
	(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	41250	0	18704	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)	2400000	1800000	2400000	1200900	7800900
	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:

Particulars of Remuneration	Name of the Directors			Total Amt
	Narendra Mahajani	Aditi Bhat	Amarendra Mohapatra	
Independent Directors				
(a) Fee for attending board committee meetings	0	50000	40000	90000
(b) Commission	0	0	0	
(c) Others, please specify	0	0	0	0
Total (1)	0	0	0	0
Other Non Executive Directors	0	0	0	0
(a) Fee for attending board committee meetings	0	0	0	0
(b) Commission	0	0	0	0
(c) Others, please specify.	0	0	0	0
Total (2)	0	0	0	0
Total (B)=(1+2)	0	50000	40000	90000
Total Managerial Remuneration	0	50000	40000	90000
Overall Cieling as per the Act.				

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Arushi Singhal	Maikal Raorani	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		112184	1800000	
	(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				
2	Stock Option		2500	41250	
3	Sweat Equity				
4	Commission				
	as % of profit				
	others, specify				
5	Others, please specify				
	Total		112184	1800000	

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					

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

Sd/-
Maikal Raorani

Sd/-
Shailesh Shah

Place : MUMBAI
Date : August 14, 2019

Whole-time Director
00037831

Managing Director
00006154

Annexure – II

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and percentage increase in the remuneration of each Director and Key Managerial personnel (KMP) during the financial year 2018 – 19 are as follows:

Sr. No.	Name of Director/ KMP	Designation	Ratio of remuneration of each Director to median remuneration of employees	Percentage increase in remuneration
1	Mr. Shailesh S. Shah	Managing Director	2.87:1	Nil
2	Mr. Sharad S. Shah	Executive Director	2.87:1	Nil
3	Mr. Vaibhav Desai	Executive Director	1.44:1	Nil
4	Mr. Narendra Mahajani [@]	Non - Executive Director	N.A.:1	Nil
5	Mr. Amarendra Mohapatra [*]	Non - Executive Director	N.A.:1	Nil
6	Ms Aditi Bhatt	Non - Executive Director	N.A.:1	Nil
7	Mr. Maikal Raorani	Executive Director & Chief Financial Officer	2.15:1	Nil
8	Ms. Arushi Singhal [#]	Company Secretary	0.24:1	Nil

[@] ceased to be Director of the Company w.e.f February 14, 2019

^{*}appointed as Non – Executive Director of the Company w.e.f July 27, 2018 and regularized as Non – executive Director at 29th AGM of the Company held on 7th September, 2018.

[#]appointed as Company secretary w.e.f January 26, 2019 (in place of Ms. Mansi Bagadiya who ceased to hold office w.e.f January 25, 2019)

- During the year no remuneration was paid to Mr. Narendra Mahajani, Mr. Amarendra Mohapatra and Ms. Aditi Bhatt, however sitting fees was paid amounting to Rs. 40,000 and Rs. 50,000 to Mr. Amarendra Mohapatra and Ms. Aditi Bhatt respectively. No sitting fee was paid to Mr. Narendra Mahajani.
- The percentage increase in the median remuneration of employees in the financial year 2018-19 was 6%.
- The company had 53 employees on the rolls of the Company as on March 31, 2019.
- The average increase in the remuneration of employees in the financial year 2018-19 was 6%. As per the performance evaluation policy of the Company, remuneration payable by the Company (including variable pay) is linked to individual performance as well as performance of the Company.
- The Board of Director hereby affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

Sd/-
Maikal Raorani

Sd/-
Shailesh Shah

Place : MUMBAI

Whole-time Director

Managing Director

Date : August 14, 2019

00037831

00006154

**Annexure III
Form No. MR-3**

**SECRETARIAL AUDIT REPORT
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019**

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

To,
**The Members,
Sky Industries Limited,
C-58, TTC Industrial Area,
Thane Belapur Road, Pawane,
Navi Mumbai ,MH 400705 India.**

We 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 our opinion thereon.

Based on our 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 conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 (hereinafter called the 'Audit Period') 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 and subject to the reporting made hereinafter:

We 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, 2019 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 (Not applicable to the Company during the Audit Period).

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, 2015;
7. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ,subject to amendment Act, 2018;
8. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2006 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,2014;

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.

We have also examined compliance with the applicable clauses of the followings:

12. Secretarial Standard issued by The Institute of Company Secretaries of India.
13. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Listing Agreements/Regulations entered into by the Company with Bombay Stock Exchange Limited

We 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 (Not Applicable to the Company during the Audit Period);
2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
3. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, (Not Applicable to the Company during the Audit Period).

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

We 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 our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like Labour Laws.

We 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.

We 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.

We further report that, 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.

We 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 : 1st August, 2019

For Ramesh Chandra Mishra & Associates

Sd/-
Ramesh Mishra
FCS: 5477
PCS: 3987

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,
**The Members,
Sky Industries Limited,
C-58, TTC Industrial Area,
Thane Belapur Road, Pawane,
Navi Mumbai ,MH 400705 India.**

Our report of even date is to 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. Wherever 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 : 1st August, 2019

For Ramesh Chandra Mishra & Associates

Sd/-
Ramesh Mishra
FCS: 5477
PCS: 3987

Annexure - IV

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	date(s) of approval by the Board	Amount paid as advances, if any:
NIL					

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

Sd/-
Maikal Raorani

Sd/-
Shailesh Shah

Place : MUMBAI
Date : August 14, 2019

Whole-time Director
00037831

Managing Director
00006154

Annexure – V

DISCLOSURE WITH RESPECT TO EMPLOYEES STOCK OPTIONS SCHEME OF THE COMPANY

(Pursuant to Rule 9 of Companies Share Capital and Debentures) Rules, 2014)

Sr. no.	Particulars	Information
(a)	Options Granted	1,72,462
(b)	Options Vested	Nil
(c)	Options Exercised	Nil
(d)	The total number of shares arising as a result of exercise of option	Not Applicable
(e)	Options lapsed	Nil
(f)	The exercise price	Rs. 10/- per option
(g)	Variation of terms of options	Nil
(h)	Money realized by exercise of options	Nil
(i)	Total number of options in force	1,72,462
(j)	Employee wise details of options granted to:	
	i. Key managerial personnel	Mr. Maikal Raorani - 41,250 Ms. Arushi Singhal – 2,500
	ii. Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Nil
	iii. Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

Sd/-
Maikal Raorani

Sd/-
Shailesh Shah

Place : MUMBAI
Date : August 14, 2019

Whole-time Director
00037831

Managing Director
00006154

CORPORATE GOVERNANCE REPORT [2018-19]

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 executive, non-executive and Independent Directors of high repute. The Chairman of the Board and Audit Committee are Independent Director. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mandatory for the company with a non-executive director as a chairperson to have at least one-third of the independent directors on its board.

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 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, 2019

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	4***	Present	No	No	No
4.	Mr. Amarendra Mohapatra	NED-ID	5	3****	Present	No	No	No
5.	Ms Aditi Bhatt	NED-ID	5	5	Present	1	No	No
6.	Mr. Maikal Raorani	ED	5	5	Present	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, 2019
- *** In Audit and Shareholders Grievances Committee of Indian Public Limited Companies as on 31st March, 2019.
- **** Resigned w.e.f February 14, 2019
- ***** The appointment of the director was done in July 2018

Details of Board Meetings Held during the Year

Date of Board Meeting	28 Apr, 2018	27 July, 2018	1 Nov, 2018	25 Jan, 2019	14 Feb, 2019
Board Strength	6	6	7	7	6
No. of Directors Present	6	6	7	7	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, 2019.

BOARD COMMITTEES:

Currently the Board functions through Sub-committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship committee, and Health and Safety 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:

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. The Audit Committee of the Board of Directors was re-constituted with effect from January 25, 2019. The Audit Committee oversees the Company's Financial Report process, internal control systems, reviews the accounting policies and practices, and financial statements audited by the statutory auditors.

The detail of the composition and meeting of Audit Committee are as follows:

Name of Members	Meeting Dates and Attendance			
	28 Apr, 2018	27 July, 2018	1 Nov, 2018	25 Jan, 2019
Mr. Narendra Mahajani (Chairman)*	Yes	Yes	Yes	Yes
Ms. Aditi Bhatt (Chairman-Member)**	Yes	Yes	Yes	Yes
Mr. Vaibhav Desai (Member)*	Yes	Yes	Yes	Yes
Mr. Amarendra Mohapatra*** (Member)	N/A	N/A	N/A	N/A
Mr. Maikal Raorani*** (Member)	N/A	N/A	N/A	N/A

*ceased to be member of the committee w.e.f January 25, 2019

**appointed as chairman of the committee w.e.f. January 25, 2019

***appointed as member of the Committee w.e.f. January 25, 2019

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 in accordance with Section 178 of the Companies Act, 2013.

