



SKY INDUSTRIES LIMITED



27th
ANNUAL REPORT
2015-2016



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

SKY INDUSTRIES LIMITED

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 27th Annual General Meeting of the Members of M/s Sky Industries Limited will be held on **Friday the 30th day of September, 2016 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 2016, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To ratify the appointment of auditors of the Company and to fix their remuneration and to pass 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, and pursuant to the resolution passed by the members at the AGM held on 27th Sep 2014, 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 28th AGM to be held in the calendar year 2017, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.

SPECIAL BUSINESS

3. Conversion of Loan into shares/ convertible warrants into Shares on preferential basis, To consider and if thought fit to pass with or without modification (s): as a Special Resolution:

“RESOLVED THAT pursuant to Section 180 and other applicable provisions of the Companies Act, 2013, as amended (the “Companies Act 2013”) and the Rules made there under to the extent notified and the Memorandum & Articles of Association of the Company, consent of the Company be and is hereby accorded to accept by way of loan or borrow up to Rs. 50,000,000/- (Rupees Five Crores only) from the promoter(s), Promoter Group Companies, PAC's and relatives of promoters, in one or multiple tranches, including the outstanding Loans, for the purpose of short term borrowings, working capital, Bank Guarantee or general Corporate purpose and the loan is entitled for any interest @ 15% per annum.

RESOLVED FURTHER THAT pursuant to section 39, 42 & 62 and other applicable provisions of the Companies Act, 2013, as amended (the “Companies Act 2013”) and the Rules made there under to the extent notified and the Memorandum & Articles of Association of the Company, consent of the Company be and is hereby accorded to utilize the Loan amounts outstanding as on date or in future date towards subscription of any securities including equity and convertible warrants into shares (both equity / preference Shares) at such price and condition(s) as decided by the Board and in accordance with SEBI Act, 1992 and rules and Regulation framed thereunder including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”), and subsequent amendments

thereto, including but not restricted to the (SEBI ICDR Regulations), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI Takeover Regulations").

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board/ the Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid equity and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said equity shares, the utilization of the redemption proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit for this purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required.

RESOLVED FURTHER THAT pursuant to 62 and other applicable provisions of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014 and the Memorandum & Articles of Association of the Company and any other applicable laws / rules / regulation the company shall not be required to open separate Bank Account and comply the applicable provisions of section 39 & 42 of the Companies Act, 2013 and rules framed thereunder in connection with the conversion of the above loan including the outstanding Loans as on date or in future date, in one or multiple tranches, towards subscription of any securities including equity and convertible warrants into shares (both equity / preference Shares).

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Officer(s) of the Company to give effect to this resolution."

4. **PREFERENTIAL ISSUE AND ALLOTMENT OF 630,000 CONVERTIBLE WARRANTS INTO EQUITY SHARES OF THE COMPANY TO PROMOTER(S)**

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

"RESOLVED THAT pursuant to the provisions of Section 42 & 62 and other applicable provisions, if any, of the Companies Act, 2013, as amended ("Companies Act") read with Companies (Share Capital and Debentures) Rules, 2014, to the extent notified and in this effect, and all other applicable provisions, if any, of the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act 2013), various rules, circulars, press notes, clarification issued by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), and subsequent amendments thereto, including but not restricted to the (SEBI ICDR Regulations), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI Takeover Regulations") and amendments thereto as in force and subject to other applicable rules, regulations and guidelines of the Securities and Exchange Board of India ("SEBI") ("SEBI Regulations"), and the stock exchanges where the shares of the Company are listed ("Stock Exchanges") and enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into between the Company and the Stock Exchanges and subject to requisite approvals, consents, permissions and/or sanctions of the appropriate statutory authorities, if any, and subject to such conditions as may be prescribed by

any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise one or more of its power including the powers conferred hereunder), the Board be and is hereby authorized to create, offer, issue and allot up to 630,000 convertible warrants into 630,000 equity shares of face value of Re. 10/- each ("Equity Shares") fully paid up, for cash, at such price (including premium) being not less than the price determined in accordance with Chapter VII of SEBI ICDR Regulations, on a preferential basis to the promoter(s) in one or multiple tranches and on such terms and conditions and in such manner, as the Board may think fit and proper and in its absolute discretion.

RESOLVED FURTHER THAT in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations, the "Relevant Date" for the purpose of calculating the floor price for the issue of convertible warrants into Equity Shares is 30th August 2016 which would be the date falling 30 days prior to the date of this Annual General Meeting and the floor price as calculated as per ICDR Regulation 2009 is of Rs. 23/- (Rupees twenty three only).

RESOLVED FURTHER THAT the shares of the company are being infrequently traded as required under regulations 76A the company has obtained a certificate from an independent chartered accountant having experience of more than 10 years giving valuation of the equity shares of the company and the minimum price suggested is of Rs. 20.53/-

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

- A) Pursuant to regulation 78 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, on conversion of warrants into the equity shares allotted on preferential basis to promoters or promoter Group, shall be locked in up to a period of 3 year from the date the of trading permission;
- B) The equity shares to be allotted on conversion of warrants, pursuant to the aforesaid preferential allotment in one or multiple tranches, shall rank pari-passu in all respects including as to dividend, bonus and other corporate actions with the existing fully paid up equity shares of face value of Re. 10/- each of the Company;
- C) Subject to regulation 75 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, at any given point of time in any financial year, the Board shall not allot more than 230,000 equity share arising out of the conversion of 630,000 convertible warrants into equity shares of Rs. 10/- each;
- D) The Equity Shares on conversion of warrants shall be issued and allotted by the Company to the promoters mentioned herein above shall be in dematerialized form and within a period of 15 days from the date of passing of this resolution or in receipt of the in-principle approval from the Stock Exchanges, whichever is later, and provided further that where the issue and allotment of the said Equity Shares be pending on account of pendency of any approval for such issue and allotment by any regulatory authority, Stock Exchange or the Central Government, the issue and allotment shall be completed within a period of 15 days from the date of such approval; AND
- E) Any Loan (Loan Includes Prior Loan) outstanding in the Books of the company at any given time from the promoters shall be adjusted towards the subscription amount, including initial subscription amount.

RESOLVED FURTHER THAT subject to the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable

laws, the Board be and is hereby authorized to vary, modify or alter any of the relevant terms and conditions, including size of the preferential issue to the Investor, as may deem expedient.

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

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

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

By Order of the Board
Sd/-
Shailesh Shah
Managing Director

Dated : 30th August, 2016

Voting through Electronic Means:

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and as per listing agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the below provisions, through the e- voting services provided by CDSL.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Tuesday 27th September 2016** at **10.00 a.m.** and ends on **Thursday 29th September, 2016** at **5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **23rd September, 2016** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Now to cast your vote: Click on Shareholders.
- (v) Now Enter your User ID
- (vi) For CDSL: 16 digits beneficiary ID,
 - a. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(ix) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / Folio number in the Dividend Bank details field as mentioned in instruction (v).

(x) After entering these details appropriately, click on "SUBMIT" tab.

(xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xiii) Click on the EVSN for the relevant “SKY INDUSTRIES LIMITED” on which you choose to vote.
- (xiv) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xix) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xxi) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxiii) The Company has appointed M/s. Ramesh Chandra Mishra & Associates, Practicing Company Secretary (C.P. No. 3987 and FCS No. 5477) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
- (xxiv) A copy of this notice has been placed on the website of the Company and the website of CDSL.
- (xxv) In case of Members who are entitled to vote but have no electronic means, the Chairman of the Company will order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice.

NOTES

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
4. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
6. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
7. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
8. The amount of dividend remaining unpaid for the year 2009-2010 have been transferred to the company's unpaid dividend account, and can be claimed from the company by the members entitled to it for a period of seven years from the respective dates of such transfer after which it shall be transferred to the Investor Education and Protection Fund (IEPF) constituted Under Section 125 of the Companies Act, 2013.
9. 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.
10. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-

mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following:

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

The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

11. (a) The book closer date are 24th Sep 2016 to 30th Sep 2016
- (b) 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 National Securities Depository Limited (NSDL) 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.nsdl.com during the following voting period.

Commencement of e-voting	:	From 10.00 AM on 27th Sep 2016
End of e-voting	:	Up to 05.00 PM on 29th Sep 2016

E-voting shall not be allowed beyond 5.00 PM on 29th Sep 2016. 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 **23rd Sep 2016**.

- (c) The company has engaged the services of CDSL as the Authorized Agency to provide e-voting facilities.
- (d) 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.
- (e) 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.
- (f) "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 30th Aug 2016

ITEM NO.3

The Company propose to take Loan up to Rs. 50, 000, 000, in one or multiple tranches (including the loans already taken), from the promoters of the company, their relatives, Group Companies and Person Acting in Concert with them (PAC's) to meet with the requirements of company for the purpose of short term requirements, tax obligations, settlement dues, working capital, Bank Guarantee or general Corporate purposes and the loan is entitled for any interest @ 15% per annum. These Loan amount are un-secured Loans.

As on date the following promoters advanced up to Rs. 5 Crores (Rupees Five Crores) as Loan to the Company. These Loan amount will be adjusted in any future issue of securities of the company. It includes convertible Warrants into equity/preference Shares. The Board also clarified that the blow Outstanding Loan can also be used as initial subscription contribution or there after which may be required as per chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Name of Promoter	AMOUNT OF LOAN (RS.)
Shailesh Shah	Rs. 36.37 Lacs

The Promoter(s) of the Company and Vaibhav Desai from the Board are interested in the resolution.

