



SKY INDUSTRIES LIMITED

28th
ANNUAL REPORT
2016-2017



SKY INDUSTRIES LIMITED

SKY INDUSTRIES LIMITED
(CIN: L17120MH1989PLC052645)
28th Annual Report
2016-17

BOARD OF DIRECTORS

NAME	DESIGNATION
Mr. Shailesh Shah	Managing Director
Mr. Sharad S. Shah	Whole time Director
Mr. Vaibhav Jai Desai	Whole time Director
Mr. Narendra P Mahajani	Independent Director
Ms. Aditi Bhatt	Independent/Woman Director

AUDITORS

Thanawala & Co. Chartered Accountants

BANKERS

The Oriental Bank of Commerce
The Dombivali Nagari Sahakari Bank Ltd.
Kotak Mahindra Bank Ltd

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

1101, Universal Majestic, Ghatkopar Mankhurd Link Road, Chembur (W)
Mumbai 400 043.
Tel No: +91 22 67137900



SKY INDUSTRIES LIMITED

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Notice To The Members

NOTICE is hereby given that the 28th Annual General Meeting of the Members of M/s Sky Industries Limited will be held on **Thursday 10th August , 2017** at **11:00 AM** at C-58, TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai 400705 to transact the following business:

Ordinary Business

1. **To receive, consider and adopt the Audited Balance Sheet** as at 31st March 2017, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. **Re-Appointment of Auditor** : To Consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution

“Resolved that, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, pursuant to the recommendations of the audit committee of the Board of Directors, the appointment of **M/s Thanawala & Co.**, Chartered Accountants (Firm Registration No. 110948W), as the auditors of the Company to hold office till the conclusion of the 31st AGM to be held in the calendar year 2020 (subject to ratification of their appointment at every Annual General Meeting) at such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors of the company.

Special Business

3. **To Adopt the New Set of Articles of Association of the Company ,in conformity with the Companies Act, 2013:** To consider and if thought fit to pass with or without modification (s);, with or without modification (s), as a **Special Resolution:**

“**RESOLVED THAT** pursuant to section 14 and other applicable provisions of the Companies Act, 2013 read with Companies (incorporation) Rules, 2014 or any other law for the time being in force (including statutory modification and re-enactment thereof for the time being in force), to the modifications to the Articles of Association of the Company, a copy of which is available for inspection at the Registered office of the company and at the website of the Company **www.skycorp.in** ,be and is hereby approved and adopted in total exclusion, substitution and superseding the existing Articles of Association of the Company.

AND RESOLVED FURTHER THAT the Board of Director of the Company be and hereby authorized to delegate all or any of the powers conferred herein , to any committee of the Directors with further power to delegate any officer of the Company/authorized representative of the Company to do all acts , deeds and things to implement or take such steps to complete the implementation of this amendment to the Articles of Association of the company.

4. **To Adopt the New Set of Memorandum of Association of the Company ,in conformity with the Companies Act, 2013:** To consider and if thought fit to pass with or without modification (s);, with or without modification (s), as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014(including any statutory modification or re-enactment thereof for the time being in force), a copy of which is available for inspection at the Registered office of the company and at the website of the Company **www.skycorp.in**, be and is hereby approved and adopted in total exclusion, substitution and superseding the existing Memorandum of Association of the Company be and are hereby approved and adopted in substitution, and to the entire

exclusion, of the clauses contained in the existing Memorandum of Association of the Company with immediate effect;

AND RESOLVED FURTHER THAT Mr. Shailesh Shah, Director of the Company, Mr. Sharad Shah be and are hereby severally authorised to do all such acts, deeds and actions as may be necessary , proper or expedient to give effect to this resolution.”

5. Borrowing Powers: To consider and if thought fit to pass with or without modification (s);, with or without modification (s), as a **Special Resolution:**

“**RESOLVED THAT** in supersession of all earlier resolutions passed by the shareholders of the Company and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed Rs.50 Crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.”

AND RESOLVED FURTHER THAT the Board of Director of the Company be and hereby authorized to delegate all or any of the powers conferred herein , to any committee of the Directors to do all acts , deeds and things to implement or take such steps to such acts and deeds as may be necessary and deem fit and proper.

6. Sitting Fees: To consider and if thought fit to pass with or without modification (s);, with or without modification (s), as a **Ordinary Resolution:**

RESOLVED THAT pursuant to section 197 and other applicable provisions of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any other law for the time being in force (including statutory modification and re-enactment thereof for the time being in force), relating to sitting fee and other reimbursements payable to the Director and Independent Director's, be and is hereby approved:

1. Sitting fees : Rs.10,000/- to Rs.1,00,000/- for attending every Board Meeting and members meeting; and
2. Rs 5,000/- to Rs. 1,00,000 for attending every Committee Meeting;

RESOLVED FURTHER THAT apart from the sitting fees, the Non-Executive Directors to be paid travelling expenses including airfare, hotel stay and car on rental etc. for attending the meetings of the Board, committee , members meeting and such other expenses as are incurred by the Non-Executive Directors and allowed to be reimbursed as per the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorized to delegate all or any of the powers conferred herein , to any committee of the Directors to fix the sittings fees for director /non-executive Director /independent Director based on their experience, contribution and other Board parameter on a case to case basis.

7. Reappointment of Mr. Shailesh Shah as Managing Director:

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and Article of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration committee and approval of the Board, the consent of the Company be and is hereby accorded for the reappointment of Mr. Shailesh Shah (DIN No.00006154) as Managing Director of the Company with effect from 1st October 2017 for a period of five years on the following terms and conditions:

A. The Managing Director shall report to the Board and shall be responsible for all his actions to the Board. It is hereby expressly agreed and declared that nothing herein contained shall vest or shall be deemed to be intended to vest in the Director, the management of the whole or substantially the whole of the affairs of the Company.

B. Terms & Conditions:

1. Salary: Rs. 12,00,000-1,00,000-15,00,000/- per annum.
2. Perquisites: The Managing Director shall be entitled to the following perquisites provided that the total value of the perquisites shall be restricted to an amount Rs. 12,00,000/- per annum or actuals, whichever is lower.
 - 2.1 Housing: The Managing Director shall be entitled for House Rent Allowance, whether self-occupied or not, of Rs 600,000/- per annum.
 - 2.2 Leave Travel & Medical Reimbursement:
 - (A) Leave Travel Allowance: Expenses incurred for the appointee and his family towards leave travel reimbursement subject to a ceiling of Rs. 600,000/- per annum.
 - (B) Medical Reimbursement: Expenses incurred for the appointee towards Medical reimbursement for him & his family subject to a ceiling of Rs. 600,000/- per annum.

Explanation: For the purposes of a “family”, family means the spouse, dependent children and dependent parents of the appointee.
 - 2.3 Special Allowances: Rs. 600,000/- per annum.
 - 2.4 Provision of Car for use in Company's business and telephone (includes cell phone) at residence will not be considered as Perquisites. Telephone at residence reimbursed for rental and business calls.
 - 2.5 Reimbursement of actual expenses for books and periodicals purchased and for expenses for the purposes of carrying-on his duties and reimbursement of entertainment expenses actually and properly incurred in the course of the Company's business.
 - 2.6 The Director shall not be paid any sitting fees for attending the meetings of the Board or any committee thereof.
3. Encashment of leave, if any, will be paid as per the company's policy and will be included in the computation of ceiling of perquisites.
4. Provident Fund: Payable in accordance with as per applicable law. The Membership of the Employees' Provident Fund of the company to which the company will contribute at such percentage of salary as may be applicable, from time to time, to the employees. The appointee will be governed by the provident fund rules of the company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the period of Mr. Shailesh Shah's appointment as Managing Director, he will be paid or provided the salary, the allowances, and the perquisites as set out in the foregoing part of this resolution as the 'minimum remuneration' notwithstanding the fact that such remuneration is in excess of the limits set-out in Sections 196 and 197 of the Companies Act, 2013 or in section II of part II of Schedule V of the Companies Act, 2013 and rules made hereunder or any amendment, modification, variation or re-enactment thereof and necessary approvals will be sought from Central Government.”

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

RESOLVED FURTHER THAT Mr. Shailesh Shah (hereinafter called Director) shall carry out such functions,

exercise such powers and perform such duties as the Board of Directors of the Company (hereinafter called "The Board") shall from time to time determine and entrust to him. Subject to the superintendence, control and direction of the Board, the Director shall have the general control and be responsible for the day to day business of the Company with powers to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business he may consider necessary or proper in the best interests of the Company.

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

8. Reappointment of Mr. Sharad Shah as Wholetime Director:

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and Article of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration committee and approval of the Board, the consent of the Company be and is hereby accorded for the reappointment of Mr. Sharad Shah (DIN No. 00006114) as Wholetime Director of the Company with effect from 1st October 2017 for a period of five years on the following terms and conditions:

A. The Wholetime Director shall report to the Board and shall be responsible for all his actions to the Board. It is hereby expressly agreed and declared that nothing herein contained shall vest or shall be deemed to be intended to vest in the Director, the management of the whole or substantially the whole of the affairs of the Company.

B. Terms & Conditions:

1. Salary: Rs. 12,00,000-1,00,000-15,00,000/- per annum.
2. Perquisites: The Whole time Director shall be entitled to the following perquisites provided that the total value of the perquisites shall be restricted to an amount Rs. 12,00,000/- per annum or actuals, whichever is lower.
 - 2.1 Housing: The Whole time Director shall be entitled for House Rent Allowance, whether self-occupied or not, of Rs. 600,000/- per annum.
 - 2.2 Leave Travel & Medical Reimbursement:
 - (A) Leave Travel Allowance: Expenses incurred for the appointee and his family towards leave travel reimbursement subject to a ceiling of Rs. 600,000/- per annum.
 - (B) Medical Reimbursement: Expenses incurred for the appointee towards Medical reimbursement for him & his family subject to a ceiling of Rs. 600,000/- per annum.

Explanation: For the purposes of a "family", family means the spouse, dependent children and dependent parents of the appointee.
 - 2.3 Special Allowances: Rs. 600,000/- per annum.
 - 2.4 Provision of Car for use in Company's business and telephone (includes cell phone) at residence will not be considered as Perquisites. Telephone at residence reimbursed for rental and business calls.
 - 2.5 Reimbursement of actual expenses for books and periodicals purchased and for expenses for the purposes of carrying-on his duties and reimbursement of entertainment expenses actually and properly incurred in the course of the Company's business.
 - 2.6 The Director shall not be paid any sitting fees for attending the meetings of the Board or any committee thereof.
3. Encashment of leave, if any, will be paid as per the company's policy and will be included in the computation of ceiling of perquisites.
4. Provident Fund: Payable in accordance with as per applicable law. The Membership of the Employees'

Provident Fund of the company to which the company will contribute at such percentage of salary as may be applicable, from time to time, to the employees. The appointee will be governed by the provident fund rules of the company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the period of Mr. Sharad Shah's appointment as Whole time Director, he will be paid or provided the salary, the allowances, and the perquisites as set out in the foregoing part of this resolution as the 'minimum remuneration' notwithstanding the fact that such remuneration is in excess of the limits set-out in Sections 196 and 197 of the Companies Act, 2013 or in section II of part II of Schedule V of the Companies Act, 2013 and rules made hereunder or any amendment, modification, variation or re-enactment thereof and necessary approvals will be sought from Central Government."

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

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

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

9. Reappointment of Mr. Vaibhav Desai as Wholetime Director:

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and Article of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration committee and approval of the Board, the consent of the Company be and is hereby accorded for the reappointment of Mr. Vaibhav Desai (DIN No.06673723) as Wholetime Director of the Company with effect from 1st October 2017 for a period of three years on the following terms and conditions:

A. The Whole time Director shall report to the Board and shall be responsible for all his actions to the Board. It is hereby expressly agreed and declared that nothing herein contained shall vest or shall be deemed to be intended to vest in the Director, the management of the whole or substantially the whole of the affairs of the Company.

B. Terms & Conditions:

1. Salary: Rs. 360000-60000-420000/- per annum.
2. Perquisites: The Wholetime Director shall be entitled to the following perquisites provided that the total value of the perquisites shall be restricted to an amount Rs. 600,000/- per annum or actuals, whichever is lower.
- 2.1 Housing: The Wholetime Director shall be entitled for House Rent Allowance, whether self-occupied or

not, of Rs. 300,000/- per annum.

2.2 Leave Travel & Medical Reimbursement:

(A) Leave Travel Allowance: Expenses incurred for the appointee and his family towards leave travel reimbursement subject to a ceiling of Rs. 300,000/- per annum.

(B) Medical Reimbursement: Expenses incurred for the appointee towards Medical reimbursement for him & his family subject to a ceiling of Rs. 300,000/- per annum.

Explanation: For the purposes of a "family", family means the spouse, dependent children and dependent parents of the appointee.

2.3 Special Allowances: Rs. 300,000/- per annum.

2.4 Provision of Car for use in Company's business and telephone (includes cell phone) at residence will not be considered as Perquisites. Telephone at residence reimbursed for rental and business calls.

2.5 Reimbursement of actual expenses for books and periodicals purchased and for expenses for the purposes of carrying-on his duties and reimbursement of entertainment expenses actually and properly incurred in the course of the Company's business.

2.6 The Director shall not be paid any sitting fees for attending the meetings of the Board or any committee thereof.

3. Encashment of leave, if any, will be paid as per the company's policy and will be included in the computation of ceiling of perquisites.

4. Provident Fund: Payable in accordance with as per applicable law. The Membership of the Employees' Provident Fund of the company to which the company will contribute at such percentage of salary as may be applicable, from time to time, to the employees. The appointee will be governed by the provident fund rules of the company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the period of Mr. Vaibhav Desai's appointment as Wholetime director, he will be paid or provided the salary, the allowances, and the perquisites as set out in the foregoing part of this resolution as the 'minimum remuneration' notwithstanding the fact that such remuneration is in excess of the limits set-out in Sections 196 and 197 of the Companies Act, 2013 or in section II of part II of Schedule V of the Companies Act, 2013 and rules made hereunder or any amendment, modification, variation or re-enactment thereof and necessary approvals will be sought from Central Government."

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

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

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

Registered Office:

C-58, TTC Industrial Area,

Thane Belapur Road,

Pawne,

Navi Mumbai

Date: 29/Apr/2017

By Order of the Board

sd/-

Shailesh Shah

Managing Director

Notes

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.

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.

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.

Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.

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.

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.

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.

The amount of dividend remaining unpaid for the year 2009-2010 will be transferring to the Investor Education and Protection Fund (IEPF) constituted Under Section 125 of the Companies Act, 2013.

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.

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: M/s Link Intime India Pvt Ltd.,

In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronic means (e-voting) to all its members. The company has engaged the services of 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.evoting.cdsl.com during the following voting period.

Commencement of e-voting: From 10.00 AM on 7th August, 2017. End of e-voting: Up to 05.00 PM on 9th August, 2017.

E-voting shall not be allowed beyond 5.00 PM on 9th August 2017. 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 4th August 2017.