The detail of the composition and meeting of Nomination and Remuneration Committee are as follows:

Name of Members	Meeting Dates and Attendance			
	28 Apr, 2018	27 July, 2018	1 Nov, 2018	25 Jan, 2019
Mr. Narendra Mahajani (Chairman)*	Yes	Yes	Yes	Yes
Ms. Aditi Bhatt (Chairman-Member)**	Yes	Yes	Yes	Yes
Mr. Vaibhav Desai (Member)*	Yes	Yes	Yes	Yes
Mr. Amarendra Mohapatra*** (Member)	N/A	N/A	N/A	N/A
Mr. Maikal Raorani*** (Member)	N/A	N/A	N/A	N/A
Ms. Sanghamitra Sarangi**** (Member)	N/A	N/A	N/A	N/A

*ceased to be member of the committee w.e.f January 25, 2019

**appointed as chairman of the committee w.e.f. January 25, 2019

***appointed as member of the committee w.e.f. January 25, 2019

****appointed as member of the committee w.e.f. August 14, 2019

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

Details of Remuneration paid to Directors for the financial year 2018-19 are as under:

Amount in Rupees

Name of the Director	Gross Salary	Sitting Fees	Total
Mr. Narendra Mahajani*	-	-	-
Mr. Shailesh S. Shah	24,00,000		24,00,000
Mr. Sharad S. Shah	24,00,000		24,00,000
Ms. Aditi Bhatt		50,000	50,000
Mr. Amarendra Mohapatra**		40,000	40,000
Mr. Vaibhav Desai	12,00,900		12,00,900
Mr. Maikal Raorani	18,00,000		18,00,000
		Total	

* ceased to be Director w.e.f February 14, 2019

**appointed as Director w.e.f July 27, 2018

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 granted 41,250 and 18,704 stock options to Mr. Maikal Raoani and Mr. Vaibhav Desai respectively.

c. Stakeholder Relationship Committee:

The Stakeholders' Relationship Committee of the Board of Director is constituted in compliance with the provisions of Section 178 (5) of the Companies Act, 2013. The Committee is fully empowered to consider and resolve grievances of security holders of the Company including complaints related to transfer of shares, non - receipt of Annual Report, Notices and other Interests of the security holders. Periodic reports are placed for review by the Committee.

The detail of the composition and meeting of Stakeholders' Relationship Committee are as follows:

Name of Members	Meeting Dates and Attendance		
	28 Apr, 2018	27 July, 2018	25 Jan, 2019
Mr. Narendra Mahajani (Chairman)*	Yes	Yes	Yes
Ms. Aditi Bhatt (Member)***	Yes	Yes	Yes
Mr. Vaibhav Desai (Member)*	Yes	Yes	Yes
Mr. Amarendra Mohapatra** (Member)	N/A	N/A	N/A
Mr. Maikal Raorani*** (Member)	N/A	N/A	N/A

*ceased to be member of the committee w.e.f January 25, 2019

**appointed as chairman of the committee w.e.f. January 25, 2019

***appointed as member of the Committee w.e.f. January 25, 2019

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

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 2018-2019.

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.

ANNUAL GENERAL MEETINGS:

Details of Annual General Meetings:

Particulars	F.Y.2017-2018	F.Y.2016-2017	F.Y.2015-2016
Date	07.09.2018	10.08.2017	30.09.2016
Time	10.00 A.M.	11.00 A.M.	11.00 A.M.
Venue	Hotel yogi Executive, Plot no. 31/A, Sector – 24, APMC Road, Vashi, opposite Mafco Market, Navi Mumbai – 400 705	C-58, TTC Industrial Area, Thane Belapur Road, Pawne, Navi Mumbai - 400705 .	C-58, TTC Industrial Area, Thane Belapur Road, Pawne, Navi Mumbai – 400705.
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 2018-19 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 2018-19, there are no audit qualifications in the Company’s financial statements.

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. 30th Annual General Meeting

Date : 14th September 2019
 Time : 10.30 A. M.
 Venue : Hotel Highway view/ Shikara, Plot No.3, Sector-24,
 Mumbai – Pune Highway, Opposite Sanpada Railway Station,
 Navi Mumbai, Maharashtra - 400705

b. Tentative Calendar for Financial Year 2019-2020:

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2020 are as follows:

Financial Reporting for the Quarter Ended June 30, 2019	By mid of August 2019
Financial Reporting for the Quarter and Half yearly Ended September 30, 2019	By mid of November 2019
Financial Reporting for the Quarter Ended December 31, 2019	By mid of February 2019
Financial Reporting for the Quarter Ended March 31, 2020	By mid of May, 2020

c. Book Closure

The Register of Members and the Share Transfer Books of the Company will be closed from Friday, 6th September, 2019 to Saturday, 14th September, 2019, both days inclusive for the purpose of payment of dividend for the financial year ended March 31, 2019 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 2018 - 2019:

The Stock Exchange, Mumbai

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)
Apr-18	40.65	56	40.65	49.75	38305	373	1883503
May-18	47	48.9	40.55	44.95	14525	224	646617
Jun-18	41.55	54.9	33.55	39	29376	298	1138242
Jul-18	36	40	32	36.55	9137	179	326654
Aug-18	38.45	43.45	34	37.55	33580	403	1281908
Sep-18	35.1	41.9	34.2	37.95	37866	223	1405918
Oct-18	34.25	40.85	34	35.7	25543	260	935138
Nov-18	36.95	39	30.4	34	25925	248	902674
Dec-18	32.05	36.65	31.25	34.05	8366	118	278514
Jan-19	35	41	30.25	32.05	15061	194	520077
Feb-19	35.95	35.95	26.25	31.5	18557	222	594571
Mar-19	33	36.45	30.55	33	20609	205	678748

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 4338204 equity shares of Rs.10/- each were dematerialized as on 31st March, 2019 constituting 94.17 % 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

For and on behalf of the Board of
Directors

Sd/-
Maikal Raorani

Whole-time Director
00037831

For and on behalf of the Board of
Directors

Sd/-
Shailesh Shah

Managing Director
00006154

Place : MUMBAI

Date : August 14, 2019

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, 2019 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: August 01, 2019

For Ramesh Chandra Mishra & Association

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, 2019.

For Sky Industries Limited

Sd/-
Shailesh Shah
Managing Director

PLACE : MUMBAI
DATE : August 14st, 2019

Management Discussion and Analysis

Industry Structure & Development:

SKY INDUSTRIES LIMITED is one of pioneers in the country in the fields of technical textiles and a dominant player in the Narrow Woven Fabric industry, particularly Hook & Loop Tape Fasteners catering to various product categories viz. Footwear, Orthopedics, Textiles, Leather, Infant wear, Sports, Defence, Medical Accessories, Hygiene, Aviation, Automobiles, Home furnishings etc.

Opportunity and Threats:

The US-China trade war has thrown ample opportunities for exports from India and the Company has the opportunity of capturing steadily growing markets by undertaking capacity expansion. The Company is in process of evaluating various options for the same and plan to grow internationally keeping in view the new opportunities created.

On the domestic front, the Company looks to cement its position as leading fastening solutions provider with capabilities to satisfy niche requirements.

The Company still faces threats from imports and other new emerging players with access to Asian markets that are creating intense competition for the company's products. Though in last couple of decades no new fastening application has been able to dislodge Hook and Loop Tape fasteners, the threat of new applications coming in cannot be entirely ruled out. The Company is thus looking to de risk itself by going in for related diversification, leveraging on its present robust domestic customer base.

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 key concerns for the Company, amongst others, are rising input costs, inability of the Company to pass on the increase in costs to its customers, and increase in foreign exchange rates.

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 about Rs. 58 Crores as compared to previous years' Rs. 52 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 Rs. 254 lacs, a jump of nearly 2.5 times as compared to the previous year. The Company further expects to consolidate the growth in export and is looking forward to grow manifold in export segment.

Financial Liquidity:

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 Sitendu Sharma, 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, 2019 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 periods figures have been restated as per Ind AS to make them comparable.

Human Resources & 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, 2019, the total number of employees on the rolls of the Company was 53.

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.

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 of the Company, do hereby certify as follows:

- A. 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.
- B. 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.
- C. 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.
- D. 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 and on behalf of the Board of
 Directors

Sd/-
Maikal Raorani

Whole-time Director
 00037831

For and on behalf of the Board of
 Directors

Sd/-
Shailesh Shah

Managing Director
 00006154

Place : MUMBAI
 Date : April 30, 2019

**FINANCIAL STATEMENTS FORMING PART OF ANNUAL
REPORT OF SKY INDUSTRIES LIMITED FOR THE ENDED
31ST MARCH, 2019**

Independent Auditor’s Report

To the Members of Sky Industries Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Sky Industries Limited (‘the Company’), which comprise the Balance Sheet as at 31st March 2019, the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 on the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SA’s) specified under section 143(10) of the Act. Our responsibilities under those SA’s are further described in the Auditor’s Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in our audit
<p>Revenue Recognition</p> <p>Revenue from sale of goods is recognized when control of the products being sold is transferred to the customer and when there are no longer any unqualified obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.</p> <p>Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.</p>	<p>Our audit procedures included :</p> <ul style="list-style-type: none"> • We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with applicable accounting standards • We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents • We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct period.