ITEM NO.4

Your company is proposing to offer and issue not exceeding 630,000 convertible warrants into equity shares of face value of Rs. 10/- each and a subscription price of 23/- each of the company in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 to Promoter & Promoter group,

As per regulation 73 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 the required details are furnished as under:

Objects of the issue:

At present capital of the company Rs. 39764000/- consists of 3976400 equity shares of face value of Rs. 10/- each.

The Company as part of its future growth strategy aims to enlarge its core businesses and to meet with that requirements mainly needs short term requirements, tax obligations, settlement dues, working capital, Bank Guarantee or general Corporate purposes. The promoters as such giving the company time to time loans and advances with or without interest.

The Promoters have requested the Board to consider the loans and advances already given to give in future to adjust against any issue of securities including that of convertible warrants into shares.

Pricing:

The issue price of Rs.23/- Per convertible warrants into share of face value of Rs.10/- each and is in accordance with regulation 76A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and for the purpose of the above guidelines the Relevant Date is 31/08/2016. The Valuation is as per regulation 76A of the ICDR Regulation, 2009. Presently the shares of the company fall into the infrequently traded category.

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

Intention of the Promoters / Directors / Key Management persons to subscribe the offer:

The present promoter and promoter group holding consist of 1764916 equity shares of Rs.10/- each.

The Mr. Shailesh Shah, Promoter, from among the Promoter Group has proposed to subscribe not more than 630,000 convertible Warrants and will give the convertible warrants subscription money in one or more tranches and also the shares will be allotted in one or more tranches by the company.

** THE name, address and PAN no of the allots as annexed and marked as "Annexure -1" for the ready reference of the members.

e. Shareholding pattern before and after the allotment of the Equity share

The proposed allottees of the Equity Shares who are part of Promoters / Promoters Group and their Person Acting in concert with them on their exercising full option to subscriber for 630,000 convertible warrants into shares would be 630,000 shares representing less than 15 % of the post issue diluted Share capital of the Company after such full exercise of option.

Consequential changes in the shareholding pattern/voting rights:

Auditor's certificate:

A certificate as required under 73(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, certifying that the proposed issues is in accordance with the Chapter VII of SEBI (ICDR) Regulations has been obtained from the Auditors of the company and the same will be available for inspection at the registered office of the company during the business hours till the date of the meeting between 11 a.m. to 1 p.m. and the copy of the same made available to any member free of cost.

Also, the Statutory Auditor's certificate, as required under Regulation 73(2) & Valuation Certificate as per Regulation 76(A) of the ICDR Regulations, 2009 will be made available for inspection at the Registered Office of the Company between 10 a.m. and 1 p.m. on all working days (excluding Saturday and Sunday) up to the date of the meeting.

Changes in Management:

The issue of the Equity shares on conversion of Warrants will not result in any change in the Management or control of the Company. However the promoter holding will increase from 17,64,916 to 23,94,916. As per SEBI SAST this increase of the holding will not result into any open offer.

Proposed time within which allotment shall be completed:

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

In any financial year the promoters shall not subscribe more than 230,000 equity shares arising out of the total conversion of 630,000 convertible warrants into equity shares of Rs 10/- each.

Lockin:

The Equity shares to be allotted on preferential basis on conversion of the warrants shall be subject to lock-in as per regulation 78 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 read with the listing obligations/Listing agreement with the SE. The equity shares allotted on preferential basis to promoters or promoter Group shall be locked in from the relevant date for a period of 3-years from the date of their allotment/trading permission, whichever is later.

Further, the pre preferential holding of the allottee will also be under lock-in in terms of Regulation 78(6) of SEBI (ICDR) Regulations. If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked – in till the time such amount is paid by the allottees.

Securities to be issued:

The resolution set out in the accompanying notice authorizes the Board to issue to the allottee, up to 630,000 Equity shares of face value of Re. 10/- each, in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the Regulations. The Allotment will be carried in one or more tranches and the outstanding Loans and Advances from the allottees will be first adjusted towards the subscription amount including initial subscription amount of the convertible warrants.

The Company has not made any preferential issue of securities during the current year.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the relevant stock exchanges on which the Equity Shares are listed under the provisions of the Listing Agreement.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 42, 62 of the Companies Act, 2013, other applicable provisions of Companies Act, 2013 and Chapter VII of the ICDR Regulations, 2009. The Board of Directors believes that the proposed preferential issue and allotment of Equity Shares is in the best interest of the Company and its members.

The Board of Directors recommends the resolution for your approval.

The Promoter(s) of the Company and Vaibhav Desai from the Board are interested in the resolution.

ANNEXURE-1

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

By Order of the Board

Sd/-

PLACE: MUMBAI
DATE: 30th Aug 2016

Shailesh Shah
Managing Director

Sr. No.	Category	Pre-issue equity shareholding		Post-issue equity shareholding *	
		No.	%	No.	%
A.	PROMOTERS-				
	1.INDIAN				
	(a) Individuals	15,01,416	37.76%	2,131,416	46.27%
	(b) Central/State Government	NIL	NIL	NIL	NIL
	(c) Financial Institutions/ Banks	NIL	NIL	NIL	NIL
	(d) Any Other				
	i.Bodies Corporate	263,500	6.63%	263,500	5.72%
	2.FOREIGN				
	(a) Individuals	NIL	NIL	NIL	NIL
	(b) Government	NIL	NIL	NIL	NIL
	(c) Institutions	NIL	NIL	NIL	NIL
	(d) Foreign Portfolio Investor	NIL	NIL	NIL	NIL
	(e) Any Other	NIL	NIL	NIL	NIL
	Total (A)	17,64,916	44.39%	2,391,713	51.99%



B.	PUBLIC-				
	1.INSTITUTIONS	1,719,336	43.24	1,719,336	37.32
	2.CENTRAL GOVERNMENT/STATE GOVERNMENT/PRESIDENT OF INDIA	NIL	NIL	NIL	NIL
	3.NON-INSTITUTIONS				
	(a) Individuals	NIL	NIL	NIL	NIL
	(b) NBFCs registered with RBI	NIL	NIL	NIL	NIL
	(c) Employees Trusts	NIL	NIL	NIL	NIL
	(d) Overseas Depositories	NIL	NIL	NIL	NIL
	(e) Any Other				
	i.Hindu Undivided Family	75,209	1.89	75,209	1.63
	ii.Non Resident Indians	200,524	5.04	200,524	4.35
	iii.Clearing Member	24,618	0.62	24,618	0.53
	iv.Bodies Corporate	195,110	4.91	195,110	4.24
	Total (B)	22,11,484	55.62%	22,11,484	48.01%
	Grand Total (A+B+C)	3,976,400	100%	4,606,400	100%

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their 27th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

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.

(Rs. in Lakh)

Particulars	2015-2016	2014-2015
Gross Income	5184	5539
Profit Before Interest and Depreciation	461	265
Finance Charges	216	323
Gross Profit		
Provision for Depreciation	91	133
Net Profit Before Tax	154	(113)
Provision for Tax	27	(15)
Net Profit After Tax	126	(98)
Balance of Profit brought forward	926	1024
Balance available for appropriation	1052	926
Proposed Dividend on Equity Shares	NIL	NIL
Tax on proposed Dividend	NA	NA
Transfer to General Reserve	NIL	NIL
Surplus carried to Balance Sheet	1052	926

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

Particulars	2015-2016	2014-2015
Gross Income	5184	6543.07
Net Profit After Tax	126	(6.37)

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 is based in Daman. The Company has divested its subsidiary M/s Sky Hemmay Pvt Ltd and M/s Skay Inc during the year under preview.

The turnover of the Company was Rs. 52 Crores, nearly the same as previous year. However, with the closures of loss making divisions, the Company returned in black

The trend of performance is reflected in the consolidated results as well, as now only one subsidiary company, M/s SK Stabel Industries Pvt Ltd remains, consequent to disinvestment of subsidiaries M/s Sky Hemmay Pvt Ltd and Skay Inc.

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

In view of inadequate profits, 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.

7. Directors and Key Managerial Personnel

During the year, pursuant to the family arrangement and consequent interse transfer of shares amongst the promoter group, Mr. Nitin Motani and Mr. Saurabh Motani cease to be Directors and promoters of the Company as they have resigned owing to afore mentioned reason.

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 I**.

9. Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year six Board Meetings and six 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-II**

Further, the Annual Accounts and related documents of the subsidiary company shall be kept open for inspection at the Registered & 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 one year from the conclusion of this Annual General Meeting [AGM] till the conclusion of next 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 2015-16

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 III** 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.skyindia.com 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 IV**.

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 reqd)	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 investment is proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Expected rate of return
1	31/3/07	Dombivli Nagari Sahakari Bank	5.00	Banking Limits	-	-	-
2	6/1/11	S K Stabel Inds Pvt Ltd	28.60	Operations	-	-	-

Details of Guarantee / Security Provided:

SL No	Date of providing security/guarantee	Details of recipient	Amount	Purpose for which the security/guarantee is proposed to be utilized by the recipient	Date of BR	Date of SR (if any)	Commission
1	18/9/09	Sky Hemmay Pvt Ltd	126 Lacs	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. 182 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

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

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

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

35. 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/-

PLACE: MUMBAI
DATE: 30th Aug 2016

Shailesh Shah
Managing Director

ANNEXURE INDEX

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

Annexure - I

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

Sl. No.	N a m e	Designation/ Nature of Duties	Remuneration Received [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:

- Ø All appointments are / were non-contractual
- Ø 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
- Ø None of the above employees is related to any Director of the Company employed for part of the financial year.