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

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 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.

“Voting by electronic means” or “electronic voting system” means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate 'cyber security'.

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

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

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 3 of the accompanying Notice dated 29th April, 2017.

ITEM NO. 3 & 4

Sky Industries Limited was incorporated on 18th July, 1989 under the provisions of the companies Act, 1956.

The existing memorandum and article of Association (MOA & AOA) were based on the companies Act, 1956 and several clauses / regulations in the existing MOA & AOA contain references to specific sections of the companies Act, 1956 which are no longer in force.

The existing regulations of the articles of Association are replaced by the new set of regulations and adopted as new set of Articles of Associations as per the requirements of Table F of the First Schedule in the Companies Act, 2013. The modification in Articles of Association is carried out to give effect to provision of the Companies Act, 2013.

Consent of the shareholders by way of Special resolution is required in this regard. The entire set of proposed articles of association is available on the website of the company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The directors recommend the aforesaid resolution for the approval by the members as a Special resolution.

ITEM NO. 5

Members of the Company are further requested to note that Section 180(1)(c) of the Companies Act, 2013 mandates that :

The Board of Directors of a company shall exercise the power to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, only with the approval of the members of the Company by way of a special resolution.

The Company is mainly into (a) manufacturing business and to meet with the day to requirements the company may be required to borrow money and also required to give by way of security the whole of the undertaking to Financers or may required to dispose off the units and any undertaking of the company.

The Board seeks an enabling power under section 180(1)(c) of the Companies Act, 2013 & rules framed thereunder and the aforesaid section mandatorily requires the approval of the members by way of special resolution. The Board needs a power to borrow upto and including Rs. 50 Crores from various financial organizations/person.

None of the Directors are interested in this resolution. The Board seeks for the approval of the members for the said special resolution.

ITEM NO.6

According to Section 197 of Companies Act, 2013 the approval of members is required for the remuneration to director by way of sitting fees to directors. Further, as provided the amount of such fees shall not exceed the amount as may be prescribed. As per rule 4 of Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014.

The Companies Act, 2013 has entrusted new responsibilities on the Non-Executive Directors and widened their duties and liabilities and enhanced their current role. In view of the valuable contribution made by them towards overall engagement with the Company on various policies, strategic and governance related issues, it is proposed to continue to pay Commission to them.

On recommendation of Nomination and Remuneration Committee and approval of the Board, it is proposed to seek approval of the members of the Company under Section 197 of the Companies Act, 2013 for sitting fees to director for attending the board meeting or committee thereof, such sum as may be decided by the board of directors and shareholders thereof

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 6 of the of the Notice.

The Board recommends the ordinary resolution set out at Item No. 6 of the Notice for approval by the members.

ITEM NO. 7:

Mr. Shailesh Shah, who was appointed as a Managing Director of the Company by the members to hold office upto 30th September, 2017 and for continuation of her employment as a MD requires the approval of the Board and the members of the Company.

Mr. Shailesh Shah, a businessman by profession and a part of promoter group exclusively working for the company and oversees the marketing and operational activities of the Company. On the recommendation of the Nomination & Remuneration Committee at their meeting held on 29th June 2017, the Board at its meeting held on 29th June 2017 taken on record the reappointment as a Managing Director of the Company. His re-appointment and remuneration are as per Section 196,197,198 & 203 read with Schedule V to the Companies Act, 2013.

Except Mr. Shailesh Shah and Mr. Sharad Shah, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution.

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

ITEM NO.8

Mr. Sharad Shah who was appointed as Whole time Director of the Company by the members to hold office upto 30th September, 2017 and for continuation of his employment as a WTD requires the approval of the Board and the members of the Company.

Mr. Sharad Shah, a hard core businessman and promoter of the Company having more than 35 years of experience in the Industry. On the recommendation of the Nomination & Remuneration Committee at their meeting held on 29th June 2017, the Board at its meeting held on 29th June 2017 taken on record the reappointment as a Whole Time Director of the Company. His re-appointment and remuneration are as per Section 196,197,198 & 203 read with Schedule V to the Companies Act, 2013.

Except Mr. Sharad Shah and Mr. Shailesh Shah, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution.

The Board recommends the resolution set forth in Item no. 8 for the approval of the members.

ITEM NO.9

Mr. Vaibhav Desai who was appointed as Whole time Director of the Company by the members to hold office upto 30th September, 2017 and for continuation of his employment as a WTD requires the approval of the Board and the members of the Company.

Mr. Vaibhav Desai, an Engineer having more than 22 years of experience in the Industry. On the recommendation of the Nomination & Remuneration Committee at their meeting held on 29th June 2017 ,the Board at its meeting held on 29th June 2017 taken on record the reappointment as a Whole Time Director of the Company. His re-appointment and remuneration are as per Section 196,197,198 & 203 read with Schedule V to the Companies Act, 2013.

The Board recommends the resolution set forth in Item no. 9 for the approval of the members.

By Order of the Board

Sd/-

PLACE: MUMBAI

DATE: 29th April, 2017

Shailesh Shah

Managing Director

Directors' Report

To,

The Members,

Your Directors have pleasure in presenting their 28th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

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

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

Particulars	Rs. in (Lacs)	
	2016-2017	2015-2016
Gross Income	4893	5184
Provision for Depreciation	89	91
Net Profit Before Tax	90	154
Provision for Tax	14	27
Net Profit After Tax	76	126
Balance of Profit brought forward	1052	926
Balance available for appropriation	1052	1052
Proposed Dividend on Equity Shares	NIL	NIL
Tax on proposed Dividend	NA	NA
Transfer to General Reserve	NIL	NIL
Surplus carried to Balance Sheet	1128	1052

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

Particulars	2016-2017	2015-2016
Gross Income	4893	5184
Net Profit Before Tax	70	126

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 85% of the overall revenue of the Company. The other significant division, viz Velvet Manufacturing which was based in Daman, has now been shifted to Navi Mumbai. The turnover of the Company was Rs. 48 Crores, a slight drop as compared to 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.

4. Dividend

The Directors do not recommend any dividend for the current year.

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, 200000 warrants have been converted into shares.

7. Directors and Key Managerial Personnel

During the year, Mr. Subramaniam Sharma cease to be Director of the Company and Mr. Maikal Raorani has been appointed as the CFO. The nomination and remuneration committee at their meeting held on 10th Feb, 2017 has recommended the appointment of Mr. Maikal Raorani, as the CFO of the company w.e. from 10th Feb, 2017.

8. Particulars of Employees

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

9. Meetings

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

10. Board Evaluation

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

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

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

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

12. Remuneration Policy

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

Managerial Remuneration:

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

13. Details of Subsidiary/Joint Ventures/Associate Companies

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial

statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures is given as **Annexure-III**

Further, the Annual Accounts and related documents of the subsidiary company shall be kept open for inspection at the Corporate Office of the Company. The Company will also make available copy thereof upon specific request by any Member of the Company interested in obtaining the same. Further, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiary.

14. Auditors:

The Auditors, M/s Thanawala & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment for a period of three years from the conclusion of this Annual General Meeting [AGM] till the conclusion of 31st AGM.

15. 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.

16. Disclosure about Cost Audit

As per the Cost Audit Orders, Cost Audit is not applicable to the Company's products/ business of the Company for FY 2016-17.

17. 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 IV** to this report. The report is self-explanatory and do not call for any further comments.

18. 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.

19. Issue of employee stock options

No ESOP were granted in the year under preview.

20. Vigil Mechanism :

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

21. Risk management policy

A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, this in the opinion of the Board may threaten the existence of the company.

22. Extract of Annual Return:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management

and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as **ANNEXURE I**.

- 23.** No material changes and commitments, if any, 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

24. Deposits

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

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

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 required)	Rate of Interest	Security
	NOT	APPLICABLE							

Details of Investments:-

SL No.	Date of Investment	Details of Investee	Amount INR Lacs	Purpose for which the proceeds from investments is proposed to be utilized by the recipient	Date of BR	Date of SR (if required)	Expected rate of return
1.	31/3/07	Dombivli Nagari Sahakari Bank	5.00	Banking Limits	-	-	-

Details of Guarantee / Security Provided:

SL No.	Date of providing security/ guarantee	Details of recipients	Amount INR Lacs	Purpose for which the security / guarantee is proposed to be utilized by the recipient	Date of BR	Date of SR (if required)	Commission
1.	18/9/09	Sky Hemmay Pvt. Ltd.	126	Banking Limits	-	-	-

26. 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.

27. Statutory Disclosures

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

28. Obligation Of Company Under The Sexual Harassment Of Women At Workplace (prevention, Prohibition And Redressal) Act, 2013

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

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

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

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

a) Conservation of energy

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

(b) Technology absorption

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

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was Rs. 1624 lakhs and the total foreign exchange earned was Rs. 134 lakhs.

30. 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.

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

31. Human Resources

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

Your Company continuously 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.

32. Directors' Responsibility Statement

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

(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) 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

(e) 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.

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

33. Transfer of Amounts to Investor Education and Protection Fund

The amount of dividend remaining unpaid for the year 2009-2010 will be transferring to the Investor Education and Protection Fund (IEPF) constituted Under Section 125 of the Companies Act, 2013.

34. Acknowledgements

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

For and on behalf of the Board of Directors

sd/-

**Shailesh Shah
Managing Director**

**PLACE: MUMBAI
DATE: 29th April, 2017**

ANNEXURE INDEX

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

Annexure I

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2014**

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:

1.	CIN	L17120MH1989PLC052645
2.	Registration Date	29 th July 1991
3.	Name of the Company	SKY INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	PUBLIC LIMITED COMPANY
5.	Address of the Registered Office & Contact Details	C-58, TTC INDUSTRIAL AREA, THANE BELAPUR ROAD, PAWANE, NAVI MUMBAI- 400705 PHONE: 022 67137900
6.	Whether listed Company	YES, LISTED ON BSE – SCRIP CODE 526479
7.	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 and Description of main products / services	NIC Code of the Product/Service	% to total turnover of the company
1.	Hook and Loop Tapes	13999	71%
2.	Others	13999	29%

III. Change in Promoters' Shareholding (please specify, if there is no change)

Sky Industries Limited								
Sr. No	Shareholder's Name	Shareholding at the beginning of the year - 2016			Shareholding at the end of the year - 2017			% change in shareholding during the year
		No. of Shares held	% of Total shares of the company	% of Shares pledged/ encumbered to total shares	No. of Shares held	% of Total shares of the company	% of Shares pledged/ encumbered to total shares	
1	SHARAD S SHAH	862043	'21.6790	'0.0000	862043	'21.6790	'0.0000	'0.0000
2	SHAILESH S SHAH	617748	'15.5354	'0.0000	630623	'15.8591	'0.0000	'0.3237
3	SKAY FINVEST PRIVATE LIMITED	263500	'6.6266	'6.6266	263500	'6.6266	'6.6266	'0.0000
4	SALONI S SHAH	0	'0.0000	'0.0000	4400	'0.1107	'0.0000	'0.1107
5	SANGITA SHILESH SHAH	0	'0.0000	'0.0000	4350	'0.1094	'0.0000	'0.1094
	Total	1743291	'43.8409	'6.6266	1764916	'44.3848	'6.6266	'0.5439

Sky Industries Limited										
Sr. No	Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% 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/Hindi Undivided family	1479791	0	1479791	'37.2143	1501416	0	1501416	'37.7582	'0.5439
(b)	Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	263500	0	263500	'6.6266	263500	0	263500	'6.6266	'0.0000
	Sub Total (A) (1)	1743291	0	1743291	'43.8409	1764916	0	1764916	'44.3848	'0.5439
[2]	Foreign									
	Individuals (Non-Resident Individuals / Foreign									
(a)	Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Sub Total (A) (2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	1743291	0	1743291	'43.8409	1764916	0	1764916	'44.3848	'0.5439
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Alternate Investment Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(f)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(g)	Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h)	Provident Funds / Pension Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B) (1)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Central Government / State Government(s)									
[2]	President of India									
	Sub Total (B) (2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[3]	Non-Institutions									
(a)	Individuals									
	Individual shareholders holding nominal share capital upto Rs. 1 Lakh.	727102	214326	941428	'23.6754	688842	213026	901868	'22.6805	'-0.9949
	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	783700	15000	798700	'20.0860	790773	15000	805773	'20.2639	'0.1779
(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)									
	Hindi Undivided Family	75186	0	75186	'1.8908	83274	0	83274	'2.0942	'0.2034
	Non Resident Indians (Non Repat)	45676	0	45676	'1.1487	45777	0	45777	'1.1512	'0.0025
	Non Resident Indians (Repat)	60438	94410	154848	'3.8942	63788	94410	158198	'3.9784	'0.0842
	Clearing Member	8639	0	8639	'0.2173	13432	0	13432	'0.3378	'0.1205
	Bodies Corporate	203832	4800	208632	'5.2468	198362	4800	203162	'5.1092	'-0.1376
	Sub Total (B)(3)	1904573	328536	2233109	'56.1591	1884248	327236	2211484	'55.6152	'-0.5439
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	1904573	328536	2233109	'56.1591	1884248	327236	2211484	'55.6152	'-0.5439
	Total (A)+(B)	3647864	328536	3976400	'100.0000	3649164	327236	3976400	'100.0000	'0.0000
(C)	Non Promoter Non Public									
[1]	Custodian / DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000

IV) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Amounts in INR Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	869.38	50.18		919.56
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	869.38	50.18		919.56
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	848.96	79.5		928.46
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	848.96	79.5		928.46

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shailesh Shah	Sharad Shah	Vaibhav Desai	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2400000	2400000	1069459	5869459
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit				
5.	Others, please specify				
	Total (A)	2400000	2400000	1069459	5869459
	Ceiling as per the Act	30,00,000	30,00,000	30,00,000	30,00,000

B. Remuneration to other directors

SN	Particulars of Remuneration	Name of Directors			Total Amount
		Vijay Choraria	Subramanian Sharma	Narendra Mahajani	Aditi Bhat
1.	Independent Directors				
	Fee for attending board committee meetings	-	-	400000/-	50000/- 450000/-
	Commission				
	Others, please specify				
	Total (1)				
2.	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

VI. 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	-	-	-	-	-
Punishment					
Compounding					
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment					
Compounding					

Annexure - II

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

Sr. No.	Name	Designation / Nature of Duties	Remuneration Received (Rs.)	Qualification	Experience in Years	Age in Years	Date of commencement of employment	Last employment held
1	2	3	4	5	6	7	8	9
		NA						

Notes:

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

Annexure - III

STATEMENT PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

In accordance with the General Circular No: 2/2011 dated 8 February, 2011, issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, the Statement of Profit and Loss and other documents of the subsidiary are not being attached with the Annual Accounts of the Company. This Annual Report contains Consolidated Financial Statement of the Company and its subsidiary in accordance with the relevant Accounting Standards and the same has been duly audited by Statutory Auditors. The annual Accounts of the subsidiary company and related information will be made available to the shareholders of the Company and its subsidiary company on request and will also be kept open for inspection by the shareholders at the Registered Office of the Company and the subsidiary.