<p>Revenue is measured at fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provisions for discounts and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.</p>	<ul style="list-style-type: none"> • We tested the design, implementation and operating effectiveness of controls over the calculations of discounts and rebates • We assessed manual journals posted to revenue to identify unusual items.
<p>Provision for taxation and other significant provisions</p> <p>Accrual for tax and other contingencies requires the management to make judgements and estimates in relation to the issues and exposures arising from a range of matters relating to direct tax, indirect tax, transfer pricing arrangements, claims and other eventualities arising in the regular course of business</p> <p>The key judgements lies in the estimations of the provisions where they may differ from the future obligations. By nature, provision is difficult to estimate and includes many variables.</p>	<p>Our audit procedures included :</p> <ul style="list-style-type: none"> • We tested the effectiveness of controls around the recognition of provisions • We used our subject matter experts to assess the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. • We challenged the assumptions and critical judgements made by the management which impact their estimate of the provisions required, considering judgments previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company's advisors and assessing whether there was an indication of management bias. • We discussed the status in respect of significant provisions with the Company's internal tax team and consultant as well. • We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for 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.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
2. 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 matters specified in the paragraph 3 and 4 of the order.
3. As required by 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 purposes 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 (including other comprehensive income), statement of changes in equity and statement of cash flow 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 prescribed under Section 133 of the Act
 - (e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 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"; and
 - (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 litigations (if any) as at 31st March, 2019 on its financial position in its financial statements – Refer Note 34 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.

-
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

**For UKG & Associates
Chartered Accountants
Firm Regn No : 123393W**

**Place: Mumbai
Date: 30th April, 2019**

**Sd/-
Champak K. Dedhia
Partner
Membership No: 101769**

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2019, we report that:

1. Fixed Assets

- 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. Inventory

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. Loans and Advances granted

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. Compliances with Sections 185 and 186 in case of loans, investments, guarantees and security:

According to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act 2013 with respect to the loans & investment made.

5. Deposits:

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. Cost Records:

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. Statutory Dues:

- 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 2019, for a period of more than

six months from the date they become payable except for the following undisputed statutory dues which were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable:

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates
Navi Mumbai Cess	Cess	39,44,356/-	Various Years

- 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, 2019:

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where the dispute is pending
Gujarat VAT Act, 2003	VAT	15,21,427/-	A.Y. 2007-08	Commissioner of Sales Tax
Central Sales Tax Act, 1956	CST	1,25,145/-	A.Y. 2007-08	Commissioner of Sales Tax
Gujarat VAT Act, 2003	VAT	16,87,325/-	A.Y. 2008-09	Commissioner of Sales Tax
Gujarat VAT Act, 2003	VAT	17,13,505/-	A.Y. 2014-15	Commissioner of Sales Tax
Property Tax	Property Tax	3,94,70,886/-	Various Years	Navi Mumbai Municipal Corporation

8. Dues To Financial Institutions/Banks

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. Application of Initial Public Offer / Term Loans

The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

10. Frauds:

According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. Managerial Remuneration:

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. Nidhi Companies:

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. Compliances with Sections 177 and 188 in case of transactions with related parties:

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

14. Preferential allotment or private placement of shares/debentures:

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

15. Compliances with Sections 192 in case of non cash transactions with Directors:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions 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. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**For UKG & Associates
Chartered Accountants
Firm Regn No : 123393W**

**Place: Mumbai
Date: 30th April, 2019**

**Sd/-
Champak K. Dedhia
Partner
Membership No: 101769**

Annexure - B to the Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")****Opinion**

We have audited the internal financial controls over financial reporting of Sky Industries Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 31st March 2019, 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.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Director are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have 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, issued by ICAI and deemed to be prescribed 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 judgment, 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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.

**For UKG & Associates
Chartered Accountants
Firm Regn No : 123393W**

**Place: Mumbai
Date: 30th April, 2019**

**Sd/-
Champak K. Dedhia
Partner
Membership No: 101769**

BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note No.	As at March 31, 2019 (Audited)	As at March 31, 2018 (Audited)
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	3	14,79,50,983	14,96,24,548
Capital Work - In - Progress	3	31,83,465	2,20,000
Other Intangible Assets	3	50,806	95,089
Financial Assets			
Investments	4	-	5,00,010
Loans	5	38,000	49,76,166
Others	6	46,17,440	39,78,579
Income tax Assets (Net)		13,06,459	-
Other Non - Current Assets	7	58,10,091	44,21,208
Total Non - Current Assets		16,16,50,785	16,38,15,600
Current Assets			
Inventories	8	13,01,42,801	12,05,22,853
Financial Assets			
Investments	9	35,39,273	9,70,535
Trade Receivables	10	9,85,93,826	8,68,31,427
Cash & Cash Equivalents	11	6,16,200	86,31,958
Bank Balance other than above	12	36,72,299	12,39,917
Current tax asset (Net)	13	13,06,459	-
Other Current Assets	14	2,44,21,927	2,49,88,162
Total Current Assets		26,22,92,788	24,31,84,852
TOTAL ASSETS		42,39,43,573	40,70,00,452
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	4,60,64,000	4,38,64,000
Other Equity	16	15,87,83,886	14,19,30,892
Total Equity		20,48,47,886	18,57,94,892
Liabilities			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	17	13,45,249	27,63,317
Other	18	2,43,83,300	2,51,75,154
Provisions	19	19,83,002	19,60,621
Deferred Tax Liabilities/Assets (Net)	20	1,10,27,355	91,35,355
Total Non - Current Liabilities		3,87,38,906	3,90,34,447
Current Liabilities			
Financial Liabilities			
(i) Borrowings	21	8,93,08,446	7,93,47,656
(ii) Trade Payables	22	7,59,15,845	8,92,22,405
(iii) Other Financial Liabilities	23	1,89,945	-
Other Current Liabilities	24	1,29,62,485	1,27,27,431
Provisions	25	19,80,060	8,54,557
Current Tax Liabilities (Net)	26	-	19,063
Total Current Liabilities		18,03,56,781	18,21,71,112
Total Liabilities		21,90,95,687	22,12,05,559
TOTAL EQUITY AND LIABILITIES		42,39,43,573	40,70,00,452

CORPORATE INFORMATION	1
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As per our report attached of even date For and on behalf of the Board of Directors
UKG & ASSOCIATES
CHARTERED ACCOUNTANTS
 Firm Reg. No. :123393W

Sd/- Champak K Dedhia Partner Membership No.101769 Mumbai, Dated: 30/04/2019	Sd/- Shailesh Shah Managing Director DIN: 00006154	Sd/- Aditi bhatt Director DIN: 07144131	Sd/- Maikal Raorani Director & CFO DIN: 00037831	Sd/- Arushi Singhal Company Secretary ACS: 54516
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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note. No.	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from Operations	27	58,14,13,298	52,98,83,036
Other Income	28	36,60,944	61,82,107
Total Income		58,50,74,242	53,60,65,143
Expenses			
Cost of Material Consumed	29	35,77,69,759	31,34,92,196
Excise Duty on Sale of Goods			2,79,097
Purchase of Stock In Trade	30	5,57,25,601	4,94,71,386
Changes in Inventories of Finished Goods / Stock in Trade	31	(1,91,64,447)	(48,22,862)
Employee Benefit Expenses	32	3,90,58,856	4,40,15,282
Finance Cost	33	1,06,87,481	1,29,29,467
Depreciation and Amortization	3	1,29,56,056	97,77,854
Other Expenses	34	9,73,95,618	7,46,86,868
Total Expenses		55,44,46,281	49,98,29,287
Profit Before Tax and Exceptional Item		3,06,27,961	3,62,35,856
Exceptional Gain / (Loss)	36	(49,76,166)	(1,14,64,467)
Profit Before Tax		2,56,51,795	2,47,71,389
Tax Expenses			
Current Tax		57,05,877	52,62,225
Deferred Tax		18,92,000	13,86,267
Profit After Tax		1,80,53,918	1,81,22,897
Other Comprehensive Income			
Items that will not to be reclassified to Profit & Loss			
- Remeasurment of define benefit liability/(asset) (net of tax)		(2,74,700)	(5,09,026)
- Change in Fair Value of FVOCI equity instruments (net of tax)		-	(19,447)
Total Other Comprehensive Income for the year		(2,74,700)	(5,28,473)
Total Comprehensive Income for the year		1,77,79,218	1,75,94,424
Earnings Per Share - Basic & Diluted (Rs.)	37	3.93	4.13