ANNEXURE-II TO DIRECTOR'S REPORT

Form AOC-1

Statement containing salient features of the Financial Statement of subsidiary companies.
Pursuant to first provision to section 129(3) of Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014

Sr. No.	Name of Subsidiary Company	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment other than Investment in subsidiary	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation
1	SK STABEL INDUSTRIES PVT LTD	26,00,000	(23,78,073)	5,33,228	5,33,228	-	-	(36,516)	-
2									
3									
4									
5									
6									
7									

Note :

1) Name of the subsidiaries which are yet to commence business

2) Names of subsidiaries which have been liquidated or sold during the year:

SKY HEMMAY PVT LTD

SKAY INC

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, 2016 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: 24th May, 2016**

For Ramesh Chandra Mishra & Association

Sd/-

**Ramesh Mishra
FCS: 5477
PCS: 3987**

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

[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 us 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, 2016 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, 1936;
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 Agreements/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, 2016 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: 30 MAY 2016

For Ramesh Chandra Mishra & Association

Sd/-

Ramesh Mishra

FCS: 5477

PCS: 3987

Annexure IV

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/Subcategory of the Company	PUBLIC LIMITED COMPANY
5.	Address of the Registered office & contact details	C-58, TTC INDUSTRIAL AREA, PANE BELAPUR ROAD, PAWANE, NAVI MUMBAI 400705 PHONE: 02267137900
6.	Whether listed company	YES, LISTED ON BSE-SCRIP CODE 526479
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LinkIntime (India) Pvt Ltd C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai – 400 078. Phone : 2596 3838 e-mail : isrl@intimespectrum.com

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)

S. 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 %

Sr.	Category & Name of the Shareholders (I)	Nos. of Shareholders (III)	No. of fully paid up equity shares held (IV)	Total Nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated) as per SCRR, 1957 (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)		
						No. of Voting (XIV) Rights		Total as a % of Total Voting Rights
						Class eg : X	Total	
A	Table II-Statement showing shareholding pattern of the Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/Hindu undivided Family	4	1487691	1487691	37.41	1487691.00	1487691	37.41
(b)	Central Government / State Government(s)							
(c)	Financial Institutions / Banks							
(d)	Any Other (specify)	1	263500	263500	6.63	263500.00	263500	6.63
	Sub-Total (A)(1)	5	1751191	1751191	44.04	1751191.00	1751191	44.04
(2)	Foreign							
(a)	Individuals (Non Resident Individuals/Foreign Individuals)							
(b)	Government							
(c)	Institutions							
(d)	Foreign Portfolio Investor							
(e)	Any Other (specify)							
	Sub-Total (A)(2)							
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	5	1751191	1751191	44.04	1751191.00	1751191	44.04
	Details of Shares which remain unclaimed for Promoter & Promoter Group							
B	Table III-Statement showing shareholding pattern of the Public shareholder							
(1)	Institutions							
(a)	Mutual Funds							
(b)	Venture Capital Funds							
(c)	Alternate Investment Funds							
(d)	Foreign Venture Capital Investors							
(e)	Foreign Portfolio Investors							
(f)	Financial Institutions / Banks							
(g)	Insurance Companies							
(h)	Provident Funds / Pension Funds							
(i)	Any Other (specify)							
	Sub-Total (B)(1)							
(2)	Central Government / State Governments(s)/ President of India							
	Sub-Total (B)(2)							
(3)	Non-Institutions							
(a(ii))	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	1991	1225209	1225209	30.81	1225209.00	1225209	30.81
(a(iii))	Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	13	507019	507019	12.75	507019.00	507019	12.75
(b)	NBFCs registered with RBI							
(c)	Employee Trusts							
(d)	Overseas Depositories (holding Drs). (balancing figure)							
(e)	Any Other (specify)	135	492981	492981	12.40	492981.00	492981	12.40
	Sub-Total (B)(3)	2139	2225209	2225209	55.96	2225209.00	2225209	55.96
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	2139	2225209	2225209	55.96	2225209.00	2225209	55.96
	Details of Shareholders acting as persons in Concert for Public							
	Details of Shares which remain unclaimed for Public							
C	Table IV-Statement showing shareholding pattern of the Non Promoter-Non Public shareholder							
(1)	Custodian/DR Holder - Name of DR Holders (If Available)							
(2)	Employee Benefit Trust (under SEBI (Share Based Employee Benefit) Regulations, 2014							
	Total Non Promoter-Non Public Shareholding (C)=(C)(1)+(C)(2)							
	Total (A+B+C2)	2144	3976400	3976400	100.00	3976400.00	3976400	100.00
	Total (A+B+C)	2144	3976400	3976400		3976400.00	3976400	100.00

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1738299	43.71	1738299	43.71
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	12892 (Purchase)	0.02	12892 (Purchase)	0.32
	At the end of the year	1751191	44.04	1751191	44.04

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	874.63	269.21	-	1143.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	874.63	269.21	-	1143.84
Change in Indebtedness during the financial year				
* Addition				
* Reduction	5.25	219.03	-	224.28
Net Change				
Indebtedness at the end 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

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/WTM/ Manager					Total Amount
		Nitin Motani	Shailesh Shah	Saurabh Motani	Sharad Shah	Vaibhav Desai	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income -tax Act, 1961	600000	2400000		2400000	1025700	6425700
	(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)	600000	2400000		2400000	1025700	6425700
	Ceiling as per the Act	30,00,000	30,00,000	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	-	-	40000	40000	80000
	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					

Management Discussion and Analysis

Industry Structure & Development:

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

The Company had ventured into the manufacture of Carpet yarn in earlier years, apart from its presence in elastic tapes. However, the Company, with a view to focus on the core competency, has exited these businesses.

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 "Narrow Woven Fabrics". Hence, Accounting Standard on Segment Reporting (AS - 17) issued by the Institute of Chartered Accountant of India does not apply.

Outlook

With the dismantling of the quota regime, 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. 164 lacs, a drop from the previous year. The drop was mainly on account of conscious decision to avoid the riskier markets, as well as Companys 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. 5184 Lacs as compared to previous years Rs. 5538 Lacs, a flat trajectory. The Company faced external pressures as well as managed to overcome a mini-crisis in form of labour unrest at its Vashi plant. The same has got resolved as of today and the Company plans to restart the facility.

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, 2016, the total number of employees on the rolls of the Company was 86.

CORPORATE GOVERNANCE REPORT – 2015-16

The Company is a listed company on Bombay Stock Exchange Limited. The report on Corporate Governance as per Clause 49 of the Listing Agreement 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:

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

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 agreement executed with the Bombay Stock Exchange Limited, the Companies Act, 1956 and the provisions of the Articles of Association of the Company. The Board presently comprises of Seven Directors out of which two are Non-Executive Directors. The Managing Director is responsible for conduct of the business and day to day affairs of the Company.

None of the Directors on the Company's Board is a member of more than ten committees and Chairman of more than five committees across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies. Also none of the Directors on board hold the office of Director in more than 15 companies.

The requisite information as enumerated in Annexure IA to Clause 49 of the listing agreement is being made available to the Board for discussion and their consideration. The maximum time gap between two Board meetings did not exceed 4 months.

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		Directorship **	Committee Chairmanship ***	Committee Membership
1.	Mr. Nitin K. Motani Chairman	PD-ED	6	5****	Present	No	No	No
2.	Mr. Shailesh S. Shah Managing Director	PD-ED	6	6	Present	No	No	No
3.	Mr. Saurabh K. Motani	PD-ED	6	5****	Present	No	No	No
4.	Mr. Sharad S. Shah	PD-ED	6	6	Present	No	No	No
5.	Mr. Vaibhav Desai	ED	6	6	Present	No	No	3
6.	Mr. Narendra Mahajani	NED-ID	6	6	Present	No	2	3
7.	Mr. Subramiam Sharma	NED-ID	5	1	Present	3	3	3
8.	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, 2016

*** In Audit and Shareholders Grievances Committee of Indian Public Limited Companies as on 31st March, 2016.

**** Resigned wef 22 Feb 2016.

Details of Board Meetings Held during the Year

Date of Board Meeting	30 May	11 Aug	04 Nov	11 Feb	22 Feb	25 Feb
Board Strength	8	8	8	8	6	6
No. of Directors Present	8	7	7	7	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, Shareholders' Committee/Stake Holder's Relationship 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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. 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.
8. Discussion with internal auditors on any significant findings and follow up there on.
9. 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.

4. **Nomination & Remuneration Committee:**

The Committee consists of

Mr. Narendra Mahajani	- Chairman
Mr. Vaibhav Desai	- Member
Mr. Subramanian Sharma	- Member

Remuneration Policy

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

Executive Directors

- Salary & Commission
- No Sitting Fee

Non-executive Directors

- Sitting Fee

During the financial year 2015-16 remuneration paid to the Executive Directors are as under

Name of Director	Amount (INR)
Mr. Nitin K. Motani	600000/-
Mr. Shailesh S. Shah	2400000/-
Mr. Sharad S. Shah	2400000/-
Mr. Vaibhav Desai	1025700/-

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.