(Figures in INR Lacs)

Name of Subsidiary Company	S.K. Stabel Industries Pvt. Ltd.
Issued & Subscribed Capital	26.00
Reserves	(23.42)
Total Assets	13.87
Total Liabilities	13.87
Investments	NIL
Turnover	0.00
Profit/(Loss) before Tax	(9.80)
Provision for Tax	NIL
Profit/(Loss) After Tax	(9.80)
Proposed Dividend	NIL

Annexure-IV

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

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

To,

The Members,

Sky Industries Limited

Mumbai

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 as a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

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, 2017 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the 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, Overseas Direct Investment and External Commercial Borrowings.

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 (Listing Obligations and Disclosures Requirements) Regulations, 2015;
6. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
7. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
8. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
9. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
10. The Securities and Exchange Board of India(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 - Not Applicable to the Company during the Audit Period;
Other laws applicable specifically to the Company namely:
11. Factories Act,1948;
12. Industrial Disputes Act,1947;
13. The Payment Of Wages Act,1396;
14. The Minimum Wages Act,1948;

15. The Employees' Provident Fund And Misc. Provision Act;
16. The Payment Of Gratuity Act, 1972;
17. The Contract Labor (Regulation And Abolition) Act, 1986;
18. The Employees Compensation Act,1923;
19. The Apprentice Act, 1961;
20. Indian Contract Act, 1930;
21. Sale Of Goods Act, 1930;
22. Legal Metrology Act,2009;

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

23. Secretarial Standards issued by The Institute of Company Secretaries of India.
24. The Listing Regulations entered into by the Company with Bombay Stock Exchange Limited.

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

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

requiring compliance thereof by the Company during the financial year.

Further based on verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the course and conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner as required under the various provisions of Companies Act, 2013, SEBI Act, 1992 and all other laws and applicable provisions there under.

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 Labor 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.

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: 29th April, 2017

For Ramesh Chandra Mishra & Associates

Sd/-

Ramesh Mishra

FCS: 5477

PCS: 3987

'Annexure A'

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

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

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

For Ramesh Chandra Mishra & Associates

Sd/-

Ramesh Mishra

FCS: 5477

PCS: 3987

Place: Mumbai

Date: 29th April, 2017

Corporate Governance Report – 2016-17

The Company is a listed company on Bombay Stock Exchange Limited. The report on Corporate Governance as per the Listing Obligation Disclosure Requirements Regulation, 2015 is given hereunder:

1. Company's Philosophy on Code of Governance

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

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

2. Board of Directors

The Board of Directors along with its committees provides leadership and vision to the management and supervises the functioning of the company. The composition of the Board is governed by the Listing obligation and Disclosure Requirements , Regulations 2015 executed with the Bombay Stock Exchange Limited, the Companies Act, 2013 and the provisions of the Articles of Association of the Company. The Board presently comprises of Five Directors out of which two are Whole Time Director, one Managing Director and two Independent directors out of which one is women director. 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.

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 of Directors

Sr. No.	Name of Director	PD/ED/ NED/ ID*	Attendance in Board Meetings		Attendance in Last AGM	Other Board		
			Held	Attended		Director ship **	Committee Chairmanship ***	Committee Membership
1.	Mr. Shailesh S. Shah Managing Director	PD-ED	6	6	Present	No	No	No
2.	Mr. Sharad S. Shah	PD-ED	6	6	Present	No	No	No
3.	Mr. Vaibhav Desai	ED	6	6	Present	No	No	3
4.	Mr. Narendra Mahajani	NED-ID	6	6	Present	No	2	3
5.	Mr. Subramiam Sharma****	NED-ID	5	0	Absent	3	3	3
6.	Ms Aditi Bhatt	NED-ID	6	6	NA	No	3	3

* PD – Promoter Director, ED-Executive Director, NED- Non Executive Director, ID-Independent Director

** In Indian Public Limited Companies as on 31st March, 2017

*** In Audit and Shareholders Grievances Committee of Indian Public Limited Companies as on 31st March, 2017.

**** Resigned wef 10 Feb 2017.

Details of Board Meetings Held during the Year

Date of Board Meeting	30 May	09 Aug	30 Aug	14 Nov	17 Nov	10 Feb
Board Strength	6	6	6	6	6	5
No. of Directors Present	5	5	5	5	5	5

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, 2016.

Board Committees

Currently, the Board functions through Sub-committees namely, Audit Committee, Nomination and Remuneration Committee, Share Transfer and Allotment Committee, Stake Holder Relationship Committee and

Health and Safety Committee.

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:

3. Audit Committee:

Pursuant to the provision of the companies act, 1956 and the Listing Agreement, an Audit Committee under the Listing Agreement as well as under provision of the companies act, 1956. The Composition of the Audit Committee is as under:

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

Terms of References of Audit Committees

- 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.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- 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.
- Discussion with internal auditors on any significant findings and follow up there on.
- 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.

10. 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.
11. 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.
12. Review the following information,
 1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit reports relating to internal control weaknesses
13. In addition to the above, all items listed in Clause 49 (II)(D) of the Listing Agreement.

The Audit Committee has the following powers:

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

NOMINATION AND REMUNERATION COMMITTEE:

Brief description and terms of reference:

The objective of Nomination and Remuneration Committee is to assess the remuneration payable to our Managing Director/Whole Time Directors; sitting fee payable to our Non-Executive Directors; remuneration policy covering policies on remuneration payable to our senior executives. The Nomination and Remuneration Committee is duly constituted and the matters specified in accordance with under Clause 49 of the Listing Agreement read with Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and of Section 178 of the Companies Act, 2013.

Composition of Nomination and Remuneration Committee as on 31st March, 2017:

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

Company has conducted Nomination and Remuneration Committee meetings on

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

- Ø Salary & Commission
- Ø No Sitting Fee

Non-executive Directors

- Ø Sitting Fee

During the financial year 2016-17 remuneration paid to the Executive Directors are as under

Name of Director	Amount (INR)
Mr. Shailesh S. Shah	2400000/-
Mr. Sharad S. Shah	2400000/-
Mr. Vaibhav Desai	1069459/-

Notes:

- 1) The Company has not entered into any pecuniary relationship or transaction with the Non-executive directors.
- 2) The Company has not so far issued any stock options to any of the directors.

SHARE TRANSFER AND ALLOTMENT COMMITTEE:

Brief description and Terms of Reference:

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

Composition of Shares Transfer Committee as on 31st March, 2017:

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

STAKEHOLDER RELATIONSHIP COMMITTEE:

Brief description and Terms of Reference:

To specifically look into redressal of complaints like transfer of shares, non- receipt of dividend, non-receipt of annual report etc. received from shareholders/ investors and improve efficiency. The Committee performs such other functions as may be necessary or appropriate for the performance of its duties. The Stakeholder Relationship Committee is duly constituted and the matters specified in accordance with Clause 49 of the Listing Agreement read with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and of Section 178 of the Companies Act, 2013.

Composition of Stakeholder Relationship Committee as on 31st March, 2017:

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

HEALTH AND SAFETY COMMITTEE:

Brief description and Terms of Reference:

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 an Anti-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 2016-2017.

INDEPENDENT DIRECTORS DECLARATION:

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

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

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

BOARD EVALUATION:

SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual

directors. The Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors should be done by the entire Board of Directors, excluding the director being evaluated.

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

PERFORMANCE OF THE BOARD AND COMMITTEES:

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

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

MEETING OF INDEPENDENT DIRECTORS:

Pursuant of the provision of Section 149 (8) of the Companies Act, 2013 read with Schedule IV and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Independent Directors of the Company held their meeting on 29th April, 2017, reviewed the performance of non-independent directors and the Board as a whole including the Chairperson of the Company, views expressed by the executive directors and non-executive directors at various level, and quantified the quality, quantity and timeliness of flow of information between the Company, management and the Board and expressed satisfaction.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the Section 134(3)(c) and Section 134 (5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirm:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2015 on a 'going concern' basis.
- (v) The internal financial controls are laid and have been followed by the company and that such controls are adequate and are operating effectively. Such controls means controls and policies and procedures adopted and adhered by the company for orderly and efficient conduct of the business for safeguarding assets, prevention and detection of frauds and errors and maintenance of accounting records and timely preparation of financial statements and review its efficiency.
- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. General Body Meetings

a) Location and time of Company's three most recent AGM's

	2013-14	2014-15	2015-16
Date	27.09.2014	30.09.2015	30.09.2016
Time	11.00 A.M	11.00 A.M.	11.00 A.M.
Venue	Hotel Abbott	Hotel Varishttha	C-58, TTC Indl Area

7. Disclosures

Related Party Transactions

During the financial year 2016-17 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 2016-17, there are no audit qualifications in the Company's financial statements.
2. The Company is making all the efforts to recruit Independent / Non-executive Directors on the Board of the Company, to comply with requirements of the listing agreement.

Risk Management Framework

Sky Industries Limited has a formal Risk Management (RM) framework, which has grown and refined over a period of time as the businesses are becoming more complex and increasingly facing various challenges across the globe. The Company has put in place a risk management framework in line with its vision, mission and business strategy.

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

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

8. 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.

9. General Shareholder information:

a. Annual General Meeting

Date : 10th Aug 2017

Time : 11.00 A. M.

Venue : C-58 TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai - 400 705

b. Financial Calendar 2017 – 2018

First quarter results	::	By mid August, 2017
Second quarter results	::	By mid November, 2017
Third quarter results	::	By mid February, 2018
Annual results for the year ending on 31st March, 2018	::	By end of May, 2018

c. Book Closure

The Register of Members and Transfer Registers of the Company will remain closed from 4th Aug 2017 to 11th Aug, 2017 (both days inclusive).

d. Listing on Stock Exchanges

The Shares of the Company are listed with the Stock Exchange, Mumbai, (BSE),

Stock Code - 526479

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

e. Stock Market Data: High, Low during each month in last financial year (BSE)

Details of High/Low during each month in the financial year 2016 – 2017:

The Stock Exchange, Mumbai

₹					No. of	No. of	Total
Month	Open	High	Low	Close	Shares	Trades	Turnover
Apr-16	18.70	21.50	17.90	20.80	2,418	21	48,659
May-16	20.00	23.15	17.95	23.15	3,503	28	68,459
Jun-16	22.00	23.15	19.45	19.45	11,060	26	2,29,961
Jul-16	19.50	21.20	19.20	20.45	14,504	25	2,94,817
Aug-16	21.45	29.40	21.45	23.80	30,157	73	8,51,828
Sep-16	23.00	23.20	20.25	20.25	10,199	42	2,17,808
Oct-16	19.25	24.65	18.50	24.00	18,757	99	4,27,946
Nov-16	25.10	27.75	21.85	25.45	12,822	89	3,14,141
Dec-16	24.20	25.45	18.35	23.40	23,362	81	4,62,260
Jan-17	24.55	25.80	22.00	22.10	8,901	83	2,09,137
Feb-17	23.20	25.25	29.90	22.00	14,254	93	3,22,741
Mar-17	21.65	24.10	18.00	21.70	38,648	112	7,95,786

Registrar and Transfer Agents 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

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 **3849164** equity shares of Rs.10/- each were dematerialized as on 31st March, 2017 constituting 92 % 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.

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

j. Plant Locations:

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

Certificate Of Compliance With The Corporate Governance

To,
The Members of
SKY INDUSTRIES LIMITED

We have examined the compliance of conditions of corporate governance by Sky Industries Limited ('the Company') for the year ended March 31, 2017 as stipulated in Clause 49 of the Listing Agreement and 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: 29th April, 2017

For Ramesh Chandra Mishra & Associates
Sd/-
Ramesh Mishra
FCS: 5477
PCS: 3987

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

To
The Members of
Sky Industries Ltd

As approved under the Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2017

For SKY INDUSTRIES LTD

Sd/-
Shailesh Shah
(Managing Director)

Management Discussion And Analysis

Industry Structure & Development:

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

Opportunity and Threats:

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

The Company does face threats from imports and other new emerging players in these product lines. However, they are mitigated partly by the Anti Dumping Duty levied against the imports of sub standard quality goods in the Hook & Loop Tape category, which for the next review period has been changed to fixed rate of duty, which is expected to be a more effective.

The Company has also moved up the value chain in the segments like Hook and Loop Tape Fasteners and is focusing on increasing the share of revenues from the value added products.

As in any economy, there is a first mover advantage and the Company has already strengthened its position in the various product lines it is currently in. The Company realizes the possibility of the entry of competition in the product lines that the company is currently present in.

Also there is a possibility of newer fastening applications being developed, which is a threat to the major product of the Company.

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.

Outlook

There are new opportunities and avenues available to the Company which is expected to take the Company on the growth trajectory. Overall, the outlook looks positive for the industry as a whole and the Company in particular.

Exports

During the year under review the Exports were at Rs. 134 lacs, a drop from the previous year. The drop was mainly on account of conscious decision to avoid the riskier markets, as well as Company's decision to exit the allied businesses, which were largely instrumental in getting higher export orders in the previous year.

Risks and Concerns

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

existing players owing to the market available.

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

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

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

Internal Control systems and their adequacy

The Company has commensurate internal audit systems in relation to the size of the Company. The Company also has appointed an Internal Auditor Ms/ Sitendu Sharma, who have been conducting internal audit of the systems that have been strengthened.

Operations

The turnover during the year was Rs. 48 Crores as compared to previous years Rs. 52 Crores, a slightly downward trajectory. The Company faced external pressures on the pricing front, and that is primary reason of the marginal drop in turnover, though there is increase in volumes.

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

Human Resources & Industrial Relations:

Your Company continued to have cordial relations with its employees. The Company has a team of able and experienced industry professionals in its ranks. As of 31st March, 2017, the total number of employees on the rolls of the Company was 54.

Managing Director & Chief Financial Officer Certification

To
The Board of Directors
Sky Industries Limited

We, Mr. Shailesh Shah, Managing Director and Mr. Maikal Raorani, Chief Financial Officer, do hereby certify as follows:

We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

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

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

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

We have indicated to the Auditors and the Audit Committee:

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

For Sky Industries Limited
Sd/-
Shailesh Shah
(Managing Director)

For Sky Industries Limited
Sd/-
Maikal Raorani
(Chief Financial Officer)

Place: Mumbai
Date: 29th April, 2017

Independent Auditor's Report

To

The Members of SKY INDUSTRIES LIMITED

1. Report on the standalone Financial Statements

We have audited the accompanying standalone financial statements of **SKY INDUSTRIES LIMITED** (“the Company”), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and cash flow statement, for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

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

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

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

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

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

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its **profit** and its cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the on the matters specified in para 3 and 4 of the order,

2. As required by Section 3 of section 143 of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of the written representations received from the directors as at 31 March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigation on its financial position in its standalone financial statement Refer Note 29(ii) to the standalone financial statement.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company, as detailed in Note No.08 to the financial statements, has made requisite disclosures in these financial statements as to holding as well as dealings in Specified Bank Notes during the period from 08 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the company.