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As per our report attached of even date For and on behalf of the Board of Directors

UKG & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Reg. No. :123393W

Sd/-
 Champak K Dedhia
 Partner
 Membership No.101769
 Mumbai, Dated: 30/04/2019

Sd/-
 Shailesh Shah
 Managing Director
 DIN: 00006154

Sd/-
 Aditi bhatt
 Director
 DIN: 07144131

Sd/-
 Maikal Raorani
 Director & CFO
 DIN: 00037831

Sd/-
 Arushi Singhal
 Company Secretary
 ACS: 54516

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	2,56,51,795	2,47,71,389
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
Depreciation & Amortization	1,29,56,056	97,77,854
Finance Cost	1,03,13,962	1,29,29,467
Interest Income	(1,78,745)	1,09,138
Advances written off	49,76,166	
Dividend Income	-	(60,000)
Loss on sale of Assets/ Assets written off	1,27,927	39,62,987
ESOP Expenses	<u>2,55,421</u>	<u>-</u>
	2,84,50,834	2,62,61,604
Operating Profit Before Changes in Working Capital	5,41,02,629	5,10,32,993
Adjustment for Changes in Working Capital		
(Increase) / Decrease in Trade Receivables	(1,17,62,399)	52,55,635
(Increase) / Decrease in Inventories	(96,19,948)	(2,00,39,248)
(Increase) / Decrease in Loans & Advances	38,000	1,00,001
(Increase) / Decrease in Other Non - Current Financial Assets	(6,38,861)	7,66,752
(Increase) / Decrease in Other Non - Current Assets	(13,88,883)	8,68,364
(Increase) / Decrease in Other Current Assets	5,66,235	26,76,771
Increase / (Decrease) in Trade Payables	(1,33,06,560)	2,64,55,092
Increase / (Decrease) in Other Current Financial Liabilities	1,89,945	(1,26,294)
Increase / (Decrease) in Other Current Liabilities	2,35,054	(10,51,238)
Increase / (Decrease) of Non current Financial liabilities	(7,91,854)	2,46,09,000
Increase / (Decrease) in Non Current Provisions	358196	(9,99,993)
Increase / (Decrease) in Current Provisions	<u>11,25,503</u>	<u>(1,37,524)</u>
	(35787966)	3,83,77,318
Cash Generated from Operations	1,83,14,663	8,94,10,311
Less: Taxes Paid (Net of refund received)	(69,25,522)	(50,84,329)
Less: Dividend & Dividend Distribution Tax Paid	<u>(27,76,646)</u>	<u>-</u>
NET CASH FLOW FROM OPERATING ACTIVITY (A)	86,12,495	8,43,25,982
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment & Intangible Assets	(1,46,59,646)	(5,70,52,688)
Sale of Property, Plant & Equipment & Intangible Assets	3,30,000	3,75,000
Sale of Investments	5,00,010	2,34,000
Investments during the year	(25,68,738)	(9,70,535)
Interest Received	1,78,745	3,48,704
Dividend Received	-	60,000
Movement in other bank balances	<u>(24,32,382)</u>	<u>5,58,522</u>
NET CASH FLOW FROM INVESTING ACTIVITY (B)	(1,86,52,011)	(5,64,46,997)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
C CASH FLOW FROM FINANCING ACTIVITY		
Increase/(Decrease) of Term Loan/Vehicle Loans	(14,18,068)	(9,20,069)
Increase/(Decrease) of Unsecured Loans	-	(79,52,285)
Increase/ (Decrease)in Working Capital facility (net)	99,60,790	(55,48,813)
Receipt of Equity Share Capital (incl. Share Premium)	37,95,000	36,22,500
Finance Cost	<u>(1,03,13,962)</u>	<u>(1,29,29,467)</u>
NET CASH FLOW FROM FINANCING ACTIVITY (C)	20,23,761	(2,37,28,134)
NET CASH FLOW FOR THE YEAR (A + B + C)	(80,15,755)	41,50,851
Add: Opening Balance of Cash & Cash Equivalents	86,31,957	44,81,106
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	<u>6,16,202</u>	<u>86,31,957</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	5,05,106	84,97,217
Cash on Hand	1,11,096	1,34,741
CASH AND CASH EQUIVALENT	<u>6,16,202</u>	<u>86,31,957</u>
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	<u>6,16,202</u>	<u>86,31,957</u>

CORPORATE INFORMATION	1
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As per our report attached of even date For and on behalf of the Board of Directors
UKG & ASSOCIATES
CHARTERED ACCOUNTANTS
 Firm Reg. No. :123393W

Sd/-
Champak K Dedhia
 Partner
 Membership No.101769
 Mumbai, Dated: 30/04/2019

Sd/-
Shailesh Shah
 Managing Director
 DIN: 00006154

Sd/-
Aditi bhatt
 Director
 DIN: 07144131

Sd/-
Maikal Raorani
 Director & CFO
 DIN: 00037831

Sd/-
Arushi Singhal
 Company Secretary
 ACS: 54516

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 2018-19**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.,

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.

b) Application of New Accounting Pronouncements

The company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect is described below:

- i. The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018 and it is detailed in note 2.3
- ii. The Company has elected to recognize cumulative effect of initially applying Ind AS 115 retrospectively as an adjustment to opening balance sheet as at 1st April 2018 on the contracts that are not completed contract as at that date. There was no impact of above on the opening balance sheet as at 1st April 2018 and on the Statement of Profit and Loss for the year ended 31st March, 2019.

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

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 of 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.

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	15 Years
Furniture and Fixtures	10 Years
Vehicles	8 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/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 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 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's at FVTPL' or' other financial liabilities consists of derivative financial instruments, wherein the gain/losses arising from remeasurement of these Instruments of 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 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 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
- c) **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 maaterials 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 recognised 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 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 Company's normal operating cycle 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.

2.23 STANDARDS ISSUED BUT NOT YET EFFECTIVE

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from 1st April, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

a) Ind AS 116, Leases:

Ind AS 116 supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019.

The Company has elected to adopt Ind AS 116 retrospectively to each prior reporting period presented. This will result in change in the Balance Sheet, Statement of Profit and Loss and Cash flow statement. The Company intends to use low value exemptions and short term exemption in accordance with Ind AS 116. The Company is assessing the disclosure requirements of the amendment and the effect on its financial statements

b) Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1st April 2019.

c) Amendment to Ind AS 12, Income Taxes:

"The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events."

"The Company will apply these amendments for annual reporting periods beginning on or after 1st April 2019. The impact on the Financial Statements is being evaluated."

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, 2018	Additions / Transfers	Deductions	As At April 01, 2018	For The Year	On Deductions	As At 31-Mar-19	As At March 31, 2018
(A) TANGIBLE ASSETS								
Land - Leasehold	4,60,51,572	32,08,272	-	1,29,128	64,564	-	4,90,66,152	4,59,22,444
Factory Buildings	2,67,21,233	-	24,57,125	24,57,125	12,56,826	24,57,125	2,30,07,282	2,42,64,108
Plant & Machinery	7,60,48,052	83,43,674	1,20,10,273	1,20,10,273	71,80,531	1,20,10,273	6,52,00,922	6,40,37,779
Furniture & Fixture	53,81,133	-	6,40,321	6,40,321	7,48,446	6,40,321	39,92,366	47,40,812
Vehicles	64,55,666	-	5,45,162	44,372	13,23,759	87,189	46,29,562	64,11,294
Office Equipments	35,90,422	25,999	4,74,862	4,74,862	16,23,643	4,74,862	15,17,916	31,15,560
Computers	16,31,458	1,18,236	4,98,907	4,98,907	7,14,004	4,98,907	5,36,783	11,32,551
Total - Tangible Assets	16,58,79,536	1,16,96,181	1,66,26,650	1,62,54,988	1,29,11,773	1,61,68,677	14,79,50,983	14,96,24,548
(B) CAPITAL WORK IN PROGRESS								
Factory Buildings	-	23,64,500	-	-	-	-	23,64,500	-
Plant & Machinery	2,20,000	8,18,965	2,20,000	-	-	-	8,18,965	2,20,000
Total - Capital Work In Progress	2,20,000	31,83,465	2,20,000	-	-	-	31,83,465	2,20,000
(C) INTANGIBLE ASSETS								
Software Licences	1,65,000	-	69,911	69,911	44,283	69,911	50,806	95,089
Total - Intangible Assets	1,65,000	-	69,911	69,911	44,283	69,911	50,806	95,089
TOTAL(A)+(B)+(C)	16,62,64,536	1,48,79,646	1,69,16,561	1,63,24,899	1,29,56,056	1,62,38,588	15,11,85,254	14,99,39,637
Previous Year's	11,32,51,788	6,35,31,482	1,05,18,734	88,74,987	97,77,854	23,27,942	1,49,39,637	10,43,76,801