5. **Stakeholders' Relationship Committee / Shareholder' Committee**

The Committee, *inter alia* approves issue of duplicate certificates, oversees and reviews all matters connected with transfer of shares of the Company. The Committee also looks into redressal of investor complaints related to transfer of shares, non receipt of dividend and annual accounts etc. The Committee oversees the performance of the Registrar and Transfer agents of the Company. The Committee also monitors the implementation and compliance of the Company's code of Conduct for Prohibition of Insider trading in pursuance of the SEBI (Prohibition of Insider Trading) Regulations 1992.

The Committee consists of

Mr. Narendra Mahajani	- Chairman
Mr. Vaibhav Desai	- Member
Mr. Subramanian Sharma	- Member

Name and Designation of Compliance Officer:
Mr. Vaibhav Desai – Whole-time Director

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

6. General Body Meetings

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

	2012-13	2013-14	2014-15
Date	27.09.2013	27.09.2014	30.09.2015
Time	11.00 A.M.	11.00 A.M.	11.00 A.M.
Venue	Hotel Abbott Navi Mumbai	Hotel Abbott Navi Mumbai	Hotel Varishttha Navi Mumbai

7. Disclosures

Related Party Transactions

During the financial year 2015-16 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:

- During the financial year 2015-16, there are certain audit qualifications in the Company's financial statements, however, which are more of procedural in nature.
 - Certain transactions with related parties have exceeded the approval limit and the Company has already applied to the Central Government for the approval of the enhancement of the same.
- 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 Clause 49 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 organisation 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 annual report.

9. General Shareholder information:

a. Annual General Meeting

Date : 30th Sep 2016

Time : 11.00 A.M.

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

b. Financial Calendar 2016 – 2017

First quarter results	::	By mid August, 2016
Second quarter results	::	By mid November, 2016
Third quarter results	::	By mid February, 2017
Annual results for the year ending on 31st March, 2017	::	By end of May, 2017

c. Book Closure

The Register of Members and Transfer Registers of the Company will remain closed from 26th September, 2016 to 29th September, 2016 (both days inclusive).

d. Listing on Stock Exchanges

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

The Company had applied and is awaiting approval for de-listing of its shares from The Calcutta Stock Exchange Association Limited and The Jaipur Stock Exchange Limited. The Company has paid the listing fees to the Stock Exchange, Mumbai.

Stock Code - 526479

Demat - ISIN Number for NSDL & CDSL : INE765B01018

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 2015 – 2016:

The Stock Exchange, Mumbai

₹						
Month	Open	High	Low	Close	No. of Shares	No. of Trades
Apr-15	8	10.08	8	10	9099	109
May-15	10	12.45	9.5	9.5	4239	35
Jun-15	9.03	9.8	7.89	8.29	4112	23
Jul-15	8.24	10.76	7.35	10.75	8568	51
Aug-15	11.15	15.31	9.5	14.51	19044	169
Sep-15	14	15.25	13.49	14	11764	164
Oct-15	14.1	17.05	12.35	14.24	7346	140
Nov-15	13.75	21.85	13.75	21.78	34965	169
Dec-15	22.85	28	21.05	24.45	69970	294
Jan-15	27.9	38	22.5	26.6	98533	493
Feb-15	24	26.3	21.35	21.35	1622	11
Mar-15	20.1	21.4	13.6	18.8	8658	57

Registrar and Transfer Agents Link Intime (India) Pvt. Ltd (formerly known as Intime Spectrum Registry Ltd.) C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai – 400 078. , Phone : 2596 3838 e-mail : isrl@intimespectrum.com 203, Davar House, 2nd Floor, Next to Central Camera Building, 197, D N Road, Fort, Mumbai 400 001, Ph : 91-22-2265 6929

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 **3647864** equity shares of Rs.10/- each were dematerialized as on 31st March, 2016 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 – 400705
e-mail: corporate@skycorp.in

j. Plant Locations:

- C-58, C-57/1,2 TTC Industrial Area, Thane Belapur Road, Pawane Navi Mumbai – 705
- Plot No. A/122, Harihar Compound, Mankoli Naka, Bhewandi, Maharashtra
- Survey No. 49, Unit No A-F, Sainath Complex, Dapode, Bhiwandi, Maharashtra
- 367/6, Kabra Industrial Estate, Kachigam, Daman.

DECLARATION

To
The Members of
Sky Industries Ltd

As approved under the clause 49 of the Listing Agreement with the Stock Exchanges, all the Board members and the Senior Management Personnel have affirmed compliance with the Code of Conduct.

For **SKY INDUSTRIES LTD**

Sd/-
Shailesh Shah
(Managing Director)

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

To,
**The Members of
Sky Industries Limited**

As provided under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with Code of Conduct for the year ended March 31, 2016.

Place: Mumbai
Date: 24th May, 2016

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

MANAGING DIRECTOR CERTIFICATION TO THE BOARD

To
**The Board of Directors
Sky Industries Limited**

I, Mr. Shailesh Shah, Managing Director, do hereby certify as follows:

I 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 violative of the company's code of conduct.

I 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.

I 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.

Place: Mumbai
Date: 30th MAY 2016

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

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 2016, the Statement of Profit and Loss and cash flow statement, for the period then ended and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

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

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

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 2016 and its **profit** 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 attached here to our comments, 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 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 2016 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and;
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigation on its financial position in its financial statement Refer Note 29 (ii) to the 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.

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

Sd/-

[V.K. Thanawala]

Proprietor
 Membership No. 15632

Place : Mumbai
 Date : 30/05/2016

Annexure A to the Independent Auditors Report

THE ANNEXURE A REFFERRED TO IN INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF THE COMPANY ON THE STANDALONE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH,2016,

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 loans, any parties covered in the register maintained under section 189 of the companies Act 2013
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.

According to the information and explanations given to us, and according to the books and records as produced and examined by us following undisputed statutory dues were in arrears as at March 31, 2016 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	Period to which it relates
1.	Gujrat Value Added Tax	GVAT	93,869		No
2.	Professional Tax Act	PT	38,735		No
3.	Navi Mumbai Cess	CESS	15,071,452		No

b. According to the records of the Company and information and explanations given to us the following are the particulars disputed amounts payable in respect of, Income tax, Sales tax, Custom Duty, Excise Duty and Entry tax and other statutory dues as at the last day of the period ending 31st March, 2016-

Name of Dues	Amount in Rs.	Period for which dispute relates	Forum where dispute is pending
Gujarat VAT	3208752	2006-07 & 2007-08	Commissioner of Sales Tax
CST	125149	2006-2007	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. In our opinion and according to the information and explanations given to us, the company had allotted equity shares by way of preferential allotment and fund utilized for the purpose for which it was raised. The company has not raised any term loan during the year.
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. According to the information and explanation given to us, the provisions of any Special Statute applicable to Nidhi Companies are not applicable to the Company, the provisions of this clause are not applicable to the Company.
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-18.
14. According to the information and explanation given to us and based on our examination of the records, the Company has not made any 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 : 30/05/2016

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, 2016, 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, 2016, 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 : 30/05/2016

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

SKY INDUSTRIES LIMITED
Balance sheet as at March, 2016

(Amount in Rs.)

	Note	As At March 31 2016	As At March 31 2015
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	39,764,000	39,764,000
(b) Reserves and surplus	3	113,187,646	100,590,026
		152,951,646	140,354,026
2 Non-current liabilities			
(a) Long-term borrowings	4	9,202,425	15,718,032
(b) Deferred tax liabilities (net)		9,533,184	10,128,350
(c) Other long-term liabilities	5	566,154	8,566,154
(d) Long-term provisions	6	11,507,394	9,635,083
		30,809,157	44,047,619
3 Current liabilities			
(a) Short-term borrowings	7	91,957,294	114,384,220
(b) Trade payables	8	67,048,480	97,560,937
(c) Other current liabilities	9	23,639,255	53,618,151
(d) Short-term provisions	10	3,358,648	215,000
		186,003,677	265,778,308
		369,764,480	450,179,953
B ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
1) Tangible Assets		96,106,831	104,586,399
2) Intangible Assets		-	15,209
3) Capital Work in Progress		364,256	364,256
		96,471,087	104,965,864
(b) Non-current investments	12	3,359,999	21,708,214
(c) Long-term loans and advances	13	19,031,172	36,605,722
(d) Other non-current assets	14	43,332,371	32,822,975
		162,194,629	196,102,775
2 Current assets			
(a) Inventories	15	85,753,594	102,156,827
(b) Trade receivables	16	104,253,675	115,989,655
(c) Cash and cash equivalents	17	6,962,513	23,806,621
(d) Short-term loans and advances	18	10,588,717	10,661,330
(e) Other current assets	19	11,352	1,462,718
		207,569,851	254,077,152
		369,764,480	450,179,927
Significant accounting policies	1		

The accompanying notes (1 to 29) form an integral part of the financial statements.