Place : Mumbai

Date : 29 April 2017

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

sd/-

[V.K. Thanawala]

Proprietor

Membership No. 15632

Annexure A to the Independent Auditors Report

THE ANNEXURE A REFERRED TO IN INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF THE COMPANY ON THE STANDALONE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH,2017,

We Report That -

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

Except following undisputed statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

Sr. No.	Name of statutory dues	Nature of dues	Total (Rs.)	Period to which it relates	Whether paid balance sheet
1.	Gujarat Value Added Tax	GVAT	1,29,670	31.03.2015	No
2.	Professional Tax Act	PT	41,135	31.03.2015	No
3.	Navi Mumbai Cess	CESS	71,53,072	various years	No

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, 2017 -

Nature of Dues	Amount in Rs.	Period for which dispute relates	Forum where dispute is pending
Gujarat VAT	3358280	2006-07, 07-08,11-12	Commissioner of Sales Tax
CST	452528	2006-2007, 2011-2012	Commissioner of Sales Tax

8. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks, governments or debenture holders. The company did not have any outstanding dues to debenture holders during the year.
9. The company has not raised any money by way of public issue or further public offer during the year or in the recent past. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, its officers or employees, noticed or reported during the period, nor have been informed of such case by the management.
11. According to the information and explanation given to us and based on our examination of the books and records of the Company, we are the opinion that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Company Act.
12. In our opinion, the company is not a Nidhi Companies, Therefore, provision of clause 3(xii) of the order not applicable.
13. According to the information and explanation given to us and based on our examination of the records, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and all the details have been disclosed in the financial statement as per Accounting Standard in Note No -29 (VII) to the Financial Statement.
14. According to the information and explanation given to us and based on our examination of the records, the Company has made preferential allotment of equity shares during the period under review.
15. According to the information and explanation given to us and based on our examination of the records of the Company has not entered into any non-cash transactions during the period with directors or persons connected with him.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Mumbai
Date : 29 April 2017

For and on behalf of –
Thanawala & Company
Chartered Accountants
Firm Reg. No. 110948W
sd/-
[V.K. Thanawala]
Proprietor
Membership No. 15632

Annexure – B to the Auditors Report

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SKY INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

To the Members of SKY INDUSTRIES LIMITED

We have audited the internal financial controls over financial reporting of Sky Industries Limited (“the Company”) as of March 31, 2017, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Place : Mumbai
Date : 29 April 2017

For and on behalf of –
Thanawala & Company
Chartered Accountants
Firm Reg. No. 110948W
sd/-
[V.K. Thanawala]
Proprietor
Membership No. 15632

SKY INDUSTRIES LIMITED		(Amount in Rs.)		
Balance Sheet as at 31st March, 2017		Note	As at March 31, 2017	As at March 31, 2016
A EQUITY AND LIABILITIES				
1	Shareholder's Funds	2	417,64,000	397,64,000
	(a) Share capital	3	1234,24,032	1131,87,646
	(b) Reserves & Surplus	4	24,72,500	-
	(c) Money received against share warrants		1676,60,532	1529,51,646
2	Non-current liabilities	5	116,35,671	92,02,425
	(a) Long-term borrowings		90,68,658	95,33,184
	(b) Deferred tax liabilities (net)	6	5,66,154	5,66,154
	(c) Other long-term liabilities	7	23,95,630	115,07,394
	(d) Long-term provisions		236,66,113	308,09,157
3	Current liabilities	8	848,96,469	919,57,294
	(a) Short-term borrowings	9	627,67,313	670,48,480
	(b) Trade payables	10	146,63,457	236,39,255
	(c) Other current liabilities	11	74,496	28,85,676
	(d) Short-term provisions		1624,01,735	1855,30,705
			3537,28,380	3692,91,508
A ASSETS				
1	Non-current assests	12		
	(a) Fixed assests % of Holding			
	(1) Tangible Assets		977,47,923	961,06,831
	(2) Intangible Assets		1,50,084	-
	(3) Capital Work in Progress		64,78,794	3,64,256
			1043,76,801	964,71,087
	(b) Non-current investments	13	33,59,999	33,59,999
	(c) Long-term loans and advances	14	276,92,198	235,34,367
	(d) Other non-current assets	15	31,41,072	433,32,371
			1385,70,070	1666,97,824
2	Current assets			
	(a) Inventories	16	1004,83,605	857,53,594
	(b) Trade receivables	17	964,47,875	1042,53,675
	(c) Cash and cash equivalentents	18	62,79,545	69,73,864
	(d) Short-term loans and advances	19	119,47,285	56,12,550
			2151,58,310	2025,93,683
			3537,28,380	3692,91,507

Significant accounting policies

The accompanying notes (1 to 29) from an internal part of the financial statements.

As per our Report of even date

For and on behalf of the Board of Directors

For and on behalf of

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

sd/-

sd/-

sd/-

VIJAY K THANAWALA
PROPRIETOR

Shailesh Shah
Managing Director

Sharad Shah
Director

Vaibhav Desai
Director

Membership No. 15632

Mumbai, Dated: April 29, 2017

SKY INDUSTRIES LIMITED
Statement of Profit & Loss for the Year Ended 31st March, 2017
(Amount in Rs.)

	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
I. Revenue from Operations	20	4867,26,346	5193,85,892
II. Other Income	21	25,42,664	61,99,109
III. Total Revenue		4892,69,010	5255,85,001
IV. Expenses :			
Cost of materials consumed	22	2730,25,225	3259,29,580
Purchases of Stock-in-Trade	23	400,37,855	353,19,715
Changes in Inventories of Finished Good, Work in Progress and Traded Goods	24	372,11,732	153,81,746
Employee benefits expense	25	346,09,299	388,62,833
Finance costs	26	118,07,845	216,29,434
Depreciation and amortization expenses	12	88,74,987	90,81,829
Other expenses	27	633,46,790	696,09,670
V.. Total Expenses		4689,13,733	5158,14,807
VI. Profit(Loss) before tax and Exceptional Items		203,55,277	97,70,194
VII. Exceptional Items	28	113,34,416	-55,32,260
VIII. Profit before tax		90,20,861	153,02,454
IX. Tax expense :			
(1) Current tax - For the Year		17,20,000	33,00,000
- Excess (short) Provision of the Previous years		1,29,001	
(2) Deferred tax		(4,64,526)	(5,95,166)
		13,84,475	27,04,834
X. Profit(Loss) for the period from continuing operations (VIII-IX)		76,36,386	125,97,620
Significant accounting policies	1		

As per our Report of even date
For and on behalf of
THANAWALA & COMPANY
CHARTERED ACCOUNTANTS
Firm Reg. No. 110948W

For and on behalf of the Board of Directors

VIJAY K THANAWALA
PROPRIETOR

sd/-
Shailesh Shah
Managing Director

sd/-
Sharad Shah
Director

sd/-
Vaibhav Desai
Director

Membership No. 15632
Mumbai, Dated: April 29, 2017

SKY INDUSTRIES LIMITED		
Cash Flow Statement for the Year Ended 31st March, 2017		
(Amount in Rs.)		
	For the year ended March 31, 2017	For the year ended March 31, 2016
A . Cash Flow from Operating Activities :		
Profit before tax and extra ordinary item	203,55,277	97,70,194
Adjustment for :		
Depreciation	88,74,987	90,81,829
Interest and Finance Charges	118,07,845	216,29,434
Interest Income	(89,442)	(3,59,791)
Dividend	(65,000)	(65,000)
	<u>205,28,390</u>	<u>302,86,472</u>
Operating Profit before Working Capital Changes	<u>408,83,667</u>	<u>400,56,667</u>
Adjustment for :		
Trade Receivables	78,05,800	117,35,980
Other Receivables	(104,92,566)	86,00,485
Inventory	254,61,288	164,03,233
Cess & Property Tax Paid	(92,45,007)	-
Terminal Allowance Paid	(100,07,789)	-
Gratuity Paid	(91,11,764)	(36,31,180)
Trade & Other Payables	(53,69,803)	(636,37,844)
	<u>(109,59,841)</u>	<u>(305,29,326)</u>
Cash generated from Operations :	299,23,826	95,27,341
Direct Tax paid/net of Refund received	(46,28,963)	(1,20,511)
Net Cash Flow from Operating Activities	<u>252,94,863</u>	<u>94,06,830</u>
B . Cash Flow from Investing Activities :		
Acquisition of Fixed Assets	(167,80,701)	(63,72,783)
Proceeds from Sale of Fixed Assets	-	25,91,745
Proceeds from Sale of Investments	-	276,88,630
Dividend	65,000	65,000
Interest Income	89,442	3,59,791
Net Cash used in Investing Activities	<u>(166,26,259)</u>	<u>243,32,383</u>

SKY INDUSTRIES LIMITED
Cash Flow Statement for the Year Ended 31st March, 2017
(Amount in Rs.)

	For the year ended March 31, 2017	For the year ended March 31, 2016
C . Cash Flow from Financing Activities :		
Proceeds from issue of Share capital	46,00,000	-
Proceeds from issue of Share warrants	24,72,500	-
(Decrease)/Increase in Working Capital facility (net)	(20,42,331)	(5,24,099)
Increase/(Decrease) of Term Loan/Vehicle Loans	24,33,246	(65,15,607)
Increase/(Decrease) of Unsecured Loans	(50,18,494)	(219,02,828)
Interest and Finance Charges Paid	(118,07,845)	(216.29.434)
Net Cash (Used)/Generated from Financing Activities	(93,62,923)	(505,71,968)
Net Increase/(Decrease) in Cash and Cash Equivalents	(6,94,319)	(168,32,756)
Cash and Cash Equivalents as at the beginning of the year	69,73,864	238,06,621
Cash and Cash Equivalents as at the end of the year	62,79,545	69,73,864
Net Increase/(Decrease) in Cash and Cash Equivalents	(6,94,319)	(168,32,757)

Note : Cash Flow statement has been presented under indirect method as prescribed in AS-3
Figures for the previous year have been regrouped and rearranged wherever considered
necessary.

As per our Report of even date
For and on behalf of
THANAWALA & COMPANY
CHARTERED ACCOUNTANTS
Firm Reg. No. 110948W

For and on behalf of the Board of Directors

VIJAY K THANAWALA
PROPRIETOR

sd/-
Shailesh Shah
Managing Director

sd/-
Sharad Shah
Director

sd/-
Vaibhav Desai
Director

Membership No. 15632
Mumbai, Dated: April 29, 2017

SKY INDUSTRIES LIMITED**Notes to Financial Statement for the Period Ended 31st March, 2017****1 Significant Accounting Policies-****1.1 Basis of accounting**

The financial statements have been prepared on historical cost convention and as a going concern and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the Section 211(3C) of the Companies Act, 1956. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

Estimates and Assumptions used in the preparation of financial statements are based upon the management's evaluation of relevant fact and the circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the companies Act, 2013.

1.2 Inventories :

Inventories are valued at cost or net realizable value whichever is lower; cost is ascertained on the following basis :

- a. Raw Material, Packing Material, tools, spares and consumable are valued at cost on plus direct cost incurred to bring the stock to its existing level.
- b. Work in progress are valued at cost of manufacturing based on cost of Raw material and labour and overheads cost up to the relevant stage of completion.
- c. Finished Goods valued at cost or Market price which ever is less.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement) :

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.4 Events occurring after the date of Balance Sheet :

Material events occurring after the date of Balance Sheet are considered up to the date of approval of the accounts by the board of directors. There are no substantial events having an impact on the results of the current year Balance Sheet.

1.5 Prior Period Items and Changes in Accounting Policies :

No Prior Period items have materially affected this year's financial statements. Figures of previous year have been regrouped, rearranged and stated in line with the current year's presentation.

1.6 Depreciation :

Depreciation on all tangible assets has been calculated on Straight Line Method (SLM) as per the rates and manner prescribed under Schedule XIV of the Companies Act, 1956.

1.7 Revenue recognition :

Sales are accounted for net of Excise Duty, VAT and claims etc. Revenue from sale of products is

recognized upon passage of title to the customer on acceptance of goods which generally coincides with the dispatch of materials.

Dividend Income is recognized when the right to receive the dividend is unconditional at the Balance Sheet date.

Interest Income is recognized on accrual basis.

1.8 Fixed Asset :

Fixed Assets are accounted at cost of acquisition or construction. Fixed assets are capitalized net of VAT for which credit is taken and includes borrowing cost directly attributable to construction or acquisition of fixed assets, up to the date the asset is ready to use.

1.9 Capital work in Progress and Preoperative Expenses during Construction period

Capital Work-in-Progress includes expenditure during construction period incurred on projects under implementation treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion / commencement of commercial production.

1.10 Employee Benefits

- a. Company's Contribution to the provident fund and family pension funds is recognized during the year in which related service is rendered.
- b. Provisions for the leave encashment & gratuity liabilities, which are not funded, have been determined on internal workings.
- c. Terminal benefits are recognized as an expense as and when incurred.

1.11 Borrowing costs :

Borrowing costs that are directly attributable to the acquisition, construction or production of fixed assets are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.12 Related Party Transactions :

The related parties are identified by the management of the Company and relied upon by the Auditors. The related party transactions are reported at their net value (Excluding indirect taxes).

1.13 Taxes on income :

Current tax is determined based on the amount of tax payable in respect of taxable income for the financial year ending on 31st March.

Deferred tax is recognized, subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period are capable of reversal in one or more subsequent periods. Deferred tax assets, are recognized only to the extent there is virtual certainly supported by convincing evidence of its realization.

1.14 Cash flow statement

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

1.15 Miscellaneous Expenditure :

Miscellaneous expenditure is written off over a period of future economic benefit available not exceeding five years.

1.16 Foreign Currency Transaction

All transactions in foreign currency are recorded at the rate of exchange prevailing on dates when the relevant transactions take place. In case of payment/realizations against these transactions in the same accounting year the respective expense/income head is debited/credited. In case of transactions where payments/realizations take place in the subsequent years the exchange gains/losses are accounted under exchange rate difference.