Notes

- 1) Lease hold land under varying lease arrangement for period ranging from 75 - 99 years
- 2) The Company has capitalised borrowing cost of Rs. 32,08,172/- in land. (Previous year Rs. 33,32,195)
- 3) Refer Note no. 21 for assets provided as security

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	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 Rs. 10/- each	-	-	-	-
Investment in Others (Unquoted and fully paid up)				
Equity shares of Dombivali Nagarik Sahakari Bank Ltd. Of Rs. 10/- each	-	-	50,000	5,00,010
TOTAL		-		5,00,010
Aggregate Amount of Quoted Investment & Market Value thereof		-		-
Aggregate amount of Unquoted Investments		-		5,00,010
Aggregate amount of impairment in value of Investments				

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

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Loans to Employees	38,000	49,76,166
TOTAL	38,000	49,76,166

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

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	46,17,440	39,78,579
TOTAL	46,17,440	39,78,579

NOTE 7: OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	19,27,840	-
Others		
Inventory**		
Raw materials		
Work-in-progress	-	-
Finished goods	22,25,310	27,64,267
Stock in Trade	16,56,941	16,56,941
TOTAL	58,10,091	44,21,208

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

NOTE 8: INVENTORIES

Particulars	As at March 31, 2019	As at March 31, 2018
At Lower of Cost or Net Realisable Value		
Raw Materials	2,49,01,277	2,30,42,474
Raw Materials - Goods in Transit	1,33,04,188	2,46,64,492
Work in Process	1,45,26,059	56,67,431
Finished Goods	7,54,57,498	6,46,12,722
Others (Packing Material,etc..)	19,53,779	25,35,734
TOTAL	13,01,42,801	12,05,22,853

- i) The value of inventories above is stated after impairment of NIL (previous year of Rs.1,32,63,624/-) for write - down to the net realisable value and provision for slow moving obsolete item 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.
- ii) Refer note No. 2.9 for method of valuation of inventory.

NOTE 9: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Units	Amount	No. of Shares	Amount
Investment Mandatorily measured at FVTPL				
Investment in Mutual Funds	1,32,641.89	35,39,273	39,017.19	9,70,535
TOTAL	1,32,641.89	35,39,273	39,017.19	9,70,535
Aggregate Amount of Quoted Investment & Market Value thereof		-		-
Aggregate amount of Unquoted Investments		35,39,273		9,70,535
Aggregate amount of impairment in value of Investments				

NOTE 10: FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	As at March 31, 2019		As at March 31, 2018	
Trade Receivables				
Unsecured - Considered Good	9,86,05,080		9,17,15,883	
Unsecured Considered for Doubtful	(11,254)	9,85,93,826	(48,84,456)	8,68,31,427
Less :- Allowance for unsecured doubtful debts				
TOTAL		9,85,93,826		8,68,31,427

- 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, 2019	As at March 31, 2018
Balances with Banks in Current Accounts	5,05,106	84,97,217
Cash on Hand	1,11,094	1,34,741
TOTAL	6,16,200	86,31,958

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

Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid Dividend Account	1,89,945	
Margin Money Pledged with Banks	34,82,354	12,39,917
TOTAL	36,72,299	12,39,917

- i) Unpaid Dividend Account includes amount which is been kept in separate earmarked account and no transaction accept for stated purpose are done through such account.
- ii) Margin money deposit of Rs. 34,82,354/- as at 31st March 2019(previous year as at 31st March 2018 Rs. 12,39,917/-) as lien aganst borrowing with Kotak Mahindra Bank.

NOTE 13: Current Tax Asset (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current tax asset [Net of provision]	13,06,459	-
TOTAL	13,06,459	-

NOTE 14: OTHER CURRENT ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Advances other than capital advances		
Advance to Employees	1,98,531	83,161
Advance to Suppliers / Expenses	26,18,769	26,55,611
Others		
Prepaid Expenses	18,05,092	28,47,296
Export Incentive Receivable	1,90,320	5,11,644
Balances with Revenue Authorities	1,81,06,430	1,75,38,859
DEPB licences	2,785	5,891
TDS Receivable from GIDC	-	3,45,700
TOTAL	2,29,21,927	2,39,88,162

Balances with Revenue Authorities including Drawback, VAT and GST

NOTE 15: EQUITY SHARE CAPITAL

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
1,50,00,000 Equity Shares (Previous year 1,50,00,000) of Rs. 10/- each	15,00,00,000	15,00,00,000
500,000 Redeemable Preference Shares of Rs. 100/-each	5,00,00,000	5,00,00,000
TOTAL AUTHORIZED SHARE CAPITAL	20,00,00,000	20,00,00,000
Issued, Subscribed & Paid Up Equity Shares		
46,06,400(43,86,400) Equity Shares of Rs 10/- each fully paid up	4,60,64,000	4,38,64,000
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	4,60,64,000	4,38,64,000

a) Reconciliation of the number of shares outstanding :

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	43,86,400	4,38,64,000	41,76,400	4,17,64,000
Add: Fresh Issue of Equity Share made during the year	2,20,000	22,00,000	2,10,000	21,00,000
Shares at the end	46,06,400	4,60,64,000	43,86,400	4,38,64,000

b) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a par value Re 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, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
Skay Finvest Pvt Ltd*	1,63,500	3.55%	2,63,500	6.01%
Sharad Shah	8,62,043	18.71%	8,62,043	19.65%
Shailesh Shah	13,60,623	29.54%	10,27,748	23.43%
TOTAL	23,86,166	51.80%	21,53,291	49.09%

*Beneficial ownership is of Shailesh shah

NOTE 16: OTHER EQUITY

Particulars	Securities Premium	General Reserve	Retained Earnings	Share Warrants	Total
Balance as on April 01, 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		
- Remeasurements gains / (loss) on defined benefit plans			-5,09,026		
Total comprehensive income for the year			2,02,49,896		
Issue of equity shares on conversion of share warrants	27,30,000			-12,07,500	
Balance as on April 01, 2018	53,30,000	80,80,000	12,72,55,892	12,65,000	14,19,30,892
Dividend paid for the year 2017-18			(23,03,200)		(23,03,200)
Dividend distribution tax			(4,73,446)		(4,73,446)
Profit for the period			1,80,53,918		1,80,53,918
Other comprehensive income					-
- Remeasurements gains / (loss) on defined benefit plans			(2,74,700)		(2,74,700)
- Fair value loss on FVOCI financial asset					-
Total comprehensive income for the year	-	-	1,77,79,218	-	1,77,79,218
Issue of equity shares on conversion of share warrants	28,60,000			(12,65,000)	15,95,000
ESOP outstanding amount			2,55,421		2,55,421
As at March 31, 2019	81,90,000	80,80,000	14,25,13,885	-	15,87,83,885

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

Employee Stock Option Plan

The Members of the Company had approved the Stock Option scheme titled “ESOP 2018” at the Annual General Meeting held on 14th February, 2019. This scheme provided for conditional grant of shares at nominal value to eligible employees as determined by the Board of Directors from time to time, at the end of the vesting period.

The Company has granted 1,72,462 (One Lakh Seventy Two Thousand Four Hundred and Sixty Two) Options entitling to Equity Shares of Rs.10/- (Ten Rupees) under the ESOP 2018 at an exercise price of Rs.10/- (Ten Rupees).

The vesting period shall be as given below or such other and further 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 exercise period shall commence from each date of Vesting and expire at the end of three years from the date of vesting. The options shall lapse if not exercised within the Exercise period.

Further the Status of the Options is as follows:

Particulars	No. of options
Outstanding at the beginning of the period	-
Add: Granted during the year	1,72,462
Less: Forfeited during the year	-
Less: Exercised during the year	-
Less: Expired during the year	-
Outstanding at the end of the period	1,72,462
Exercisable at the end of the period	-

The Guidance Note on “Accounting for Employee Share Based Payments” issued by ICAI (“Guidance Note”) establishes financial accounting and reporting principles for share based payment plans for employees. The Guidance Note applies to employee share based payments, the grant date in respect of which falls on or after 1st April, 2005.

As per the Guidance Note, the Company follows the intrinsic method to account for compensation expense arising from issuance of stock options to the employees. Since all stock options are granted at a value lower than the intrinsic value, accordingly compensation cost has been recorded in respect of these options.

Since there are no new shares are issued by the Company, there will not be any increase in the share capital of the Company, nor will there be any impact on the Earnings Per Share or other ratios relating to Share Capital, as a result of exercise of the Stock Options

C. Dividends Paid / Proposed during the year

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Corporate Dividend Paid During the year		
Dividend Paid	-	-
Dividend Per Fully Paid Up Share	-	-
Corporate Dividend Proposed for the year		
Dividend Proposed	46,06,400	21,93,200
Dividend Proposed Per Fully Paid Up Share	1.00 Rs.	0.5 Rs.