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
Membership No. 15632
Mumbai, Dated: May 30, 2016

Sd/-
Shailesh Shah
Managing Director

Sd/-
Sharad Shah
Director

Sd/-
Vaibhav Desai
Director

SKY INDUSTRIES LIMITED			
Statement of Profit and Loss For the Year Ended March 31, 2016			
(Amount in Rs.)			
	Note	For the year ended 31.03.2016	For the year ended 31.03.2015
I. Revenue from operations	20	518,421,536	553,861,851
II. Other income	21	6,199,109	9,974,559
III. Total Revenue		524,620,645	563,836,410
IV. Expenses:			
Cost of materials consumed	22	325,929,580	357,109,198
Purchases of Stock-in-Trade	23	35,319,715	37,326,552
Changes in Inventories of Finished Good, Work In Progress and Traded Goods	24	15,381,746	(2,282,481)
Employee benefits expense	25	38,862,833	61,749,356
Finance costs	26	21,629,434	32,345,844
Depreciation and amortization Expenses	11	9,081,829	13,335,791
Other expenses	27	68,645,314	73,471,125
V. Total Expenses		514,850,451	573,055,385
VI. Profit/(Loss) before tax		9,770,194	(9,218,976)
VII. Exceptional Items	28	5,532,260	(2,195,222)
VIII Tax expense:			
(1) Current tax - For the year		3,300,000	-
-Excess/(Short) Provision of the Previous years		-	160,205
(2) Deferred tax		(595,166)	(1,696,597)
		2,704,834	(1,536,392)
IX. Profit (Loss) for the period from continuing operations (VI-VII-VIII)		12,597,620	(9,877,806)
	1		
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: May 30, 2016			

SKY INDUSTRIES LIMITED
Cash Flow Statement for the Year Ended March 31, 2016

(Amount in Rs.)

	For the year ended 31.03.2016	For the year ended 31.03.2015
A. Cash Flow from Operating Activities:		
Profit before tax and extra ordinary item	9,770,194	(9,218,976)
Adjustment for:		
Depreciation	9,081,829	13,335,791
Interest and Finance Charges	21,629,434	32,345,844
Interest income	(359,791)	(682,645)
Dividend	(65,000)	(2,293,809)
	30,286,472	42,705,182
Operating Profit before Working Capital Changes	40,056,666	33,486,206
Adjustment for:		
Trade Receivables	11,735,980	(20,124,790)
Other Receivables	8,589,133	59,620,963
Inventory	16,403,233	7,157,769
Obsolete stock w/off	-	(1,804,194)
Cess Paid	(3,631,180)	(4,426,151)
Trade and Other Payable	(63,637,844)	(33,063,253)
	(30,540,678)	7,360,344
Cash generated from Operations	9,515,988	40,846,550
Direct Tax paid/net of Refund received	(120,511)	(352,461)
Net Cash Flow from Operating Activities	9,395,477	40,494,089
B. Cash Flow from Investing Activities:		
Acquisition of Fixed Assets	(6,372,783)	(33,733,761)
Proceeds from Sale of Fixed Assets	2,591,745	85,590,982
Proceeds from Sale of Investments	27,688,630	-
Dividend	65,000	2,293,809
Decrease/(Increase) in Investments	-	1,100
Interest income	359,791	682,645
Net Cash used in Investing Activities	24,332,383	54,834,775

SKY INDUSTRIES LIMITED

Cash Flow Statement for the Year Ended March 31, 2016

(Amount in Rs.)

	For the year ended 31.03.2016	For the year ended 31.03.2015
C. Cash Flow from Financing Activities:		
(Decrease)/Increase in Working Capital facility (net)	(524,099)	(5,261,101)
Increase/(Decrease) of Term Loan/Vehicle Loans	(6,515,607)	(8,092,294)
Increase/(Decrease) of Unsecured Loans	(21,902,828)	(33,866,995)
Interest and Finance Charges Paid	(21,629,434)	(32,345,844)
Net Cash (Used)/Generated from Financing Activities	(50,571,968)	(79,566,234)
Net Increase/(Decrease) in Cash and Cash Equivalents	(16,844,108)	15,762,629
Cash and Cash Equivalents as at the beginning of the year	23,806,621	8,043,992
Cash and Cash Equivalents as at the end of the year	6,962,513	23,806,621
Net Increase/(Decrease) in Cash and Cash Equivalents	(16,844,108)	15,762,629

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

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

For and on behalf of the Board of Directors

Sd/-
VIJAY K THANAWALA
PROPRIETOR
 Membership No. 15632
 Mumbai,
 Dated: May 30, 2016

Sd/-
Shailesh Shah
Managing Director

Sd/-
Sharad Shah
Director

Sd/-
Vaibhav Desai
Director

SKY INDUSTRIES LIMITEDNOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st March, 2016**1 Significant Accounting Policies-****1.1 Basis for preparation of financial statements**

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.

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.

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 on net of tax, less sales Returns / rejection. 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.

Export Incentives receivable are accounted on accrual basis.

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 CENVAT / 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 Employee Benefits

The Company makes annual contributions to the Employee's Group Gratuity-cum-life assurance scheme of Life Insurance Corporation of India, a funded, defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on super annuation, death or separation / termination in terms of the provisions of the payment of Gratuity Act or as per the Company's policy whichever is beneficial to the employees.

1.10 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.

1.11 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).

1.12 Taxes on income:

Tax Expenses for the year, comprising Current Tax including Wealth Tax, and is included in determining the net profit for the year. A provision is made for the current tax and based on tax liability computed in accordance with relevant tax rates and tax laws.

1.13 Deferred Tax- Asset/Liability:

The Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered accountants of India, has become applicable to the Company. The Deferred Tax is recognized for all timing differences being the difference between "Taxable Income" and "Accounting Income" that originate in one period, and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates. Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying value at each balance sheet date.

1.14 Miscellaneous Expenditure:

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

1.15 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.

1.16 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.

1.17 Capital work in Progress :

The Expenditure which is of Capital nature and the assets for which it is incurred which has not come into existence/ put to use during the year is shown under this head.

1.18 Earning Per Shares :

The basic earning per share is computed using the weighted average number of common shares outstanding during the periods. 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.

As per Our Report of Even date
For and on Behalf of
THANAWALA & Co.
Chartered Accountants
Firm Reg. No. 110948W

For, SKY Industries Limited

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

Sd/-
[Director]

Sd/-
[Director]

Place : Mumbai,
Dated : 30th May 2016

SKY INDUSTRIES LIMITED					
NOTES FORMING PART OF FINANCIAL STATEMENTS					
(Amount in Rs.)					
Note			As at March 31, 2016		As at March 31, 2015
2 SHARE CAPITAL					
Authorised Capital					
15,000,000 Equity Shares of Rs. 10/- each			150,000,000		150,000,000
500,000 Redeemable Preference Shares of Rs. 100/-each			50,000,000		50,000,000
			200,000,000		200,000,000
Issued, Subscribed and Paid Up					
3,976,400 Equity Shares of Rs 10/- each			39,764,000		39,764,000
(Refer Notes 2.1 to 2.3)			39,764,000		39,764,000
2.1 Shareholders holding more than 5% shares in the Company					
Name of Shareholder		As at March 31, 2016		As at March 31, 2015	
		No of Equity shares held	% of Holding	No of Equity shares held	% of Holding
Skay Finvest Pvt Ltd		263,500	6.63%	1,310,147	32.95%
Sharad Shah		862,043	21.68%		
Shailesh Shah		617,748	15.54%		
		1,743,291	43.84%	1,310,147	32.95%
c. Reconciliation of number of shares					
Particulars		Equity Shares		Preference Shares	
		Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year		3,976,400	39,764,000	3,976,400	39,764,000
Shares Issued during the year		-	-	-	-
Shares bought back during the year		-	-	-	-
Shares outstanding at the end of the year		3,976,400	39,764,000	3,976,400	39,764,000
2.2 There is no movement in the number of shares outstanding during the year ended March 31, 2015 and year ended March 31, 2016.					
2.3 Rights and restrictions 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 to receive the remaining assets of the Company,after distribution of all preferential amounts.The distribution will be in proportion to the number of					
3 RESERVES AND SURPLUS			As at March 31, 2016		As at March 31, 2015
a. General Reserve					
As per last balance sheet			8,000,000		8,000,000
Add:Transfer from surplus			-		-
Less:Written Back in Current Year			-		-
Closing Balance			8,000,000		8,000,000
			8,000,000		8,000,000
b. Profit and loss Account					
As per last balance sheet			92,590,026		102,467,832
Less : Net Profit for the year			12,597,620		(9,877,806)
			105,187,646		92,590,026
			113,187,646		100,590,026

SKY INDUSTRIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in Rs.)

Note	As at March 31, 2016	As at March 31, 2015
4 LONG-TERM BORROWINGS		
SECURED LOANS		
From Banks		
(b) Vehicle loans [Refer Note 4.1, 4.2(a) To 4.2(c)]	3,522,425	55,098
	<u>3,522,425</u>	<u>55,098</u>
From other parties		
Vehicle loan [Refer Note 4.1, 4.2(d)]	-	117,046
	<u>-</u>	<u>117,046</u>
UN SECURED LOANS		
From Directors	5,680,000	15,545,888
	<u>5,680,000</u>	<u>15,545,888</u>
	<u>9,202,425</u>	<u>15,718,032</u>
4.1 The vehicle loans from banks and other parties are secured by the hypothecation of vehicles purchased under the scheme.		
4.2 Terms of repayment :		
(a) Vehicle loans from Dombivali Nagrik Shakari Bank Ltd. Vehicle Loan No. - Repayable in 57 months @ Rs. 0.14 lacs Vehicle Loan No. 5 - Repayable in 5 months @ Rs. 0.11 lacs	627,059 -	- 55,098
(b) Vehicle loans from HDFC Bank Ltd Vehicle Loan No.1 - Repayable in 52 months @ Rs. 0.33 lacs Vehicle Loan No.2 - Repayable in 52 months @ Rs. 0.28 lacs	1,319,795 1,149,472	
(c) Vehicle loans from ICICI Bank Ltd Vehicle Loan No.1 - Repayable in 30 months @ Rs. 0.16 lacs	426,099	
(d) Vehicle loans from Kotak Mahindra Prime Ltd Vehicle Loan No. 1 - Repayable in 14 months @ Rs. 0.55 lacs	-	117,046

SKY INDUSTRIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in Rs.)