1.17 Provisions and contingencies :

The company recognizes provisions when there is a present legal or constructive obligation as a result of past event that probably require an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

**As per Our Report of Even date
For and on Behalf of**

**For, Sky Industries Limited
THANAWALA & Co.
Chartered Accountants
Firm Reg. No. 110948W**

sd/-

**Place : Mumbai,
Dated : 29 April 2017**

**[V.K. Thanawala]
Proprietor
M.N. 15632**

SKY INDUSTRIES LIMITED
Notes Forming Part of Financial Statements

Note	(Amount in Rs.)	
	As at March 31, 2017	As at March 31, 2016
2 EQUITY SHARE CAPITAL		
Authorised Capital		
15,000,000 Equity Shares of Rs. 10/- each	1500,00,00	1500,00,00
500,000 Redeemable Preference Shares of Rs. 100/- each	500,00,000	500,00,000
	2000,00,000	2000,00,000
Issued, Subscribe and Paid Up		
41,76,400 (3,976,400) Equity Shares of Rs. 10/- each (Refer Notes 2.1 to 2.3)	417,64,000	397,64,000
	417,64,000	397,64,000

2.1 Shareholders holding more than 5% share in the Company

	As at March 31, 2017		As at March 31, 2016	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Name of Shareholder				
Skay Finvest Pvt. Ltd.	2,63,500	6.31%	2,63,500	6.63%
Sharad Shah	8,62,043	20.64%	8,62,043	21.68%
Shailesh Shah	8,17,748	19.58%	8,17,748	15.54%
	19,43,291	46.53%	17,43,291	43.85%

Reconciliation of number of shares :

Particulars	Equity Shares		Preference Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	39,76,400	397,64,400	-	-
Shares Issued during the year	2,00,000	2,00,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	41,76,400	417,76,400	-	-

2.2 The Company issued 6,30,000 convertible warrants to the Promoter of which 2,00,000 warrants were converted to 2,00,000 equity share of Rs. 10/- eah @ Rs. 23 per share on 10/02/2017

2.3 Rights and restriction attached to the shares

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled

SKY INDUSTRIES LIMITED
Notes Forming Part of Financial Statements

		As at March 31, 2017	(Amount in Rs.) As at March 31, 2016
3	RESERVES AND SURPLUS		
	a. General Reserve		
	As per last balance sheet	80,00,000	80,00,000
	Add Transfer from surplus	-	-
	Less Written Back in Current Year	-	-
	Closing Balance	<u>80,00,000</u>	<u>80,00,000</u>
	b. Securities Premium Reserve		
	As per last balance sheet	-	-
	Add : On issue of 2,00,000/- shares @Rs.13/- per share	26,00,000	-
		<u>26,00,000</u>	<u>-</u>
	c. Profit and Loss Account		
	As per last balance sheet	1051,87,646	925,90,026
	Less : Net Profit for the Year	76,36,386	125,97,620
		<u>1128,24,032</u>	<u>1051,87,646</u>
		<u>1234,24,032</u>	<u>1131,87,646</u>
4	MONEY RECEIVED AGAINST SHARE WARRANTS		
	As per last balance sheet	-	-
	Add : Received during the year against 6,30,000 warrants @Rs. 5.75 per warrant	36,22,500	-
	Less : Converted 2,00,000 warrants into shares during the year	11,50,000	-
		<u>24,72,500</u>	<u>-</u>
5	LONG-TERM BORROWINGS		
	TERM LOANS		
	From Banks		
	Vehicle loans [Refer Note 5.1] (Repayable within 1 year Rs. 12,02,866/- Previous Year Rs. 9,39,038)	36,83,386	35,22,425
		<u>36,83,386</u>	<u>35,22,425</u>
	UNSECURED LOANS		
	From Directors	79,52,285	56,80,000
		<u>79,52,285</u>	<u>56,80,000</u>
		<u>116,35,671</u>	<u>92,02,425</u>
5.1	The Vehicle loans from banks and other parties are secured by the hypothecation of vehicles purchased under the scheme.		

SKY INDUSTRIES LIMITED
Notes Forming Part of Financial Statements

		As at March 31, 2017	(Amount in Rs.) As at March 31, 2016
6	OTHER LONG-TERM LIABILITIES		
	Trade / Security Deposit Received	5,66,154	5,66,154
		<u>5,66,154</u>	<u>5,66,154</u>
7	LONG-TERM PROVISIONS		
	Provision for Employee Benefits : Gratuity Payable	23,95,630	115,07,394
		<u>23,95,630</u>	<u>115,07,394</u>
8	SHORT-TERM BORROWINGS SECURED		
	(a) Loans repayable on demand From banks		
	Dombivli Nagari Sahakari Bank Ltd - Flexi OD (The above Flexi OD facility is secured by mortgage of Industrial Land, Building and Plant & Machinery at Pawne, Navi Mumbai and Personal guarantee by all Promoter Directors)	848,96,469	869,38,800
		<u>848,96,469</u>	<u>869,38,800</u>
	UN-SECURED		
	(b) Inter Corporate Deposits From Related Party	-	50,18,494
		-	50,18,494
		<u>848,96,469</u>	<u>919,57,294</u>
9	TRADE PAYABLES		
	Due to Micro and Small Enterprises	-	-
	Other than Micro and Small Enterprises	627,67,313	670,48,480
		<u>627,67,313</u>	<u>670,48,480</u>
	In the absence of complete information in respect of the status of each creditor, the Company is not in a position to identify the amounts payable to small scale and ancillary undertakings under the provisions of "Interest on the delayed payment to Small Scale and Ancillary undertaking Act, 1993". Accordingly it is not possible to quantify the extent of overdue interest payable under the said Act.		
	Details relating to dues to micro, small and medium enterprises as per The Micro, Small and Medium Enterprises Development Act, 2006 are yet not identified by the management.		

SKY INDUSTRIES LIMITED
Notes Forming Part of Financial Statements

(Amount in Rs.)
As at
March 31, 2017 As at
March 31, 2016

10 OTHER LONG-TERM LIABILITIES**STATUTORY LIABILITIES**

Tax deduction payable	6,65,274	6,83,748
Sales Tax Payable	7,74,335	6,28,731
Cess Payable	71,53,072	150,71,452
Provident Fund/Esic/Professional tax payable	2,62,969	2,14,236
Excise/Service tax payable	17,334	4,17,094

EMPLOYEE LIABILITIES

Salaries Payable	30,06,213	36,55,762
Bonus Payable	5,04,645	13,09,800
Outstanding Liabilities	7,58,494	5,08,242
Advances received from customer	13,94,828	10,23,896
Un paid Dividends	1,26,294	1,26,294

146,63,457 **236,39,255**

11 SHORT-TERM PROVISION**Provision for employee benefits :**

Leave encashment	27,320	58,648
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Others :

Provision for taxation (Net)	47,176	28,27,028
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74,496 **28,85,676**

12 FIXED ASSETS

(Amount in Rs.)

	Gross Block			Depreciation				Net Block		
	As at April 1, 2016	Additions during the year	Deduction	As at March 31, 2017	Upto April 1, 2016	For the year	On Deduction	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
1) Tangible Assets										
Leasehold Land	50,60,360			50,60,360	9,27,174	64,564		9,91,738	40,68,622	41,33,186
Buildings	339,43,659			339,43,659	161,50,836	11,16,182		172,67,018	166,76,641	177,92,823
Plant & Machinery	2229,39,036	18,71,290		2248,10,326	1588,86,650	58,08,667		1646,95,317	601,15,009	640,52,386
Furniture & Fixtures	46,86,291	48,46,141		95,32,432	42,30,836	2,62,859		44,93,695	50,38,737	4,55,455
Vehicles	118,32,656	11,21,997		129,54,653	40,05,301	11,50,378		51,55,679	77,98,974	78,27,355
Office Equipment	54,06,174	18,91,079		72,97,253	39,89,258	2,22,830		42,12,088	30,85,165	14,16,916
Computers	56,18,449	7,70,656		63,89,105	51,89,739	2,34,591		54,24,330	9,64,775	4,28,710
Sub-total	2894,86,625	105,01,163	-	2999,87,788	1933,79,794	88,60,071	-	2022,39,865	977,47,923	961,06,831
<i>Previous Year</i>	2930,60,586	63,72,783	99,37,496	2894,95,873	1884,74,188	90,66,620	41,51,767	1933,89,041	961,06,832	-
2) Intangible Assets										
Computer software	-	1,65,000	-	1,65,000	-	14,916	-	14,916	1,50,084	-
Sub-total	-	1,65,000	-	1,65,000	-	14,916	-	14,916	1,50,084	-
<i>Previous Year</i>	-	-	-	-	-	-	-	-	-	-
Total	2894,86,625	3001,52,788	-	3001,52,788	1933,79,794	88,74,987	-	2022,54,781	978,98,007	961,06,831
3) Capital Work in Progress	3,64,256	64,78,794	-	64,78,794	-	-	-	-	64,78,794	3,64,256
	2930,60,586	2894,95,873	99,37,496	2894,95,873	1884,74,188	90,66,620	41,51,767	1933,89,041	1043,76,801	964,71,087

SKY INDUSTRIES LIMITED
Notes Forming Part of Financial Statements

		As at March 31, 2017	(Amount in Rs.) As at March 31, 2016
13	NON-CURRENT INVESTMENTS		
	Equity shares of Subsidiary Companies :		
	-2,59,999 (Previous year 2,59,999) Equity share of Rs. 10/- each, fully paid up in SK Stabel Industries Pvt. Ltd.	28,59,989	28,59,989
		<u>28,59,989</u>	<u>28,59,989</u>
	In Others :		
	-50,000 (Previous year 50,000) Equity shares of Rs. 10/- each, fully paid in Dombivli Nagari Sahakari Bank Ltd.	5,00,010	5,00,010
		<u>5,00,010</u>	<u>5,00,010</u>
	Total Investments	33,59,999	33,59,999
	Less : Provision for Diminution in the value of Investments		
		<u>33,59,999</u>	<u>33,59,999</u>
14	LONG-TERM LOANS AND ADVANCES		
	Unsecured, considered good		
	Security Deposits	57,77,207	43,33,835
	Balance with Government Authorities (Refer Note 14.1)	168,38,824	142,24,365
	Loans to Employees	50,76,167	49,76,167
		<u>276,92,198</u>	<u>235,34,367</u>
14.1	Includes Rs. 75,01,480/- towards TUF subsidy receivable		
15	OTHER NON-CURRENT ASSETS		
	Unsecured, considered good		
	Non Moving Inventory	31,41,072	433,32,371
		<u>31,41,072</u>	<u>433,32,371</u>
16	INVENTORIES		
	(At lower of cost or net realisable value)		
	a. Raw Materials	204,34,350	153,12,691
	b. Raw Materials - In transit	117,16,584	43,28,085
	c. Work-in-progress	4,88,404	7,94,883
	d. Packing Material	15,95,244	23,54,959
	e. Finished goods		
	- Manufactured	535,17,370	568,92,584
	- Traded Goods	127,31,653	60,70,392
		<u>1004,83,605</u>	<u>857,53,594</u>

SKY INDUSTRIES LIMITED
Notes Forming Part of Financial Statements

		As at March 31, 2017	(Amount in Rs.) As at March 31, 2016
17	TRADE RECEIVABLES		
	Unsecured, Considered good		
	Trade receivables outstanding for a period more than six months		
	Considered Good	159,67,367	136,41,327
	Considered Doubtful	26,59,130	26,59,130
		186,26,497	163,00,457
	Less: Provision for doubtful debts	26,59,130	26,59,130
		159,67,367	136,41,327
	Others	804,80,508	906,12,348
		964,47,875	1042,53,675
18	CASH AND CASH EQUIVALENTS		
	a. Balances with banks :		
	Earmarked Balances (Refer Note 18.1)	1,26,669	1,26,669
	Balance in Deposit account held as Margin	16,71,770	47,70,275
	Balance in Current account	38,81,430	6,01,450
	b. Cash on hand	5,99,683	14,75,470
		62,79,553	69,73,864
18.1	Indicates earmarked balance for distribution of unpaid dividend		
19	SHORT-TERM LOANS AND ADVANCES		
	Staff advances	3,03,100	6,99,659
	Prepaid expenses	10,15,006	1,36,172
	Advances to suppliers other than capital Advances	63,34,179	32,64,929
	DEPB licences	21,46,500	-
	Capital Advances	21,48,500	15,11,790
		119,47,285	56,12,550
20	REVENUE FROM OPERATIONS		
	Sale of Products (Gross) (Refer Note.No 20.1)	4839,48,272	5159,95,024
	Sale of Services	-	52,898
		4839,48,272	5160,47,922
	OTHER OPERATING INCOME		
	Freight recovered	5,84,883	6,84,673
	Sale of scrap	10,31,762	6,84,320
	Octroi charges collected	5,48,811	6,18,370
	Other Charges Recovered	-	20,987
	Export Incentives	5,75,978	7,92,784
	Miscellaneous Receipt	36,640	5,36,837
		27,78,074	33,37,971
		4867,26,346	5193,85,892

SKY INDUSTRIES LIMITED
Notes Forming Part of Financial Statements

		(Amount in Rs.)	
		As at March 31, 2017	As at March 31, 2016
20.1	Sale of Goods		
	Manufactured :		
	Hook & Loop Tape Fasteners	3986,27,736	4068,08,966
	Narrow Woven Fabrics	<u>242,10,441</u>	<u>625,48,830</u>
		<u>4228,38,177</u>	<u>4693,57,796</u>
	Traded :		
	Fibre glass Insect Screen	194,47,352	204,49,958
	Elastics	239,38,000	208,68,549
	Others	<u>158,51,614</u>	<u>43,54,365</u>
		<u>592,36,967</u>	<u>456,72,872</u>
		<u>4820,75,144</u>	<u>5150,30,668</u>
21	OTHER INCOME		
	Service charges	17,74,758	24,35,286
	Interest	89,442	3,59,791
	Dividend	65,000	65,000
	Sundry balances written off	2,52,464	-
	Rent	-	6,78,000
	Excess Provision written back	-	23,16,520
	Miscellaneous income	<u>3,61,000</u>	<u>3,44,512</u>
		<u>25,42,664</u>	<u>61,99,109</u>
22	COST OF MATERIALS CONSUMED		
	Opening Stock :		
	Raw Materials	176,67,650	125,07,825
	Raw Materials in Transit	<u>43,28,085</u>	<u>-</u>
		219,95,735	125,07,825
	Add: Purchases	<u>2847,75,668</u>	<u>3354,17,490</u>
		<u>3067,71,403</u>	<u>3479,25,315</u>
	Less: Closing Stock :		
	Raw Materials	220,29,594	176,67,650
	Raw Materials in Transit	<u>117,16,584</u>	<u>43,28,085</u>
		<u>337,46,178</u>	<u>219,95,735</u>
		<u>2730,25,225</u>	<u>3259,29,580</u>
22.1	Value of Raw Material Consumed		
	Yarn	124,28,310	281,04,656
	Hook & Loop - Semifinished	2258,46,216	2590,91,529
	Resins & Chemicals	11,14,103	7,81,115
	Others	<u>336,36,596</u>	<u>379,52,280</u>
		<u>2730,25,225</u>	<u>3259,29,580</u>