NOTE 17: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

Particulars	As at March 31, 2019	As at March 31, 2018
SECURED :		
Term Loans		
Banks	13,45,249	27,63,317
TOTAL	13,45,249	27,63,317

Notes :-

A Term Loans :

- i. Term loan from HDFC bank aggregating to Rs. 1,77,150/- (Previous year Rs. 5,71,690/-) carries interest rate @ 10.00% p.a. repayable in 36 equated monthly installments of Rs. 36,379/- .
- ii. Term loan from HDFC bank aggregating to Rs. 1,47,603/- (Previous year Rs. 2,81,730/-) carries interest rate @ 8.55% p.a. repayable in 36 equated monthly installments of Rs. 12,950/- .
- iii. Term loan from HDFC bank aggregating to Rs. 4,29,121/- (Previous year Rs. 7,57,518/-) carries interest rate @ 9.75% p.a. repayable in 60 equated monthly installments of Rs. 32,700/-
- iv. Term loan from HDFC bank aggregating to Rs. 2,17,633/- (Previous year Rs.3,99,346/-) carries interest rate @ 8.60 % p.a. repayable in 36 equated monthly installments of Rs. 17,700/- .
- v. Term loan from ICICI bank aggregating to Rs. Nil (Previous year Rs. 93,274/-) carries interest rate @ 10.50 % p.a. repayable in 36 equated monthly installments of Rs. 16,251 /- .
- vi. Term loan from HDFC bank aggregating to Rs. 3,73,742/- (Previous year Rs. 6,59,759/-) carries interest rate @ 9.75 % p.a. repayable in 60 equated monthly installments of Rs. 28,480 /- .

NOTE 18: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

Particulars	As at March 31, 2019	As at March 31, 2018
Creditors for Capital Goods against land from GIDC	2,43,33,300	2,46,79,000
Deposit from Customers	50,000	4,96,154
TOTAL	2,43,83,300	2,51,75,154

NOTE 19: PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Gratuity Payable (Refer Note No. 2.11)	15,45,211	19,60,621
Leave Encashment payable	4,37,791	-
TOTAL	19,83,002	19,60,621

NOTE 20: INCOME TAX

A. COMPONENTS OF INCOME TAX EXPENSE

Particulars	As at March 31, 2019	As at March 31, 2018
I. Tax expense recognised in statement of profit & loss		
Current Tax		
Current year	57,05,877	52,62,225
Adjustments/ (Credit) related to pervious years - (net)		-
Sub-Total	57,05,877	52,62,225
Deferred tax charge/ (credit)		
Origination and reversal of tepemorary difference	18,92,000	13,86,267
Sub-Total	18,92,000	13,86,267
Total	75,97,877	66,48,492
II. Tax on other comprehensive income		
Items that will not be reclassified to Profit and Loss		
Remeasurement of the Defined Benefit Plans	(1,05,877)	(2,62,225)
(Gain) / Loss on financial instruments through other comperhensive income	-	(10,018)
Total	(1,05,877)	(2,72,243)

B. RECONCILIATION OF EFFECTIVE TAX RATES

Particulars	As at March 31, 2019	As at March 31, 2018
Profit/(loss) before tax	2,56,51,795	2,47,71,389
Tax using the company's domestic tax rate(Current year 27.82% and Previous year 33.063%)	71,36,329	81,90,164
Allowance U/s 43B	-9,84,259	-10,03,585
Terrminal Disallowance / (Allowance) u/s 35DDA	-5,56,833	-6,61,775
Tax difference on Depreciation	7,67,949	13,19,127
Expenses allowed at reduced rate of tax	89,441	1,67,795
Disallowance U/s 43B	3,37,509	15,099
Set-off of earlier year losses		-9,11,527
Non deductible tax expenses	-14,72,329	6,54,309
Excess Provision of Current year	-	-
Other temporary differences	92,849	99,073
Tax under MAT / (MAT Credit Availment)	-	-12,20,188
Total	54,10,656	66,48,491
Effective tax rate for the year	21.09%	26.84%

C. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

Particular	Net deferred tax asset / (liabilities) as on 1 st April, 2018	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31 st March, 2019
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(2,47,14,034)	1,09,55,525		(1,37,58,509)
Unabsorbed losses	1,11,59,938	(1,11,59,938)		-
Employee benefits	29,22,781	(22,71,578)	21,28,550	7,94,231
Deferred income / expenses	5,87,903	18,67,483	17,24,455	23,12,358
Provision for doubtful debts	14,46,242	(14,43,111)		3,131
Other items	(5,38,184)	1,59,619		(3,78,565)
Deferred tax assets/ (liabilities)	(91,35,355)	(18,92,000)	-	(1,10,27,355)

D. DEFERRED TAX ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities		
Accelerated depreciation for tax purposes	1,37,58,509	2,47,14,034
Other items giving rise to temporary differences	3,78,565	5,48,202
	1,41,37,074	2,52,62,236
Deferred Tax Assets		
Provision for gratuity	6,51,203	29,22,781
Provision for leave incashment	143028	
Expenditure covered by 43B of Income Tax Act, 1961	2312357	5,87,903
Provision for loss allowances for doubtful debts	3,130	14,46,242
Unabsorbed Depreciation	-	1,11,59,938
Other Items	-	10,018
	31,09,719	1,61,26,881
NET DEFERRED TAX LIABILITIES	1,10,27,355	91,35,355

NOTE 21: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

Particulars	As at March 31, 2019	As at March 31, 2018
SECURED:		
Loans repayable on demand		
From banks (Refer Note below)	8,39,60,507	7,93,47,656
Buyers Credit	53,47,939	
TOTAL	8,93,08,446	7,93,47,656

Note : The above cash credit / bank overdraft facility is secured by mortgage of Industrial Land, Building and Plant & Machinery at Pawne, Navi Mumbai and Personal guarantees by Promoter Directors.

The letter of credit / buyers credit facility is secured by margin money deposit.

NOTE 22: FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	As at March 31, 2019	As at March 31, 2018
Due to Micro, Small and Medium Enterprises		
Due to Others (Refer Notes below)	7,59,15,845	8,92,22,405
TOTAL	7,59,15,845	8,92,22,405

- 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 2019 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 Rs. 9,635/- as at 31st March 2019 (Previous Year as at 31st March 2018 Rs. 59,012/-.)

NOTE 23: FINANCIAL LIABILITIES - OTHERS (CURRENT)

Particulars	As at March 31, 2019	As at March 31, 2018
Unclaimed Dividend*	1,89,945	-
TOTAL	1,89,945	

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

NOTE 24: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Received from Customer	41,91,809	10,07,302
Statutory Payments	56,42,820	84,94,360
Other Payables	31,27,856	32,25,769
TOTAL	1,29,62,485	1,27,27,431

NOTE 25: PROVISIONS (CURRENT)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Gratuity	7,95,762	45,666
Compensated absences	76,330	-
Others Provision		
Provision for expenses	11,07,968	8,08,891
TOTAL	19,80,060	8,54,557

Refer Note 2.11 for further reference on employee benefits

NOTE 26: CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current Tax Asset [Net of tax paid]	-	19,063
	-	19,063

NOTE 27A: REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Products (including excise duty)	57,80,49,805	52,71,58,957
Other Operating Revenue:		
Scrap Sales	13,49,575	10,59,869
Export Incentives	3,58,253	2,21,805
Other revenue income	33,475	14,42,405
TOTAL	58,14,13,298	52,98,83,036

NOTE 27B: REVENUE FROM CONTRACTS WITH CUSTOMERS

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contracts with customers disaggregated based on geography		
Domestic Market	53,72,14,671	51,65,30,260
Exports	4,08,35,134	1,06,28,697
TOTAL	57,80,49,805	52,71,58,957

NOTE 28: OTHER INCOME

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Finance Income	5,97,881	3,48,704
Dividend Income	-	60,000
Commission Income	17,38,870	16,95,470
Liability no longer payable	877982	12,67,793
Net gain on foreign currency transaction	4,42,407	28,09,480
Miscellaneous income	3,804	660
TOTAL	36,60,944	61,82,107

NOTE 29: COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw Material Consumed	35,77,69,759	31,34,92,196
TOTAL	35,77,69,759	31,34,92,196

NOTE 30: PURCHASE OF STOCK IN TRADE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of Stock in Trade	5,57,25,601	4,94,71,386
TOTAL	5,57,25,601	4,94,71,386

NOTE 31: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening 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
Less : Closing Stocks :		
Finished Goods	6,51,44,274	5,46,92,341
Work in Progress	1,45,26,059	56,67,431
Stock In Trade	1,41,95,475	1,43,41,589
NET CHANGE IN INVENTORIES	(1,91,64,447)	(48,22,862)