Note	As at March 31, 2016	As at March 31, 2015
5 OTHER LONG-TERM LIABILITIES		
Trade/Security Deposit Received	566,154	8,566,154
Capital Goods		
	<u>566,154</u>	<u>8,566,154</u>
6 LONG-TERM PROVISIONS		
Provision for Employee Benefits:		
Gratuity Payable (Refer Note 25.1)	11,507,394	9,635,083
	<u>11,507,394</u>	<u>9,635,083</u>
7 SHORT-TERM BORROWINGS		
SECURED		
Loans repayable on demand		
From Banks		
Dombivli Nagari Sahakari Bank Ltd - Flexi OD	86,938,800	84,054,820
Dombivli Nagari Sahakari Bank Ltd - Letter of Credit	-	3,408,079
(The above Flexi OD facility is secured by Industrial Land and Building situated at C-57/1, C-57/2 and C-58, TTC Industrial Area, Thane Belapur Road, Pawne, Navi Mumbai. Plant & Machineries and		
Personal Guaranty by all Promoter Directors.		
The Letter of Credit is secured by Stock and Book Debts and		
	<u>86,938,800</u>	<u>87,462,899</u>
UN-SECURED		
(b) Inter Corporate Deposits		
From Related Party	5,018,494	26,921,322
	<u>5,018,494</u>	<u>26,921,322</u>
	<u>91,957,294</u>	<u>114,384,220</u>

SKY INDUSTRIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in Rs.)

Note	As at March 31, 2016	As at March 31, 2015
8 TRADE PAYABLES		
Due to Micro and Small Enterprises (Refer note no. 8.1)	-	-
Other than Micro and Small Enterprises	67,048,480	97,560,937
	67,048,480	97,560,937
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 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.		
9 OTHER CURRENT LIABILITIES		
Interest accrued but not due on borrowings	-	-
Unclaimed dividends	126,294	126,294
STATUTORY LIABILITIES		
Tax deduction payable	683,748	1,039,569
Sales Tax Payable	628,731	3,834,467
Cess Payable	15,071,452	18,085,463
Provident Fund/Esic/Professional tax payable	214,236	605,465
Excise/Service tax payable	417,094	257,358
EMPLOYEE LIABILITIES		
Salaries Payable	3,655,762	10,252,914
Bonus Payable	1,309,800	1,259,303
Outstanding Liabilities	508,242	473,964
Advances received from customer	1,023,896	17,598,969
Other Payables	-	84,384
	23,639,255	53,618,151
10 SHORT-TERM PROVISIONS		
Provision for employee benefits:		
Leave encashment	58,648	215,000
Others:		
Provision for taxation	3,300,000	-
	3,358,648	215,000

SKY INDUSTRIES LIMITED									
NOTES FORMING PART OF THE FINANCIAL STATEMENTS									
Note 11 - FIXED ASSETS									
(Amount in Rs.)									
	Gross Block			As at March 31, 2016	Depreciation			Net Block	
	As at April 1, 2015	Additions during the Year	Deduction		For the year	On Deduction	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets									
Leasehold Land	5,060,360	-	-	5,060,360	64,742	-	927,176	4,133,184	4,197,926
Buildings	33,943,656	-	-	33,943,656	1,170,417	-	16,150,737	17,792,919	18,963,336
Plant & Machinery	226,704,405	739,722	4,505,089	222,939,038	6,211,708	1,071,425	158,887,336	64,051,702	72,957,352
Furniture & Fixtures	4,890,106	-	194,566	4,695,540	108,805	49,963	4,240,066	455,474	708,882
Vehicles	10,362,029	5,330,246	3,859,619	11,832,656	1,066,819	2,216,209	4,005,406	7,827,250	5,207,233
Office Equipment	5,852,890	95,141	541,857	5,406,174	181,198	127,566	3,988,887	1,417,287	1,917,635
Computers	6,247,140	207,674	836,365	5,618,449	262,931	686,604	5,189,435	429,014	634,032
Sub-total	293,060,586	6,372,783	9,937,496	289,495,873	9,066,620	4,151,767	193,389,041	96,106,832	104,586,398
<i>Previous Year</i>	362,637,197	33,733,761	103,310,372	293,060,586	13,034,022	40,985,842	188,474,188	104,586,398	-
Intangible Assets									
Computer software	2,685,787	-	830,778	1,855,009	15,209	830,778	1,855,009	-	15,209
Sub-total	2,685,787	-	830,778	1,855,009	15,209	830,778	1,855,009	-	15,209
<i>Previous Year</i>	2,755,287	-	69,500	2,685,787	301,769	69,500	2,670,578	15,209	-
Total	295,746,373	6,372,783	10,768,274	291,350,882	9,081,829	4,982,545	195,244,050	96,106,832	104,601,607
Capital Work in Progress								364,256	364,256
								96,471,088	104,965,863

SKY INDUSTRIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in Rs.)

Note	As at March 31, 2016	As at March 31, 2015
12 NON-CURRENT INVESTMENTS		
Unquoted, Trade Investments		
In Equity Shares (Un quoted) :		
In Subsidiary Companies :		
- 80,000 (Previous year 80,000) Equity shares of US\$ 1/- each, fully paid up in Skay Inc., U.S.A (Refer Note 10.1)	-	3,560,515
- 14,78,770 (Previous year 14,78,770) Equity shares of Rs. 10/- each, fully paid up in Sky Hemmay Pvt Ltd	-	14,787,700
- 2,59,999 (Previous year 2,59,999) Equity shares of Rs. 10/- each, fully paid up in SK Stabel Industries Pvt Ltd	2,859,989	2,859,989
	<u>2,859,989</u>	<u>21,208,204</u>
In Others :		
- 50,000 (Previous year 50,000) Equity shares of Rs.10/- each, fully paid in Dombivali Nagari Sahakari Bank Ltd.	500,010	500,010
	<u>500,010</u>	<u>500,010</u>
Total Investments	3,359,999	21,708,214
Less : Provision for dimunition in the value of Investments	-	-
	<u>3,359,999</u>	<u>21,708,214</u>
13 LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Security Deposits	4,333,835	19,304,013
Advance Tax and Tax Deducted at Source	472,972	352,461
Balance with Goverment Authorities	14,224,365	16,949,247
	<u>19,031,172</u>	<u>36,605,722</u>

SKY INDUSTRIES LIMITED		
NOTES FORMING PART OF FINANCIAL STATEMENTS		(Amount in Rs.)
Note	As at March 31, 2016	As at March 31, 2015
14 OTHER NON-CURRENT ASSETS		
a. Others		
Unsecured, considered good Non Moving Inventory	43,332,371	32,822,975
TOTAL	43,332,371	32,822,975
15 INVENTORIES (At lower of cost or net realisable value)		
a. Raw Materials	15,312,691	9,822,906
b. Raw Materials - In transit	4,328,085	-
c. Work-in-progress	794,883	13,998,855
d. Packing Material	2,354,959	2,684,919
e. Finished goods		
- Manufactured	56,892,584	69,627,276
- Traded Goods	6,070,392	6,022,871
	85,753,594	102,156,827
16 TRADE RECEIVABLES Unsecured, considered good		
Trade receivables outstanding for a period more than six months from the date they are due for payment	18,921,063	34,665,545
Less: Provision for doubtful debts	2,659,130	2,659,130
	16,261,933	32,006,415
Others	87,991,742	83,983,240
	104,253,675	115,989,655
17 CASH AND CASH EQUIVALENTS		
a. Balances with banks :		
Earmarked Balances (Refer Note 17.1)	126,669	126,669
Balance in Deposit account held as Margin	4,758,924	9,121,607
Balance in Current account	601,450	12,229,091
b. Cash on hand	1,475,470	2,329,254
	6,962,513	23,806,621
17.1 Indicates earmarked balance for distribution of unpaid dividend		

SKY INDUSTRIES LIMITED		
NOTES FORMING PART OF THE ACCOUNTS		
	(Amount in Rs.)	
	As at March 31, 2016	As at March 31, 2015
18 SHORT-TERM LOANS AND ADVANCES		
a. Loans and advances to related parties *		
Staff advances	5,675,826	5,670,693
Prepaid expenses	136,172	195,156
Advances to suppliers	3,264,929	4,795,481
Advance for Capital Expenses	1,511,790	-
	10,588,717	10,661,330
19 OTHER CURRENT ASSETS		
Interest receivables	11,352	286,031
DEPB licences	-	1,176,687
	11,352	1,462,718
	Year Ended March 31, 2016	Year Ended March 31, 2015
20 REVENUE FROM OPERATIONS		
Sale of Products (Gross) (Refer Note.No 20.1)	515,995,024	527,081,672
Less: Excise Duty	964,356	44,637
	515,030,668	527,037,034
Sale of Services	52,898	15,403,832
	515,083,565	542,440,866
OTHER OPERATING INCOME		
Freight recovered	684,673	5,611,181
Sale of scrap	684,320	2,033,970
Octroi charges collected	618,370	570,668
Other Charges Recovered	20,987	89,497
Export Incentives	792,784	3,115,668
Miscellaneous Receipt	536,837	-
	3,337,971	11,420,984
	518,421,536	553,861,851

SKY INDUSTRIES LIMITED
NOTES FORMING PART OF THE ACCOUNTS

(Amount in Rs.)