SKY INDUSTRIES LIMITED
Notes Forming Part of Financial Statements

		Year Ended March 31, 2017		Year Ended March 31, 2017	
		Percentage	Amount	Percentage	Amount
				As at March 31, 2017	(Amount in Rs.) As at March 31, 2016
22.2	Value of Raw Material Consumed				
	Imported Raw Materials	86.59	2364,00,721	77.41	2522,89,335
	Indigenous Raw Materials	13.41	366,24,504	22.59	736,40,245
		100.00	2730,25,225	100.00	3259,29,580
23	PURCHASES OF TRADED GOODS				
	Fibre glass Insect Screen			148,50,521	158,95,294
	Elastics			166,59,358	158,69,738
	Others			85,27,976	35,54,683
				400,37,855	353,19,715
23.1	Value of Traded Goods Purchased				
	Imported Purchases	Percentage	Amount	Percentage	Amount
	Indigenous Purchases				
		47.23	189,08,065	47.72	157,93,802
		52.77	211,29,790	55.28	195,25,913
		100.00	400,37,855	100.00	353,19,715
24	CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS				
	<u>Closing Inventory</u>				
	Finished Goods				
	Manufactured			535,17,370	804,67,458
	Trading			158,72,725	137,96,530
				693,90,095	942,63,988
	Work-In-Progress			125,19,764	128,26,243
				819,09,859	1070,90,231
	<u>Opening Inventory</u>				
	Finished Goods				
	Manufactured			804,67,458	956,76,671
	Trading			137,96,530	127,96,451
				942,63,988	1084,73,122
	Work-In-Progress			128,26,243	139,98,855
				1070,90,231	1224,71,977
	Less : Obsolete Stock			120,31,360	-
				(372,11,732)	(153,81,746)

SKY INDUSTRIES LIMITED
Notes Forming Part of Financial Statements

		As at March 31, 2017	(Amount in Rs.) As at March 31, 2016
25	EMPLOYEE BENEFITS EXPENSES		
	Salaries and incentives	267,69,369	310,09,888
	Directors Remuneration & Sitting fees	63,19,459	65,05,700
	Contributions to Provident fund & other funds	4,80,554	5,48,221
	Staff welfare expenses	10,39,917	7,99,024
		346,09,299	388,62,833
26	FINANCE COST		
	Interest on Loan from Bank:		
	On Vehicle Loan	3,74,007	2,33,206
	On Working Capital Loan	105,35,660	108,56,066
	Interest on Loan from Others:		
	Directors Loan	21,03,759	19,47,934
	Inter Corporate Deposit	5,56,850	34,31,950
	Bank Charges & Processing fees	13,85,300	31,88,027
	Interest on Delayed Payment to Creditors	-	2,13,607
	Net (Gain)/loss on foreign currency transaction and translation	(31,47,731)	17,58,644
		118,07,845	216,29,434
27	OTHER EXPENSES		
	A) Manufacturing Expenses		
	Labour Charges	94,73,234	98,15,789,
	Power and Fuel	30,75,218	32,59,826
	Excise duty paid	12,13,327	9,64,356
	Repairs and Maintenance :		
	Building	-	-
	Plant & Machinery	8,80,620	-
	Others	51,07,764	23,52,736
		197,50,162	163,92,707
	B) Establishment Expenses		
	Rent	96,74,692	68,74,858
	Insurance	6,54,574	7,85,012
	Rates and Taxes	12,85,366	4,94,024
	Legal and Professional	67,12,531	49,30,214
	Travelling & Other Conveyance	44,32,168	49,33,404
	Postage, Telegram , Telephone & Courier	17,14,267	15,98,393
	Printing & Stationery	8,42,742	11,15,641
	Miscellaneous expenses	32,96,107	30,34,835
		286,12,447	237,66,380
	Auditors Remuneration :		
	Audit Fees	6,00,000	6,00,000
	Audit under other statutes	-	-
		6,00,000	6,00,000

SKY INDUSTRIES LIMITED
Notes Forming Part of Financial Statements

	As at March 31, 2017	(Amount in Rs.) As at March 31, 2016
C) Selling Expenses		
Advertisement & Business, Sales Promotion	13,42,756	15,99,227
Freight, Cartage and Forwarding Expenses	62,18,794	63,24,143
Commission	21,21,997	3,34,278
Bad Debts written off	13,52,996	169,50,149
Discount - Scheme	7,85,536	15,72,951
Miscellaneous Balance Written off	-	4,47,713
Octroi Charges	6,12,026	6,88,506
Donations	5,29,100	4,000
Prior Period items	1,40,528	3,35,503
Interest on delayed payment of Tax	12,80,448	5,94,113
	143,84,181	288,50,583
	633,46,790	696,09,670
28 EXCEPTIONAL ITEMS		
Cess paid	-	6,17,169
Terminal allowance	100,07,789	-
Loss on sales of Assets	-	26,23,683
Assets Written off	-	5,67,303
Investments w/off	-	35,60,515
Capital Gain	-	-129,00,930
Property Tax	13,26,627	-
	113,34,416	(55,32,260)
29 OTHER NOTES		
(I) EARNINGS PER SHARE		
Profit/(Loss) attributable to Equity shareholders	76,36,386	125,97,620
Weighted average number of Equity shares outstanding (Nominal value of Shares Rs. 10)	41,76,400	39,76,400
Earnings per share (Basic & Diluted) in Rs.	1.83	3.17
(ii) CONTINGENT LIABILITIES NOT PROVIDED IN RESPECT OF :		
a) Guarantees given by the Company's banker against counter guarantee given by the company	5,83,700	5,83,700
b) Guarantees given by the Company's banker on behalf of subsidiary, against counter guarantee given by the Company.	126,00,000	126,00,000
c) Sales tax demands pending with Commissionerate and disputed by the company	38,10,808	33,33,901

SKY INDUSTRIES LIMITED
Notes Forming Part of Financial Statements

(iii) VALUE OF IMPORT ON CIF BASIS :	(Amount in Rs.)	
(i) Raw Materials & Trading goods	2720,17,688	2898,52,918
(ii) Stores & Spares	7,34,800	3,97,627
(iii) Capital Goods	-	-
	2727,52,488	2902,50,545
(iv) EXPENDITURE IN FOREIGN CURRENCY		
(i) Foreign Travel	1,10,436	-
	1,10,436	-
(v) EARNING IN FOREIGN CURRENCY		
(i) FOB value of Exports	131,46,334	179,59,524
(ii) Insurance on Exports	4,057	15,037
(iii) Freight on Exports	3,15,758	2,46,204
(iv) Other charges	-	9,525
	134,66,149	182,30,289

(vi) SEGMENT REPORTING

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

(vii) RELATED PARTY DISCLOSURE**(a) Relationships****i. Subsidiaries:**

SK Stabel Industries Private Limited (wholly owned subsidiary)

ii. Key management personnel/persons exercising significant influence & their relatives:

Mr. Shailesh S. Shah, Mr. Sharad S Shah, Mr. Vaibhav Desai, Mrs. Saloni Shah
Nikhil Mehra (HUF)

iii. Enterprises over which Key management personnel exercise significant influence. S K Ultratech Machines Pvt.Ltd.

b) The following transactions were carried out with the related parties in the ordinary course of business : (i) Details relating to parties referred to in items (i) (ii) and (iii) above :

Transactions	Subsidiaries	Key managerial personnel/person exercising significant influence &	Enterprises over which Keymanagement personnel exercising significant
	(i)	(ii)	(iii)
Purchases	-	-	11,350
	-	-	-
Remuneration & Fees	-	63,19,459	-
	-	-67,25,700	-
Salary	-	5,50,000	-
	-	-	-
Commission	-	5,17,523	-
	-	-	-
Service contract charges	-	-	3,60,000
	-	-	-
Interest Paid	-	21,03,759	-
	-	-19,47,934	-

INDEPENDENT AUDITOR'S REPORT

**TO
THE BOARD OF DIRECTORS OF
SKY INDUSTRIES LIMITED**

We have audited the accompanying Consolidated Financial statement of **M/S. SKY INDUSTRIES LIMITED** (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) for the year ended March 31, 2017 (“the statement”), being submitted by the Holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Holding Company's Management and approved by the board of Directors, has been prepared on the basis of the related consolidated financial statements which is in accordance with accounting standards, prescribed under section 133 of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the statement.

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of:
SK Stable Industries Private Limited

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards & other accounting principles generally accepted in India, of the consolidated net-profit and other financial information of the Group for the year ended March 31, 2017.

The consolidated financial results includes the gross share of profit of Rs. 0.02 lacs as at March 31, 2017, in respect of SK Stable Industries Private Limited as consolidated financial results. Our opinion on the statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such audited financial statements. In our opinion and according to the information and explanations given to us by Management, these financial statements are not material to the group. Our opinion on the statements is not modified in respect of our reliance on the financial statements are not material to the group.

For and on behalf of –

**Thanawala & Company
Chartered Accountants
Firm Reg. No. 110948W**

sd/-

[V.K. Thanawala]

**Proprietor
Membership No. 15632**

**Place : Mumbai
Dated : 29th April 2017**

SKY INDUSTRIES LIMITED- CONSOLIDATED Balance Sheet as at 31st March, 2017		Note	(Amount in Rs.)	
			As at March 31, 2017	As at March 31, 2016
A EQUITY AND LIABILITIES				
1	Shareholder's Funds	2	417,64,000	397,64,000
	(a) Share capital	3	1207,88,006	1105,49,559
	(b) Reserves & Surplus	4	24,72,500	-
	(c) Money received against share warrants		1650,24,506	1503,13,559
2	Non-current liabilities	5	116,35,671	92,02,425
	(a) Long-term borrowings		90,68,658	95,33,184
	(b) Deferred tax liabilities (net)	6	5,66,154	5,66,154
	(c) Other long-term liabilities	7	23,95,630	115,07,394
	(d) Long-term provisions		236,66,113	308,09,157
3	Current liabilities	8	848,96,469	919,57,294
	(a) Short-term borrowings	9	630,59,608	673,29,275
	(b) Trade payables	10	146,68,367	236,54,398
	(c) Other current liabilities	11	74,496	28,85,676
	(d) Short-term provisions		1626,98,940	1858,26,642
			3513,89,559	3669,49,358
A ASSETS				
1	Non-current assests			
	(a) Fixed assests % of Holding	12		
	(1) Tangible Assets		977,47,923	961,06,831
	(2) Intangible Assets		1,50,084	-
	(3) Capital Work in Progress		64,78,794	3,64,256
			1043,76,801	964,71,087
	(b) Non-current investments	13	5,00,010	5,00,010
	(c) Long-term loans and advances	14	281,80,226	240,22,395
	(d) Other non-current assets	15	31,41,072	433,32,371
			1361,98,109	1643,25,863
2	Current assets			
	(a) Inventories	16	1004,83,605	857,53,594
	(b) Trade receivables	17	964,32,512	1042,38,312
	(c) Cash and cash equivalents	18	63,28,048	70,19,038
	(d) Short-term loans and advances	19	119,47,285	56,12,550
			2151,91,450	2026,23,494
			3513,89,559	3669,49,357

Significant accounting policies

The accompanying notes (1 to 29) from an internal part of the financial statements.

As per our Report of even date

For and on behalf of the Board of Directors

For and on behalf of

THANAWALA & COMPANY

CHARTERED ACCOUNTANTS

Firm Reg. No. 110948W

sd/-

sd/-

sd/-

VIJAY K THANAWALA

Shailesh Shah

Sharad Shah

Vaibhav Desai

PROPRIETOR

Managing Director

Director

Director

Membership No. 15632

Mumbai, Dated: April 29, 2017

SKY INDUSTRIES LIMITED - CONSOLIDATED
Statement of Profit & Loss for the Year Ended 31st March, 2017
(Amount in Rs.)

	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
I. Revenue from Operations	20	4867,26,346	5193,85,892
II. Other Income	21	25,61,202	61,99,109
III. Total Revenue		4892,87,548	5255,85,001
IV. Expenses :			
Cost of materials consumed	22	2730,25,225	3259,29,580
Purchases of Stock-in-Trade	23	400,37,855	353,19,715
Changes in Inventories of Finished Good, Work in Progress and Traded Goods	24	372,11,732	153,81,746
Employee benefits expense	25	346,09,299	388,62,833
Finance costs	26	118,07,937	216,29,490
Depreciation and amortization expenses	12	88,74,987	90,81,829
Other expenses	27	633,63,200	696,46,130
V.. Total Expenses		4689,30,235	5158,51,323
VI. Profit(Loss) before tax and Exceptional Items		203,57,313	97,33,678
VII. Exceptional Items	28	113,34,416	55,32,260
VIII. Profit before tax		90,22,897	42,01,418
IX. Tax expense :			
(1) Current tax - For the Year		17,20,000	33,00,000
- Excess (short) Provision of the Previous years		1,29,001	-
(2) Deferred tax		(4,64,526)	(5,95,166)
		13,84,475	27,04,834
X. Profit(Loss) for the period from continuing operations (VIII-IX)		76,38,422	125,61,104
Significant accounting policies	1		

As per our Report of even date
For and on behalf of
THANAWALA & COMPANY
CHARTERED ACCOUNTANTS
Firm Reg. No. 110948W

For and on behalf of the Board of Directors

VIJAY K THANAWALA
PROPRIETOR

sd/-
Shailesh Shah
Managing Director

sd/-
Sharad Shah
Director

sd/-
Vaibhav Desai
Director

Membership No. 15632
Mumbai, Dated: April 29, 2017

SKY INDUSTRIES LIMITED - CONSOLIDATED
Cash Flow Statement for the Year Ended 31st March, 2017

(Amount in Rs.)

	For the year ended March 31, 2017	For the year ended March 31, 2016
A . Cash Flow from Operating Activities :		
Profit before tax and extra ordinary item	203,57,313	97,33,678
Adjustment for :		
Depreciation	88,74,987	90,81,829
Interest and Finance Charges	118,07,937	216,29,490
Interest Income	(92,838)	(3,59,791)
Dividend	(65,000)	(65,000)
	<u>205,25,086</u>	<u>302,86,528</u>
Operating Profit before Working Capital Changes	<u>408,82,399</u>	<u>400,20,206</u>
Adjustment for :		
Trade Receivables	78,05,800	124,55,171
Other Receivables	(104,92,566)	87,29,303
Inventory	254,61,288	164,03,233
Cess & Property Tax Paid	(92,45,007)	-
Terminal Allowance Paid	(100,07,789)	-
Gratuity Paid	(91,11,764)	(36,31,180)
Trade & Other Payables	(53,68,510)	(644,04,164)
	<u>(109,58,548)</u>	<u>(304,47,637)</u>
Cash generated from Operations :	299,23,851	95,72,570
Direct Tax paid/net of Refund received	(46,28,963)	(1,20,511)
Net Cash Flow from Operating Activities	<u>252,94,888</u>	<u>94,52,059</u>
B . Cash Flow from Investing Activities :		
Acquisition of Fixed Assets	(167,80,701)	(63,72,783)
Proceeds from Sale of Fixed Assets	-	25,91,745
Proceeds from Sale of Investments	-	276,88,630
Dividend	65,000	65,000
Interest Income	92,838	3,59,791
Net Cash used in Investing Activities	<u>(166,22,863)</u>	<u>243,32,383</u>

SKY INDUSTRIES LIMITED - CONSOLIDATED
Cash Flow Statement for the Year Ended 31st March, 2017

(Amount in Rs.)