NOTE 32: EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus	2,92,23,266	3,49,30,041
Directors Remuneration	78,81,900	73,08,075
Contribution to Provident and Other Funds	3,49,114	4,20,742
Gratuity	3,34,686	-
Staff Welfare Expenses	12,69,891	13,56,424
TOTAL	3,90,58,856	4,40,15,282

Refer Note 2.11 for further reference on employee benefits

NOTE 33: FINANCE COST

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense		
On Borrowings	75,57,545	97,50,376
Others (Including interest on delay / deferred payment)	9,58,729	1,98,434
Bank and other finance charges	21,88,564	29,80,657
TOTAL	10,704,838	1,29,29,467

NOTE 34: OTHER EXPENSES

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power, Fuel and Utilities	1,17,37,902	84,42,703
Processing Charges	2,11,77,457	1,22,81,127
Lease Rent	97,64,518	88,55,079
Repairs & Maintenance on :		
Building	-	1,09,000
Plant and Machinery	40,83,559	42,97,272
Other Repairs	24,47,911	36,40,080
Advertisement, Publicity & Sales Promotion	17,70,169	11,11,455
Insurance	9,54,731	4,75,284
Rates and Taxes	73,67,958	14,67,913
Pollution Control Expenses		60,144

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Legal and Professional Fees	67,52,193	70,33,415
Foreign Exchange Fluctuation (Net)	-	-
Commission	13,75,255	14,04,816
Freight Forwarding Charges	86,77,545	69,80,574
Octroi Charges	-	1,05,303
Travelling and Conveyance	58,99,523	54,64,600
Payment to Auditors		
Audit Fees	6,18,750	6,00,000
Other Services		50,000
Donations	6,43,000	10,15,000
Bad Debts Written off net of provisions	78,04,887	35,67,063
Loss on sale of Assets	1,27,927	-
Postage, Telegram , Telephone & Courier	16,24,559	17,60,186
Printing & Stationery	9,61,405	10,18,120
Miscellaneous expenses	36,06,369	49,47,734
TOTAL	9,73,95,618	7,46,86,868

NOTE 35: CONTINGENT LIABILITIES AND COMMITMENTS

1 Disputed Liabilities on account of VAT, CST and Property Tax as at March 31, 2019

Statute	Financial Year to which matter pertains	Forum where matter is pending	As at March 31, 2019	As at March 31, 2018
Gujarat VAT	FY 2006-07	Commissioner of Sales Tax	15,21,427	15,21,427
CST	FY 2006-07	Commissioner of Sales Tax	1,25,145	1,25,145
Gujarat VAT	FY 2007-08	Commissioner of Sales Tax	16,87,325	16,87,325
Property Tax	Various years	Navi Mumbai Municipal Corporation	3,94,70,886	5,79,61,576
Gujarat VAT	FY 2013-14	Commissioner of Sales Tax	17,13,505	17,13,505
CST	FY 2013-14	Commissioner of Sales Tax	-	1,03,15,104
TOTAL			4,45,18,288	7,33,24,082

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Advances paid W/off	49,76,166	-
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	49,76,166	1,14,64,467

NOTE 37: EARNINGS PER SHARE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit after tax available for equity shareholders as per Statement of Profit & Loss	1,80,53,918	1,81,22,897
Weighted Average No. of Equity Shares for of Face Value Rs. 10 each	45,93,140	43,86,400
Earnings Per Share - Basic & Diluted	3.93	4.13

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, 2019	Year ended March 31, 2018
Total interest bearing financial liabilities	9,06,53,696	8,21,10,973
Less : Cash and Cash Equivalents	6,16,202	86,31,958
Adjusted Net Debt	9,00,37,494	7,34,79,016
Total Equity	20,48,47,886	18,57,94,893
Adjusted Equity	20,48,47,886	18,57,94,893
Adjusted Net Debt to adjusted Equity Ratio	0.44	0.40

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, 2019	As at March 31, 2018
Fixed-rate instruments		
Financial Liabilities - Borrowings	13,45,249	27,63,317
	13,45,249	27,63,317
Total	13,45,249	27,63,317

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 2019, the investments in mutual fund (at market value) amounts to Rs. 35,39,273/- (31st March, 2018 : Rs 9,70,535/-). 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 3% 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, 2019		As at March 31, 2018	
	3% increase	3% Decrease	3% increase	3% Decrease
Investment in Mutual Funds	1,06,178	(1,06,178)	29,116	(29,116)
Total	1,06,178	(1,06,178)	29,116	(29,116)

(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, 2019	As at March 31, 2018
Financial Assets			
Trade receivables	USD	4,095	5,722
	EURO	3,514	
Financial Liabilities			
Trade payables	USD	7,04,810	10,32,438
	EURO	-	-

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, 2019		As at March 31, 2018	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	(14,59,729)	14,59,729	(20,03,455)	20,03,455
EURO	8,209	(8,209)	-	-
Total	(14,51,520)	14,51,520	(20,03,455)	20,03,455

(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, 2019	As at March 31, 2018
Opening balance of expected loss provision	48,84,457	70,19,943
Add : Provisions made / (reversed)	(48,73,203)	30,32,486
Less : Utilisation for impairment / de-recognition	-	51,67,972
Closing balance	11,254	48,84,457

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, 2019, and 31st March, 2018 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, 2019		As at March 31, 2018	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings		13,45,249		27,63,317
Working Capital Loans from Banks	8,93,08,446		7,93,47,656	
Trade Payables	7,59,15,845		8,92,22,405	
Other Financial Liabilities	1,89,945	2,43,83,300	-	2,51,75,154
TOTAL	16,54,14,236	2,57,28,549	16,85,70,061	2,79,38,471

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, 2019 is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
Fair Value through Profit and Loss		
Investments (Other than in Subsidiary)	35,39,273	14,70,545
Amortised Cost		
Loans	38,000	49,76,166
Trade Receivables	9,85,93,826	8,68,31,427
Cash & Cash Equivalents	6,16,202	86,31,958
Other Bank Balances	36,72,299	12,39,917
Other Financial Assets	46,17,440	39,78,579
Total	11,10,77,040	10,71,28,592
Financial Liabilities		
Amortised Cost		
Borrowings	9,06,53,696	8,21,10,973
Trade Payable	7,59,15,845	8,92,22,405
Other Financial Liabilities	2,45,73,245	2,51,75,154
Total	19,11,42,786	19,65,08,532

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, 2019	As at March 31, 2018
Financial Assets		
Level 1		
Investment in Mutual Fund Units	35,39,273	9,70,535
Level 2		
Security Deposits	46,17,440	8,29,706
Total	81,56,713	18,00,241.00

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 2019

(A) Details of defined benefit obligation and plan assets

(a) Retiring Gratuity

I Components of Employer Expenses

Particulars	31 st March 2019	31 st March 2018
Current Service Cost	4,81,555	3,94,077
Interest Cost	1,44,294	1,54,895
Actuarial (Gain)/Loss	63,762	(7,77,699)
Total Expenses/(Gain) recognized in the Profit & Loss Account	6,89,611	(2,28,727)

II Net Asset/ (Liability) recognized in Balance Sheet

Particulars	31 st March 2019	31 st March 2018
Present value of Funded Obligation	23,40,973	20,06,287
Fair Value of Plan Assets	-	-
Assets/(Liability) recognized in the Balance Sheet		

III Change in Defined Benefit Obligations (DBO)

Particulars	31 st March 2019	31 st March 2018
Opening Balance of Present Value of Obligation	20,06,287	23,95,629
Current Service Cost	4,81,555	3,94,077
Interest Cost	1,44,294	1,54,895
Actuarial (Gain)/Loss	63,762	(7,77,699)
Benefit Paid	(3,54,925)	(1,60,615)
Closing Balance of Present Value of Obligation	23,40,973	20,06,287

IV Changes in the Fair Value of Plan Assets

Particulars	31 st March 2019	31 st March 2018
Opening Balance of Fair Value of Plan assets of Obligation	3,54,925	4,94,292
Expected Return on Plan Assets	(14,002)	(6,448)
Interest income	14,002	27,696
Actuarial Gain/(Loss)	-	-
Contribution by Employer	-	-
Benefit Paid	(3,54,925)	(1,60,615)
Fair Value of Plan Assets as at 31st March	-	3,54,925

V Actuarial Assumption

Particulars	31 st March 2019	31 st March 2018
Discount Rate (Per Annum)	7.60%	7.89%
Annual Increase in Salary Costs Per Annum	5.00%	5.00%
Attrition Rate	3.00%	3.00%

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 2019	31 st March 2018
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 2019	31 st March 2018
Net Opening Liability	16,51,362	20,06,287
P & L Charges / (Income)	6,89,611	(3,54,925)
Closing Net Liability	23,40,973	16,51,362