Note	Year Ended March 31, 2016	Year Ended March 31, 2015
20.1 Sale of Products (Net)		
Manufactured :		
Hook & Loop Tape Fasteners	406,808,966	393,835,763
Narrow Woven Fabrics	62,548,830	49,627,922
	<u>469,357,796</u>	<u>443,463,685</u>
Traded :		
Fibre glass Insect Screen	20,449,958	21,245,292
Elastics	20,868,549	61,989,912
Others	4,354,365	338,144
	<u>45,672,872</u>	<u>83,573,348</u>
	<u>515,030,668</u>	<u>527,037,033</u>
21 OTHER INCOME		
Service Contract charges	767,482	887,693
Interest Income	359,791	682,645
Dividend Income	65,000	2,293,809
Rent Income	678,000	-
Excess Provision write back	2,316,520	1,697,493
Miscellaneous income	2,012,316	4,412,919
	<u>6,199,109</u>	<u>9,974,559</u>
22 COST OF MATERIAL CONSUMED		
Opening Stock :		
Raw Materials	12,507,825	15,370,201
Raw Materials in Transit	-	6,577,874
	<u>12,507,825</u>	<u>21,948,075</u>
Add: Purchases	335,417,490	349,473,142
	<u>347,925,315</u>	<u>371,421,217</u>
Less: Obsolete stock w/off	-	1,804,194
Less: Closing Stock :		
Raw Materials	17,667,650	12,507,825
Raw Materials in Transit	4,328,085	-
	<u>21,995,735</u>	<u>12,507,825</u>
	<u>325,929,580</u>	<u>357,109,198</u>
22.1 Value of Raw Material Consumed		
Yarn	28,104,656	30,977,567
Hook & Loop - Semifinished	259,091,529	247,454,548
Resins & Chemicals	781,115	2,502,171
Others	37,952,280	76,174,912
	<u>325,929,580</u>	<u>357,109,198</u>

SKY INDUSTRIES LIMITED
**NOTES FORMING PART OF THE
FINANCIAL STATEMENTS**

(Amount in Rs.)

Note		Year Ended March 31, 2016	Year Ended March 31, 2015	
22.2 Value of Raw Material Consumed		Year Ended March 31, 2016	Year Ended March 31, 2015	
		Percentage	Amount	
Imported Raw Materials	83.32	271,565,535	70.65	252,289,335
Indigenous Raw Materials	16.68	54,364,045	29.35	104,819,863
	100.00	325,929,580	100.00	357,109,198
23 PURCHASE OF TRADED GOODS				
Fibre glass Insect Screen		15,895,294	15,264,262	
Elastics		15,869,738	11,809,966	
Others		3,554,683	10,252,324	
		35,319,715	37,326,552	
23.1 Value of Traded Goods Purchased		Year Ended March 31, 2016	Year Ended March 31, 2015	
		Percentage	Amount	
Imported Purchases	52.90	18,685,011	42.31	15,793,802
Indigenous Purchases	47.10	16,634,704	57.69	21,532,750
	100.00	35,319,715	100.00	37,326,552
24 CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS TRADED GOODS				
<u>Closing Inventory</u>				
Finished Goods				
Manufactured		80,467,458	102,450,251	
Trading		13,796,530	6,022,871	
		94,263,988	108,473,122	
Work-In-Progress		12,826,243	13,998,855	
		107,090,231	122,471,977	
<u>Opening Inventory</u>				
Finished Goods				
Manufactured		95,676,671	90,046,673	
Trading		12,796,451	3,905,274	
		108,473,122	93,951,947	
Work-In-Progress		13,998,855	26,237,549	
		122,471,977	120,189,496	
		(15,381,746)	2,282,481	
25 EMPLOYEE BENEFITS EXPENSE				
Salaries and incentives		32,035,588	48,958,950	
Directors Remuneartion & Sitting fees		5,480,000	10,581,950	
Contributions to Provident fund & other funds		548,221	897,935	
Staff welfare expenses		799,024	1,310,521	
		38,862,833	61,749,356	

SKY INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL
STATEMENTS

(Amount in Rs.)

Note	Year Ended March 31, 2016	Year Ended March 31, 2015
26 FINANCE COST		
Interest Expense on Loan from Bank:		
Term Loan	-	161,587
Vehicle Loan	233,206	193,844
Working Capital Loan	10,856,066	15,203,701
Interest Expense on Loan from Others:		
Shareholders Loan	1,947,934	4,854,502
Inter Corporate Deposit	3,431,950	4,844,477
Bank Charges & Processing fees	3,188,027	5,932,433
Interest on Delayed Payment to Creditors	213,607	1,096,124
Net loss on foreign currency transaction and translation	1,758,644	59,177
	21,629,434	32,345,844
27 OTHER EXPENSES		
A) Manufacturing Expenses		
Labour Charges	9,815,789	11,805,552
Power and Fuel	3,259,826	6,634,172
Repairs and Maintenance :		
Building	-	252,950
Machinery	-	300,072
Others	2,352,736	2,520,579
	15,428,351	21,513,325
B) Establishment Expenses		
Rent	6,874,858	11,969,466
Insurance	785,012	1,102,462
Rates and Taxes	494,024	940,300
Legal and Professional	4,930,214	7,730,324
Travelling & Other Conveyance	4,933,404	4,731,672
Postage, Telegram , Telephone & Courier	1,598,393	1,790,109
Printing & Stationery	1,115,641	954,647
Miscellaneous expenses	3,034,835	3,575,463
	23,766,380	32,794,443

C) Selling Expenses		
Auditors Remuneration :		
Audit Fees	600,000	600,000
Audit under other statutes	-	-
	600,000	600,000
Advertisement & Business, Sales Promotion	1,599,227	478,780
Freight, Cartage and Forwarding Expenses	6,324,143	14,184,661
Commission	334,278	1,237,541
Bad Debts written off	16,950,149	656,447
Discount - Scheme	1,572,951	1,157,830
Miscellaneous Balance Written off	447,713	-4,058,957
Octroi Charges	688,506	683,676
Donations	4,000	16,000
Prior Period items	335,503	1,723,777
VAT refund receivable w/off	-	2,209,419
Interest on delayed payment of Tax	594,113	274,183
	29,450,583	19,163,357
	68,645,314	73,471,125
28 EXCEPTIONAL ITEMS		
Cess paid	617,169	22,511,614
Profit on Sale of Assets	-	-34,882,886
Loss on sales of Assets	2,623,683	2,438,898
Assets Written off	567,303	10,323,402
Investments w/off	3,560,515	-
Capital Gain	-12,900,930	-
Obsolete Stock w/off	-	1,804,194
	-5,532,260	2,195,222

SKY INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

Note	Year Ended March 31, 2016	Year Ended March 31, 2015
29 OTHER NOTES		
(i) EARNINGS PER SHARE		
Loss attributable to Equity shareholders	12,597,620	(9,877,806)
Weighted average number of Equity shares outstanding (Nominal value of Shares Rs. 10)	3,976,400	3,976,400
Earnings per share (Basic & Diluted) in Rs.	3.17	(2.48)
(ii) CONTINGENT LIABILITIES NOT PROVIDED IN RESPECT OF :		
a) Guarantees given by the Company's banker against counter guarantee given by the company	583,700	583,700
b) Guarantees given by the Company's banker on behalf of subsidiary, against counter guarantee given by the Company.	12,600,000	25,000,000
c) Sales tax demands pending with Commissionerate and disputed by the company	3,333,901	3,333,901
(iii) VALUE OF IMPORT ON CIF BASIS :		
(i) Raw Materials & Trading goods	289,852,918	196,611,893
(ii) Stores & Spares	397,627	570,795
	290,250,545	197,182,688
(iv) EARNING IN FOREIGN CURRENCY		
(i) FOB value of Exports	17,959,524	65,255,252
(ii) Insurance on Exports	15,037	93,425
(iii) Freight on Exports	246,204	5,422,422
(iv) Other charges	9,525	400,292
	18,230,289	71,171,391

SKY INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

Note
(v) SEGMENT REPORTING

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

(vi) RELATED PARTY DISCLOSURE :
(a) Relationships
i. Subsidiaries:

SKAY Inc., USA (wholly owned subsidiary)

Sky Hemmay Private Limited

SK Stabel Industries Private Limited (wholly owned subsidiary)

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

Mr. Nitin K. Motani

Mr. Shailesh S. Shah

Mr. Saurabh K. Motani

Mr. Sharad S Shah

Mr. Vaibhav Desai

Mrs. Lekha N Motani

Mrs. Kailashmati S Shah

iii. Enterprises over which Key management personnel exercise significant influence.