	For the year ended March 31, 2017	For the year ended March 31, 2016
C . Cash Flow from Financing Activities :		
Proceeds from issue of Share capital	46,00,000	-
Proceeds from issue of Share warrants	24,72,500	-
(Decrease)/Increase in Working Capital facility (net)	(20,42,331)	(5,24,099)
Increase/(Decrease) of Term Loan/Vehicle Loans	24,33,246	(65,15,607)
Increase/(Decrease) of Unsecured Loans	(50,18,494)	(219,02,828)
Interest and Finance Charges Paid	(118,07,937)	(216.29.490)
Net Cash (Used)/Generated from Financing Activities	(93,63,015)	(505,72,024)
Net Increase/(Decrease) in Cash and Cash Equivalents	(6,90,990)	(167,87,583)
Cash and Cash Equivalents as at the beginning of the year	70,19,038	238,06,621
Cash and Cash Equivalents as at the end of the year	63,28,048	70,19,038
Net Increase/(Decrease) in Cash and Cash Equivalents	(6,90,990)	(167,87,583)

Note : Cash Flow statement has been presented under indirect method as prescribed in AS-3
 Figures for the previous year have been regrouped and rearranged wherever considered
 necessary.

As per our Report of even date
For and on behalf of
THANAWALA & COMPANY
CHARTERED ACCOUNTANTS
Firm Reg. No. 110948W

For and on behalf of the Board of Directors

VIJAY K THANAWALA
PROPRIETOR

sd/-
Shailesh Shah
Managing Director

sd/-
Sharad Shah
Director

sd/-
Vaibhav Desai
Director

Membership No. 15632
Mumbai, Dated: April 29, 2017

SKY INDUSTRIES LIMITED - CONSOLIDATED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 1

Significant Accounting Policies

A. Basis of Accounting:

The consolidated financial statements of Sky Industries Limited., the holding company and its subsidiaries have been prepared under the historical cost convention on an accrual basis except as stated. The financial statements have been prepared to comply in all material respects with the relevant provision of the Companies Act, 1956 and the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (“ICAI”). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

B. Principles of Consolidation:

The consolidation of accounts of the company with its subsidiaries has been prepared in accordance with Accounting Standard (AS) 21 “Consolidated Financial Statement”. The financial statements of the parent and its subsidiary are combined on a line by line basis and intra group balances, intra group transactions and unrealized profits or losses are fully eliminated.

In the consolidated financial statement, “Goodwill” represents the excess of the cost to the Company of its investment in the subsidiary over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognized as “Capital Reserve” in the consolidated financial statements.

The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2017.

The subsidiary company considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	Percentage of Holding	
		Current year	Previous year
SK Stabel Industries Pvt Ltd (with effect from 06.01.2011)	India	100%	100%

C. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. Cost includes original cost of acquisition, taxes, duties, interest on borrowings up to the period of time the asset is put to use, and other incidental expenses related to acquisition and installation of the concerned asset.

Carrying amount of cash generating units/assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

Repairs, renewals & maintenance are charged to the Statement of Profit & Loss Account as incurred.

Profit or Loss on sale, transfer or disposal of Fixed Asset is recognized in the year of such sale, transfer or disposal.

D. Depreciation / Amortization:

Depreciation is provided following the straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956. The cost of leasehold land is amortized over the period of lease. In respect of the foreign subsidiary, depreciation is provided using straight line method and accelerated method using lives ranging from five to seven years.

E. Investments:

Long Term Investments are stated at cost unless otherwise stated. Provision is made for diminution in the value of investments, where diminution is other than temporary.

F. Inventory:

Inventories are valued at lower of cost and net realizable value.

Cost of Raw materials, Packing materials is ascertained on FIFO basis. Finished goods and work in progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Expenditure on Stores and Spares is written off as incurred.

G. Foreign Currency Transactions:

Foreign currency transactions are booked at the exchange rates prevailing on the date of transaction. Gains and losses arising out of the subsequent fluctuations in exchange rates are accounted for on realization. Monetary assets and liabilities have been translated at the exchange rates prevailing as on the date of Balance Sheet. Exchange gains / losses are recognized in the Statement of Profit and Loss. However, exchange differences relating to fixed assets up to the year ended 31st March, 2007 have been included in the carrying amount of fixed assets. The discount or premium in forward exchange contracts, arising from the difference between the forward rate and the spot rate at the inception of such a contract is amortized as income or expense over the period of the contract. In respect of foreign subsidiary, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. The net impact of such change is accumulated under Foreign currency translation reserve.

H. Revenue Recognition:

Sales are booked at the time of dispatch from the Company's premises. Sales are reflected inclusive of excise duty and net of trade discount. Export incentives receivable under Duty Entitlement Pass Book Scheme are accounted on accrual basis.

I. Retirement / Other Benefits:

i. Defined Contribution Plan:

The defined contribution to Provident Fund, are recognized in the Statement of Profit and Loss on accrual basis.

ii. Defined Benefit Plan:

The liabilities under the payment of Gratuity Act, long term compensated absences and pension are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognized immediately in the Statement of Profit And Loss as income or expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation. Leave Encashment and Gratuity are accounted on cash basis by the subsidiaries.

J. Grants / Subsidies:

Grants / Subsidies related to revenue are presented as a credit to the Statement of profit and loss or are deducted in reporting the related expenses.

K. Borrowing Costs:

Interest and commitment charges incurred in connection with borrowing of the funds, which are directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use, upto the time the said asset is put to use are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

L. Accounting for Taxes on income:

Current tax is determined as the amount of tax payable in respect of the taxable income for the year, as per the provisions of the Income-tax Act, 1961. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

M. Earning Per Share:

The basic earning per share is computed using the weighted average number of common shares outstanding during the period. Diluted earning per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, except where the results would be anti-dilutive.

N. Provisions

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

SKY INDUSTRIES LIMITED - CONSOLIDATED
Notes Forming Part of Financial Statements

Note	(Amount in Rs.)	
	As at March 31, 2017	As at March 31, 2016
2 EQUITY SHARE CAPITAL		
Authorised Capital		
15,000,000 Equity Shares of Rs. 10/- each	1500,00,00	1500,00,00
500,000 Redeemable Preference Shares of Rs. 100/- each	500,00,000	500,00,000
	<u>2000,00,000</u>	<u>2000,00,000</u>
Issued, Subscribe and Paid Up		
41,76,400 (3,976,400) Equity Shares of Rs. 10/- each (Refer Notes 2.1 to 2.3)	417,64,000	397,64,000
	<u>417,64,000</u>	<u>397,64,000</u>

2.1 Shareholders holding more than 5% share in the Company

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Skay Finvest Pvt. Ltd.	2,63,500	6.31%	2,63,500	6.63%
Sharad Shah	8,62,043	20.64%	8,62,043	21.68%
Shailesh Shah	8,17,748	19.58%	6,17,748	15.54%
	<u>19,43,291</u>	<u>46.53%</u>	<u>17,43,291</u>	<u>43.85%</u>

Reconciliation of number of shares :

Particulars	Equity Shares		Preference Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	39,76,400	397,64,400	-	-
Shares Issued during the year	2,00,000	20,00,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	41,76,400	417,64,000	-	-

2.2 The Company issued 6,30,000 convertible warrants to the Promoter of which 2,00,000 warrants were converted to 2,00,000 equity share of Rs. 10/- eah @ Rs. 23 per share on 10/02/2017

2.3 Rights and restriction attached to the shares

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled

SKY INDUSTRIES LIMITED - CONSOLIDATED
Notes Forming Part of Financial Statements

		As at March 31, 2017	(Amount in Rs.) As at March 31, 2016
3	RESERVES AND SURPLUS		
	a. General Reserve		
	As per last balance sheet	80,80,000	80,80,000
	Add Transfer from surplus	-	-
	Less Written Back in Current Year	-	-
	Closing Balance	<u>80,80,000</u>	<u>80,80,000</u>
	b. Securities Premium Reserve		
	As per last balance sheet	-	-
	Add : On issue of 2,00,000/- shares @Rs.13/- per share	26,00,000	-
		<u>26,00,000</u>	<u>-</u>
	c. Profit and Loss Account		
	As per last balance sheet	1024,69,559	899,08,454
	Less : Net Profit for the Year	76,38,422	125,61,104
		<u>1101,07,981</u>	<u>1024,69,559</u>
		<u>1207,87,981</u>	<u>1105,49,559</u>
4	MONEY RECEIVED AGAINST SHARE WARRANTS		
	As per last balance sheet	-	-
	Add : Received during the year against 6,30,000 warrants @Rs. 5.75 per warrant	36,22,500	-
	Less : Converted 2,00,000 warrants into shares during the year	11,50,000	-
		<u>24,72,500</u>	<u>-</u>
5	LONG-TERM BORROWINGS		
	TERM LOANS		
	From Banks		
	Vehicle loans [Refer Note 5.1] (Repayable within 1 year Rs. 12,02,866/- Previous Year Rs. 9,39,038)	36,83,386	35,22,425
		<u>36,83,386</u>	<u>35,22,425</u>
	UNSECURED LOANS		
	From Directors	79,52,285	56,80,000
		<u>79,52,285</u>	<u>56,80,000</u>
		<u>116,35,671</u>	<u>92,02,425</u>
5.1	The Vehicle loans from banks and other parties are secured by the hypothecation of vehicles purchased under the scheme.		

SKY INDUSTRIES LIMITED - CONSOLIDATED
Notes Forming Part of Financial Statements

		As at March 31, 2017	(Amount in Rs.) As at March 31, 2016
6	OTHER LONG-TERM LIABILITIES		
	Trade / Security Deposit Received	5,66,154	5,66,154
		5,66,154	5,66,154
7	LONG-TERM PROVISIONS		
	Provision for Employee Benefits : Gratuity Payable	23,95,630	115,07,394
		23,95,630	115,07,394
8	SHORT-TERM BORROWINGS SECURED		
	(a) Loans repayable on demand From banks		
	Dombivli Nagari Sahakari Bank Ltd - Flexi OD (The above Flexi OD facility is secured by mortgage of Industrial Land, Building and Plant & Machinery at Pawne, Navi Mumbai and Personal guarantee by all Promoter Directors)	848,96,469	869,38,800
		848,96,469	869,38,800
	UN-SECURED		
	(b) Inter Corporate Deposits From Related Party	-	50,18,494
		-	50,18,494
		848,96,469	919,57,294
9	TRADE PAYABLES		
	Due to Micro and Small Enterprises	-	-
	Other than Micro and Small Enterprises	630,59,608	673,29,175
		630,59,608	673,29,275
	In the absence of complete information in respect of the status of each creditor, the Company is not in a position to identify the amounts payable to small scale and ancillary undertakings under the provisions of "Interest on the delayed payment to Small Scale and Ancillary undertaking Act, 1993". Accordingly it is not possible to quantify the extent of overdue interest payable under the said Act.		
	Details relating to dues to micro, small and medium enterprises as per The Micro, Small and Medium Enterprises Development Act, 2006 are yet not identified by the management.		

SKY INDUSTRIES LIMITED - CONSOLIDATED
Notes Forming Part of Financial Statements

(Amount in Rs.)
As at
March 31, 2017 **As at**
March 31, 2016

10 OTHER LONG-TERM LIABILITIES**STATUTORY LIABILITIES**

Tax deduction payable	6,65,274	6,96,117
- For Expenses & Services	-	-
Sales Tax Payable	7,74,335	6,31,504
Cess Payable	71,53,072	150,71,452
Provident Fund/Esic/Professional tax payable	2,62,969	2,14,236
Excise/Service tax payable	17,334	4,17,094

EMPLOYEE LIABILITIES

Salaries Payable	30,06,213	36,55,762
Bonus Payable	5,04,645	13,09,800
Outstanding Liabilities	7,63,404	5,08,242
Advances received from customer	13,94,828	10,23,896
Un paid Dividends	1,26,294	1,26,294

146,68,368 **236,54,398**

11 SHORT-TERM PROVISION**Provision for employee benefits :**

Leave encashment	27,320	58,648
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Others :

Provision for taxation (Net)	47,176	28,27,028
------------------------------	--------	-----------

74,496 **28,85,676**

12 FIXED ASSETS**(Amount in Rs.)**

	Gross Block				Depreciation				Net Block	
	As at April 1, 2016	Additions during the year	Deduction	As at March 31, 2017	Upto April 1, 2016	For the year	On Deduction	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
1) Tangible Assets										
Leasehold Land	50,60,360			50,60,360	9,27,174	64,564		9,91,738	40,68,622	41,33,186
Buildings	339,43,659			339,43,659	161,50,836	11,16,182		172,67,018	166,76,641	177,92,823
Plant & Machinery	2229,39,036	18,71,290		2248,10,326	1588,86,650	58,08,667		1646,95,317	601,15,009	640,52,386
Furniture & Fixtures	46,86,291	48,46,141		95,32,432	42,30,836	2,62,859		44,93,695	50,38,737	4,55,455
Vehicles	118,32,656	11,21,997		129,54,653	40,05,301	11,50,378		51,55,679	77,98,974	78,27,355
Office Equipment	54,06,174	18,91,079		72,97,253	39,89,258	2,22,830		42,12,088	30,85,165	14,16,916
Computers	56,18,449	7,70,656		63,89,105	51,89,739	2,34,591		54,24,330	9,64,775	4,28,710
Sub-total	2894,86,625	105,01,163	-	2999,87,788	1933,79,794	88,60,071	-	2022,39,865	977,47,923	961,06,831
<i>Previous Year</i>	2930,60,586	63,72,783	99,37,496	2894,95,873	1884,74,188	90,66,620	41,51,767	1933,89,041	961,06,832	-
2) Intangible Assets										
Computer software	-	1,65,000	-	1,65,000	-	14,916	-	14,916	1,50,084	-
Sub-total	-	1,65,000	-	1,65,000	-	14,916	-	14,916	1,50,084	-
<i>Previous Year</i>	-	-	-	-	-	-	-	-	-	-
Total	2894,86,625	106,66,163	-	3001,52,788	1933,79,794	88,74,987	-	2022,54,781	978,98,007	961,06,831
3) Capital Work in Progress										
	3,64,256	61,14,538	-	64,78,794	-	-	-	-	64,78,794	3,64,256
									1043,76,801	
	2930,60,586	63,72,783	99,37,496	2894,95,873	1884,74,188	90,66,620	41,51,767	1933,89,041	964,71,088	964,71,087