VIII Gratuity - Sensitivity Analysis

Particulars	31 st March 2019		31 st March 2018	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	24,43,422	22,50,538	20,92,713	19,29,713
Discount Rate (1% movement)	22,51,737	24,43,668	19,30,954	20,92,675

(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 - Rs. 3,49,114/- (Previous year Rs. 4,20,742/-)

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, 2019	As at March 31, 2018
(a)	In respect of operating lease payments recognized in Statement of Profit and Loss.	93,12,466	83,20,779
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	98,77,244	93,05,365
	For the period later than one year and not later than five years	1,05,01,475	2,04,12,208

NOTE 43: RELATED PARTY

List of related parties

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

S. K. Ultratech Machines Pvt. Ltd.

B 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. Independent Directors :

Mr. Narendra Mahajani*
Ms. Aditi Bhat
Mr. Amarendra Mohapatra

* ceased to be director w.e.f. 14 February 2019

iii. Company Secretary

Ms. Arushi Singhal
(w.e.f. 26.01.2019)

iv. Relatives of Key Managerial Personnel :

Mrs. Saloni Shah
Nikhil Mehra (HUF)

Particulars	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 2019	31 st March 2018	31 st March 2019	31 st March 2018	
PURCHASES					
S. K. Ultratech Machines Pvt. Ltd.	-	-	74,340	15,340	15,340
Total	-	-	74,340	15,340	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.	-	-	3,540	-	3,540
Total	-	-	3,540	-	3,540
REMUNERATION					
Shallesh Shah	24,00,000	24,00,000	-	-	24,00,000
Sharad Shah	24,00,000	24,00,000	-	-	24,00,000
Vaibhav Desai	11,91,900	11,18,075	-	-	11,91,900
Maikal Raorani	18,00,000	6,00,000	-	-	18,00,000
Arushi Singhal	61,091	-	-	-	61,091
Total	78,52,991	65,18,075	-	-	78,52,991
SITING FEES					
Narendra Mahakani	-	7,50,000	-	-	7,50,000
Aditi Bhat	40,000	40,000	-	-	40,000
Anarendra Mohapatra	50,000	-	-	-	50,000
Total	90,000	7,90,000	-	-	7,90,000
SALARY					
Saloni Shah	11,94,000	8,47,500	-	-	11,94,000
Total	11,94,000	8,47,500	-	-	11,94,000
INTEREST EXPENSE					
Shallesh Shah	-	1,43,856	-	-	1,43,856
Sharad Shah	-	11,91,966	-	-	11,91,966
Total	-	13,35,822	-	-	13,35,822
COMMISSION EXPENSE					
Nikhil Mehra HUF	-	1,49,300	-	-	1,49,300
Total	-	1,49,300	-	-	1,49,300
LOAN RECEIVED					
Shallesh Shah	-	9,00,000	-	-	9,00,000
Sharad Shah	-	72,00,000	-	-	72,00,000
Total	-	81,00,000	-	-	81,00,000
LOAN REPAY					
Shallesh Shah	-	43,77,500	-	-	43,77,500
Sharad Shah	-	99,80,000	-	-	99,80,000
Total	-	1,43,57,500	-	-	1,43,57,500

Particulars	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 2019	31 st March 2018	31 st March 2019	31 st March 2018	
ISSUE OF SHARES		4830000			4830000
Shailesh Shah	50,60,000	5,06,00,000	-	-	50,60,000
Total	50,60,000	5,06,00,000	-	-	5,06,00,000
OUTSTANDING BALANCES					
PAYABLES					
S. K. Ultratech Machines Pvt. Ltd.	-	-	59,012	59,012	59,012
Total	-	-	59,012	59,012	59,012
REMUNERATION PAYABLE TO KMP					
Shailesh Shah	1,99,800	2,23,530	-	-	1,99,800
Sharad Shah	1,99,800	6,700	-	-	1,99,800
Vaibhav Desai	93,102	89,125	-	-	93,102
Maikal Raorani	1,28,300	1,25,900	-	-	1,28,300
Arushi Singhal	51,093	-	-	-	51,093
Total	6,72,095	4,45,255	-	-	6,72,095
SITTING FEES PAYABLE					
Narendra Mahajani	-	1,68,750	-	-	1,68,750
Aditi Bhat	10,000	9,000	-	-	10,000
Amarendra Mohapatra	10,000	-	-	-	10,000
Total	20,000	1,77,750	-	-	1,77,750
SALARY PAYABLE					
Saloni Shah	87,300	78,200	-	-	87,300
Total	87,300	78,200	-	-	87,300
Share Warrants					
Shailesh Shah	-	12,65,000	-	-	12,65,000
Total	-	12,65,000	-	-	12,65,000

Related Party has been identified by the management and relied upon by the auditors.

*Provision for contribution to gratuity fund are made based on actuarial valuation on overall company bases are not included in remuneration to key management personal

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
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS	3-47

As per our report attached of even date For and on behalf of the Board of Directors

UKG & ASSOCIATES
CHARTERED ACCOUNTANTS
 Firm Reg. No. :123393W

Sd/-
Champak K Dedhia
Partner
 Membership No.101769
 Mumbai, Dated: 30/04/2019

Sd/-
Shailesh Shah
Managing Director
DIN: 00006154

Sd/-
Aditi bhatt
Director
DIN: 07144131

Sd/-
Maikal Raorani
Director & CFO
DIN: 00037831

Sd/-
Arushi Singhal
Company Secretary
ACS: 54516

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SKY INDUSTRIES LIMITED

CIN: L17120MH1989PLC052645

Regd.Office: C 58, TTC Industrial Area, Thane Belapur Road, Pawane ,Navi Mumbai - 400705.

ATTENDANCE SLIP
30th Annual General Meeting [2018-2019]

I hereby record my presence at the 30th Annual General Meeting of the company to be held at Hotel Highway view/ Shikara, Plot No.3, Sector-24, Mumbai – Pune Highway, Opposite Sanpada Railway Station, Navi Mumbai, Maharashtra - 400705, on Saturday the 14th day of September, 2019 at 10:30 AM.

Name of the Member: _____

Folio/Client ID No.: _____

Name of the Proxy (in Block Letters)
(To be filled in if the Proxy/Representative attends
Instead of the Member) _____

Signature of the Member or Proxy: _____

NOTE:

- 1) Admission restricted to members/ proxy only
- 2) Shareholder/ Proxy holder wishing to attend the Meeting must bring this attendance slip to the Meeting and hand it over at the entrance
- 3) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 4) A Proxy need not be a member of the Company.
- 5) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 6) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	USER ID	PAN/ SEQUENCE NO.
190813003		

Note: The voting period starts from 10.00 AM (IST) on September 11, 2019 Up to 5.00 PM on 13th September, 2019. Thereafter, the voting, module shall be disabled by CDSL. Kindly refer to e-voting instructions in the notice.

SKY INDUSTRIES LIMITED

CIN: L17120MH1989PLC052645

Regd. Office: C 58, TTC Industrial Area, Thane Belapur Road, Pawane ,Navi Mumbai - 400705.

Tel. No.: 022- 6713 7900, **E-Mail:** corporate@skycorp.in; **Website:** www.skygroup.com

**Form MGT – 11
PROXY FORM**

30th Annual General Meeting [2018-2019]

[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 Member(s)	:	
Registered Address	:	
Email-Id	:	
Folio No. / DP ID No. & Client ID	:	

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:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of Sky Industries Limited to be held at Hotel Highway view/ Shikara, Plot No.3, Sector-24, Mumbai – Pune Highway, Opposite Sanpada Railway Station, Navi Mumbai, Maharashtra - 400705, on Saturday the 14th day of September, 2019 at 10:30 AM., 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, 2019 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, 2019; The Board has recommended a Final Dividend of Re. 1/- per Equity Share (Face value Rs. 10 per equity share) amounting to Rs. 46.04 lakhs for the year ended 2018-19.			
SPECIAL BUSINESS				
3)	To Consider Ratification of Sky Industries ESOP Plan 2018 (ESOP 2018).			
4)	To approve Preferential issue and allotment of 7,20,000 convertible warrants into equity shares of the company to promoter(s).			
5)	To consider Sale/transfer/disposal of manufacturing unit(s).			
6)	To approve increase in remuneration of Mr. Shailesh Shah, Managing Director of the Company.			
7)	To appoint Ms.Sanghamitra Sarangi (DIN:08536750) as an Independent Director of the company.			

Signed this _____ day of _____ 2018

Signature of shareholder: _____

Signature of Proxy holder(s): _____

Affix Revenue Stamp

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



CORPORATE OFFICE:
SKY INDUSTRIES LTD.

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



REGISTERED OFFICE:

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



REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited.

C 101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai- 400083,
Tel No. +91 22 49186000 Fax: +91 22 49186060