SKY INDUSTRIES LIMITED - CONSOLIDATED
Notes Forming Part of Financial Statements

		As at March 31, 2017	(Amount in Rs.) As at March 31, 2016
13	NON-CURRENT INVESTMENTS		
	In Others :	5,00,010	5,00,010
	-50,000 (Previous year 50,000) Equity shares of Rs. 10/- each, fully paid in Dombivli Nagari Sahakari Bank Ltd.	<u>5,00,010</u>	<u>5,00,010</u>
	Total Investments	5,00,010	5,00,010
	Less : Provision for Diminution in the value of Investments	<u>5,00,010</u>	<u>5,00,010</u>
14	LONG-TERM LOANS AND ADVANCES		
	Unsecured, considered good		
	Security Deposits	58,90,207	44,46,835
	Balance with Government Authorities (Refer Note 14.1)	172,13,852	145,99,393
	Loans to Employees	50,76,167	49,76,167
		<u>281,80,226</u>	<u>240,22,395</u>
14.1	Includes Rs. 75,01,480/- towards TUF subsidy receivable		
15	OTHER NON-CURRENT ASSETS		
	Unsecured, considered good		
	Non Moving Inventory	31,41,072	433,32,371
		<u>31,41,072</u>	<u>433,32,371</u>
16	INVENTORIES		
	(At lower of cost or net realisable value)		
	a. Raw Materials	204,34,350	153,12,691
	b. Raw Materials - In transit	117,16,584	43,28,085
	c. Work-in-progress	4,88,404	7,94,883
	d. Packing Material	15,95,244	23,54,959
	e. Finished goods		
	- Manufactured	535,17,370	568,92,584
	- Traded Goods	127,31,653	60,70,392
		<u>1004,83,605</u>	<u>857,53,594</u>

SKY INDUSTRIES LIMITED - CONSOLIDATED
Notes Forming Part of Financial Statements

		(Amount in Rs.)	
		As at March 31, 2017	As at March 31, 2016
17	TRADE RECEIVABLES		
	Unsecured, Considered good		
	Trade receivables outstanding for a period more than six months		
	Considered Good	159,52,004	136,25,964
	Considered Doubtful	26,59,130	26,59,130
		<u>186,11,134</u>	<u>162,85,094</u>
	Less: Provision for doubtful debts	26,59,130	26,59,130
		<u>159,52,004</u>	<u>136,25,964</u>
	Others	804,80,508	906,12,348
		<u>964,32,512</u>	<u>1042,38,312</u>
18	CASH AND CASH EQUIVALENTS		
	a. Balances with banks :		
	Earmarked Balances (Refer Note 18.1)	1,26,669	1,26,669
	Balance in Deposit account held as Margin	16,99,055	47,94,144
	Balance in Current account	39,02,648	6,16,454
	b. Cash on hand	5,99,683	14,81,771
		<u>63,28,055</u>	<u>70,19,038</u>
18.1	Indicates earmarked balance for distribution of unpaid dividend		
19	SHORT-TERM LOANS AND ADVANCES		
	Staff advances	3,03,100	6,99,659
	Prepaid expenses	10,15,006	1,36,172
	Advances to suppliers other than capital Advances	63,34,179	32,64,929
	DEPB licences	21,46,500	-
	Capital Advances	21,48,500	15,11,790
		<u>119,47,285</u>	<u>56,12,550</u>
20	REVENUE FROM OPERATIONS		
	Sale of Products (Gross) (Refer Note.No 20.1)	4839,48,272	5159,95,024
	Sale of Services	-	52,898
		<u>4839,48,272</u>	<u>5160,47,922</u>
	OTHER OPERATING INCOME		
	Freight recovered	5,84,883	6,84,673
	Sale of scrap	10,31,762	6,84,320
	Octroi charges collected	5,48,811	6,18,370
	Other Charges Recovered	-	20,987
	Export Incentives	5,75,978	7,92,784
	Miscellaneous Receipt	36,640	5,36,837
		<u>27,78,074</u>	<u>33,37,971</u>
		<u>4867,26,346</u>	<u>5193,85,892</u>

SKY INDUSTRIES LIMITED - CONSOLIDATED
Notes Forming Part of Financial Statements

		(Amount in Rs.)	
		As at	As at
		March 31, 2017	March 31, 2016
20.1	Sale of Goods		
	Manufactured :		
	Hook & Loop Tape Fasteners	4005,00,864	4077,73,322
	Narrow Woven Fabrics	242,10,441	625,48,830
		4247,11,305	4703,22,152
	Traded :		
	Fibre glass Insect Screen	194,47,352	204,49,958
	Elastics	239,38,000	208,68,549
	Others	158,51,614	43,54,365
		592,36,967	456,72,872
		4839,48,272	5159,95,024
21	OTHER INCOME		
	Service charges	17,74,758	24,35,286
	Interest	92,838	3,59,791
	Dividend	65,000	65,000
	Sundry balances written off	2,67,606	-
	Rent	-	6,78,000
	Excess Provision written back	-	23,16,520
	Miscellaneous income	3,61,000	3,44,512
		25,61,202	61,99,109
22	COST OF MATERIALS CONSUMED		
	Opening Stock :		
	Raw Materials	176,67,650	125,07,825
	Raw Materials in Transit	43,28,085	-
		219,95,735	125,07,825
	Add: Purchases	2847,75,668	3354,17,490
		3067,71,403	3479,25,315
	Less: Closing Stock :		
	Raw Materials	220,29,594	176,67,650
	Raw Materials in Transit	117,16,584	43,28,085
		337,46,178	219,95,735
		2730,25,225	3259,29,580
22.1	Value of Raw Material Consumed		
	Yarn	124,28,310	281,04,656
	Hook & Loop - Semifinished	2258,46,216	2590,91,529
	Resins & Chemicals	11,14,103	7,81,115
	Others	336,36,596	379,52,280
		2730,25,225	3259,29,580

SKY INDUSTRIES LIMITED - CONSOLIDATED
Notes Forming Part of Financial Statements

				(Amount in Rs.)	
				As at	As at
				March 31, 2017	March 31, 2016
22.2	Value of Raw Material Consumed	Year Ended March 31, 2017		Year Ended March 31, 2017	
		Percentage	Amount	Percentage	Amount
	Imported Raw Materials	86.59	2364,00,721	77.41	2522,89,335
	Indigenous Raw Materials	13.41	366,24,504	22.59	736,40,245
		100.00	2730,25,225	100.00	3259,29,580
23	PURCHASES OF TRADED GOODS				
	Fibre glass Insect Screen			148,50,521	158,95,294
	Elastics			166,59,358	158,69,738
	Others			85,27,976	35,54,683
				400,37,855	353,19,715
23.1	Value of Traded Goods Purchased	Year Ended March 31, 2017		Year Ended March 31, 2017	
		Percentage	Amount	Percentage	Amount
	Imported Purchases	47.23	189,08,065	47.72	157,93,802
	Indigenous Purchases	52.77	211,29,790	55.28	195,25,913
		100.00	400,37,855	100.00	353,19,715
24	CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS				
	<u>Closing Inventory</u>				
	Finished Goods				
	Manufactured			535,17,370	804,67,458
	Trading			158,72,725	137,96,530
				693,90,095	942,63,988
	Work-In-Progress			125,19,764	128,26,243
				819,09,859	1070,90,231
	<u>Opening Inventory</u>				
	Finished Goods				
	Manufactured			804,67,458	956,76,671
	Trading			137,96,530	127,96,451
				942,63,988	1084,73,122
	Work-In-Progress			128,26,243	139,98,855
				1070,90,231	1224,71,977
	Less : Obsolete Stock			120,31,360	-
				(-372,11,732)	(153,81,746)

SKY INDUSTRIES LIMITED - CONSOLIDATED
Notes Forming Part of Financial Statements

		As at March 31, 2017	(Amount in Rs.) As at March 31, 2016
25	EMPLOYEE BENEFITS EXPENSES		
	Salaries and incentives	267,69,369	320,35,588
	Directors Remuneration & Sitting fees	63,19,459	54,80,000
	Contributions to Provident fund & other funds	4,80,554	5,48,221
	Staff welfare expenses	10,39,917	7,99,024
		346,09,299	388,62,833
26	FINANCE COST		
	Interest on Loan from Bank:		
	On Vehicle Loan	3,74,007	2,33,206
	On Working Capital Loan	105,35,660	108,56,066
	Interest on Loan from Others:		
	Directors Loan	21,03,759	19,47,934
	Inter Corporate Deposit	5,56,850	34,31,950
	Bank Charges & Processing fees	13,85,392	31,88,083
	Interest on Delayed Payment to Creditors	-	2,13,607
	Net (Gain)/loss on foreign currency transaction and translation	(31,47,731)	17,58,644
		118,07,937	216,29,490
27	OTHER EXPENSES		
	A) Manufacturing Expenses		
	Labour Charges	94,73,234	98,15,789,
	Power and Fuel	30,75,218	32,59,826
	Excise duty paid	12,13,327	9,64,356
	Repairs and Maintenance :		
	Building	-	-
	Plant & Machinery	8,80,620	-
	Others	51,07,764	23,52,736
		197,50,162	163,92,707
	B) Establishment Expenses		
	Rent	96,74,692	68,74,858
	Insurance	6,54,574	7,85,012
	Rates and Taxes	12,90,276	5,07,824
	Legal and Professional	67,12,531	49,52,872
	Travelling & Other Conveyance	44,32,168	49,33,404
	Postage, Telegram , Telephone & Courier	17,14,267	15,98,393
	Printing & Stationery	8,42,742	11,15,641
	Miscellaneous expenses	32,96,107	30,34,835
		286,17,357	238,02,840
	Auditors Remuneration :		
	Audit Fees	6,11,500	6,00,000
	Audit under other statutes	-	-
		6,11,500	6,00,000

SKY INDUSTRIES LIMITED - CONSOLIDATED
Notes Forming Part of Financial Statements

		As at March 31, 2017	(Amount in Rs.) As at March 31, 2016
C) Selling Expenses			
	Advertisement & Business, Sales Promotion	13,42,756	15,99,227
	Freight, Cartage and Forwarding Expenses	62,18,794	63,24,143
	Commission	21,21,997	3,34,278
	Bad Debts written off	13,52,996	169,50,149
	Discount - Scheme	7,85,536	15,72,951
	Miscellaneous Balance Written off	-	4,47,713
	Octroi Charges	6,12,026	6,88,506
	Donations	5,29,100	4,000
	Prior Period items	1,40,528	3,35,503
	VAT refund receivable w/off	-	-
	Interest on delayed payment of Tax	12,80,448	5,94,113
		143,84,181	294,50,583
		633,63,200	696,46,130
28	EXCEPTIONAL ITEMS		
	Cess paid	-	6,17,169
	Terminal allowance	100,07,789	-
	Loss on sales of Assets	-	26,23,683
	Assets Written off	-	5,67,303
	Investments w/off	-	35,60,515
	Capital Gain	-	(129,00,930)
	Property Tax	13,26,627	-
		113,34,416	(55,32,260)
29	OTHER NOTES		
(I)	EARNINGS PER SHARE		
	Profit/(Loss) attributable to Equity shareholders	76,36,386	125,97,620
	Weighted average number of Equity shares outstanding (Nominal value of Shares Rs. 10)	41,76,400	39,76,400
	Earnings per share (Basic & Diluted) in Rs.	1.83	3.17
(ii)	CONTINGENT LIABILITIES NOT PROVIDED IN RESPECT OF :		
	a) Guarantees given by the Company's banker against counter guarantee given by the company	5,83,700	5,83,700
	b) Guarantees given by the Company's banker on behalf of subsidiary, against counter guarantee given by the Company.	126,00,000	126,00,000
	c) Sales tax demands pending with Commissionerate and disputed by the company	38,10,808	33,33,901

SKY INDUSTRIES LIMITED - CONSOLIDATED
Notes Forming Part of Financial Statements

(iii) VALUE OF IMPORT ON CIF BASIS :	(Amount in Rs.)	
(i) Raw Materials & Trading goods	2720,17,688	2898,52,918
(ii) Stores & Spares	7,34,800	3,97,627
(iii) Capital Goods	-	-
	2727,52,488	2902,50,545
(iv) EXPENDITURE IN FOREIGN CURRENCY		
(i) Foreign Travel	1,10,436	-
	1,10,436	-
(v) EARNING IN FOREIGN CURRENCY		
(i) FOB value of Exports	131,46,334	179,59,524
(ii) Insurance on Exports	4,057	15,037
(iii) Freight on Exports	3,15,758	2,46,204
(iv) Other charges	-	9,525
	134,66,149	182,30,289

(vi) SEGMENT REPORTING

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

(vii) RELATED PARTY DISCLOSURE
(a) Relationships
i. Key management personnel/persons exercising significant influence & their relatives:

Mr. Shailesh S. Shah, Mr. Sharad S Shah, Mr. Vaibhav Desai, Mrs. Saloni Shah
Nikhil Mehra (HUF)

ii. Enterprises over which Key management personnel exercise significant influence. S K Ultratech Machines Pvt.Ltd.

b) The following transactions were carried out with the related parties in the ordinary course of business : (i) Details relating to parties referred to in items (i) and (ii) above :

Transactions	Key managerial personnel/person exercising significant influence & their relatives (i)	Enterprises over which Key management personnel exercising significant influence (ii)
Purchases	-	11,350
	-	-
Remuneration & Fees	63,19,459 (67,25,700)	-
Salary	5,50,000	-
	-	-
Commission	5,17,523	-
	-	-
Service contract charges	-	3,60,000
	-	-
Interest Paid	21,03,759 (19,47,934)	-
	-	-

Form No. MGT-11**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID
I/We, being the member(s) of _____ shares of the above named company. Hereby appoint		
Name :	E-mail Id:	
Address:		
Signature , or failing him		
Name :	E-mail Id:	
Address:		
Signature , or failing him		

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the company, to be held on the 10th day of Aug 2017 at 11.00 a.m. at C-58, TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai 400705 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	<i>Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2017</i>		
2.	<i>Re-appointment of M/s. Thanawala & Co, Chartered Accountants as Statutory Auditors & fixing their remuneration</i>		
3.	<i>To Adopt the New Set of Articles of Association of the Company ,in conformity with the Companies Act, 2013</i>		
4.	<i>To Adopt the New Set of Memorandum of Association of the Company ,in conformity with the Companies Act, 2013</i>		
5.	<i>To give power to the Board of Directors to borrow in excess of paid up share capital and free reserves under 180(1)(c) and other applicable provisions</i>		
6.	<i>Sitting and Other Fees to Independent Directors</i>		
7.	<i>Reappointment of Mr. Shailesh Shah as MD of the Company</i>		
8.	<i>Reappointment of Mr. Sharad Shah as WTD of the Company</i>		
9.	<i>Reappointment of Mr. Vaibhav Desai as WTD of the Company</i>		

* Applicable for investors holding shares in Electronic form. Affix Revenue Stamps

Signed this _____ day of _____ 20____

Affix
Revenue
Stamps

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder
across Revenue Stamp

Note:

- 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

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

28th Annual General Meeting on 10th August 2017

Full name of the members attending _____

(In block capitals)

Ledger Folio No./Client ID No. _____ No. of shares held: _____

Name of Proxy _____

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 28th Annual General Meeting of Sky Industries Limited, C-58, TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai on Thursday, the 10th August 2017

(Member's /Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) 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.
- 3) A Proxy need not be a member of the Company.
- 4) 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.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.



SKY INDUSTRIES LIMITED

CORPORATE OFFICE :

1101, Universal Majestic, Behind RBK International School,
Ghatkopar Mankhurd Link Road,
Chembur - West,
Mumbai - 400 043, Maharashtra, India

Tel No. : Board : 022 - 67137900

Email : vp@skycorp.in

Website - www.skycorp.in

REGISTERED OFFICE :

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