S.K. Exports

S.K. Silks

Shamots International

S.K. Overseas

Skay Finvest Private Ltd

Novitas India Private Ltd

SMJ Labels LLP

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 (i)	Key managerial personnel/persons exercising significant influence & their relatives (ii)	Enterprises over which Key management personnel exercising significant influence (iii)
Sales	20,156 (78,760)	- -	8,033,589 (3,409,161)
Service Charges Received	- -	- -	870,842 (1,017,974)
Purchases	840 (16,404,823)	- -	1,131,501 (15,588,755)
Remuneration	- -	6,425,700 (10,531,950)	- -
Rent Receipts	454,610 -	- -	322,745 -
Rent Paid	- -	- -	3,235,704 (3,798,000)
Interest Paid	- -	1,947,934 (2,041,274)	3,431,950 (4,844,477)
Labour Charges	- -	- -	11,400 -
Reimbursement of Expenses	- (200,738)	- -	1,288,225 (1,555,388)
Sale of Fixed Assets	- -	- -	493,500 (1,320,000)
Sale of Investments	- -	- -	24,220,630 -
Purchase of Fixed Assets	- (32,513,000)	- -	- -

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF SKY INDUSTRIES LIMITED

We have audited the accompanying Statement of Consolidated Financial Results 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, 2016 ("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

- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (iii) 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, 2016.

The consolidated financial results includes the gross share of loss of Rs. 0.36 lacs as at March 31, 2016, 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

Place: Mumbai

Dated: 30/05/2016

Sd/-

[V.K. Thanawala]
Proprietor
Membership No. 15632

SKY INDUSTRIES LIMITED - CONSOLIDATED
Balance sheet as at March, 2016
(Amount in Rs.)

	Note	As At March 31 2016	As At March 31 2015
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	39,764,000	39,764,000
(b) Reserves and surplus	3	110,549,558	107,563,977
		150,313,558	147,327,977
2 Minority interest *		-	25,539,056
3 Non-current liabilities			
(a) Long-term borrowings	4	9,202,425	15,718,032
(b) Deferred tax liabilities (net)		9,533,184	11,728,988
(c) Other long-term liabilities	5	566,154	8,566,154
(d) Long-term provisions	6	11,507,394	9,635,083
		30,809,157	45,648,257
4 Current liabilities			
(a) Short-term borrowings	7	91,957,294	114,384,220
(b) Trade payables	8	67,329,275	97,401,257
(c) Other current liabilities	9	23,654,398	56,082,947
(d) Short-term provisions	10	3,358,648	6,315,000
		186,299,615	274,183,424
		367,422,329	492,698,715
B ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
1) Tangible Assets		96,106,831	128,079,709
2) Intangible Assets		-	95,435
3) Capital Work in Progress		364,256	364,256
		96,471,087	128,539,400
(b) Non-current investments	12	500,010	550,010
(c) Long-term loans and advances	13	19,519,201	43,567,262
(d) Other non-current assets	14	43,332,371	32,822,975
		159,822,669	205,479,647
2 Current assets			
(a) Inventories	15	85,753,594	116,752,390
(b) Trade receivables	16	104,238,312	125,180,371
(c) Cash and cash equivalents	17	7,007,706	32,318,691
(d) Short-term loans and advances	18	10,588,717	11,504,898
(e) Other current assets	19	11,331	1,462,718
		207,599,660	287,219,068
		367,422,329	492,698,715
Significant accounting policies	1		

The accompanying notes (1 to 29) form an integral part of the financial statements.

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
Membership No. 15632
Mumbai, Dated: May 30, 2016

Sd/-
Shailesh Shah
Managing Director

Sd/-
Sharad Shah
Director

Sd/-
Vaibhav Desai
Director

SKY INDUSTRIES LIMITED - CONSOLIDATED
Statement of Profit and Loss For the Year Ended March 31, 2016
(Amount in Rs.)

	Note	For the year ended 31.03.2016	For the year ended 31.03.2015
I. Revenue from operations	20	518,421,536	644,093,706
II. Other income	21	6,199,109	10,212,904
III. Total Revenue		524,620,645	654,306,610
IV. Expenses:			
Cost of materials consumed	22	325,929,580	376,491,082
Purchases of Stock-in-Trade	23	35,319,715	45,800,095
Changes in Inventories of Finished Good, Work In Progress and Traded Goods	24	-	(2,270,853)
Employee benefits expense	25	38,862,833	71,046,091
Finance costs	26	21,629,490	33,180,472
Depreciation and amortization Expenses	11	9,081,829	16,830,083
Other expenses	27	68,681,774	104,889,800
V. Total Expenses		514,886,967	645,966,770
VI. Profit/(Loss) before tax		9,733,678	8,339,839
VII. Exceptional Items	28	5,532,260	-6,581,291
VIII Tax expense:			
(1) Current tax - For the year		3,300,000	6,100,000
-Excess/ (Short) Provision of the Previous years		-	519,533
(2) Deferred tax		-595,166	(5,498,079)
		2,704,834	1,121,454
IX. Profit (Loss) for the period from continuing operations (VI-VII-VIII)	1	12,561,104	637,094

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: May 30, 2016

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

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, 2016.

The subsidiary company considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	Percentage of Holding	
		Current year	Previous year
Skay Inc.	U.S.A.	Nil	100%
Sky Hemmay Pvt Ltd	India	Nil	51%
SK Stable Industries Pvt Ltd (with effect from 06.01.2011)	India	100%	100%

D. 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

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

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

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

E. 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.

F. 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.

G. 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.

H. 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. 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.

I. 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.

J. 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.

K. 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.

L. 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.

M. 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 or substantially enacted on the balance sheet date.

N. 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.

O. 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				(Amount in Rs.)	
Note		As at March 31, 2016		As at March, 31 2015	
2 SHARE CAPITAL					
Authorised Capital					
15,000,000 Equity Shares of Rs. 10/- each		150,000,000		150,000,000	
500,000 Redeemable Preference Shares of Rs. 100/-each		50,000,000		50,000,000	
		200,000,000		200,000,000	
Issued, Subscribed and Paid Up					
3,976,400 Equity Shares of Rs 10/- each		39,764,000		39,764,000	
(Refer Notes 2.1 to 2.3)		39,764,000		39,764,000	
2.1 Shareholders holding more than 5% shares in the Company					
		As at March 31, 2016		As at March 31, 2015	
Name of Shareholder		No of Equity shares held	% of Holding	No of Equity shares held	% of Holding
Skay Finvest Pvt Ltd		263,500	6.63%	1,310,147	32.95%
Sharad Shah		862,043	21.68%	-	
Shailesh Shah		617,748	15.54%	-	
		1,743,291	43.84%	1,310,147	32.95%
c. Reconciliation of number of shares					
		Equity Shares		Equity Shares	
Particulars		Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year		3,976,400	39,764,000	3,976,400	39,764,000
Shares Issued during the year		-	-	-	-
Shares bought back during the year		-	-	-	-
Shares outstanding at the end of the year		3,976,400	39,764,000	3,976,400	39,764,000
2.2 There is no movement in the number of shares outstanding during the year ended March 31, 2015 and year ended March 31, 2016.					
2.3 Rights and restrictions 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 to receive the remaining assets of the					
3 RESERVES AND SURPLUS		As at March 31, 2016		As at March 31, 2015	
a. General Reserve					
As per last balance sheet		8,080,000		8,632,500	
Add: Transfer from surplus		-		-	
Less: Written Back in Current Year					
Closing Balance		8,080,000		8,632,500	
b. Profit and loss Account					
As per last balance sheet		90,168,443		103,952,543	
Less : Net Profit for the year		12,561,104		637,094	
Add : Share of Minority Interest		-		(5,971,932)	
		102,729,547		98,617,705	
c. Capital Reserve		(259,989)		368,906	
d. Foreign Currency Translation reserve		-		(55,134)	
		110,549,558		107,563,977	
		200,458,013		211,830,292	

SKY INDUSTRIES LIMITED - CONSOLIDATED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in Rs.)

Note	As at March 31, 2016	As at Mar, 31 2015
4 LONG-TERM BORROWINGS		
SECURED LOANS		
From Banks		
(b) Vehicle loans [Refer Note 4.1, 4.2(a) To 4.2(c)]	3,522,425	55,098
	3,522,425	55,098
From other parties		
Vehicle loan [Refer Note 4.1, 4.2(d)]	-	117,046
	-	117,046
UN SECURED LOANS		
From Directors	5,680,000	15,545,888
	5,680,000	15,545,888
	9,202,425	15,718,032
4.1 The vehicle loans from banks and other parties are secured by the hypothecation of vehicles purchased under the scheme.		
4.2 Terms of repayment :		
(a) Vehicle loans from Dombivali Nagrik Shakari Bank Ltd. Vehicle Loan No. - Repayable in 57 months @ Rs. 0.14 lacs Vehicle Loan No. 5 - Repayable in 5 months @ Rs. 0.11 lacs	627,059 -	- 55,098
(b) Vehicle loans from HDFC Bank Ltd Vehicle Loan No.1 - Repayable in 52 months @ Rs. 0.33 lacs Vehicle Loan No.2 - Repayable in 52 months @ Rs. 0.28 lacs	1,319,795 1,149,472	
(c) Vehicle loans from ICICI Bank Ltd Vehicle Loan No.1 - Repayable in 30 months @ Rs. 0.16 lacs	426,099	
(d) Vehicle loans from Kotak Mahindra Prime Ltd Vehicle Loan No. 1 - Repayable in 14 months @ Rs. 0.55 lacs	-	117,046

SKY INDUSTRIES LIMITED - CONSOLIDATED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in Rs.)

Note	As at March 31, 2016	As at Mar, 31 2015
5 OTHER LONG-TERM LIABILITIES		
Trade/Security Deposit Received	566,154	8,566,154
	<u>566,154</u>	<u>8,566,154</u>
6 LONG-TERM PROVISIONS		
Provision for Employee Benefits:		
Gratuity Payable (Refer Note 25.1)	11,507,394	9,635,083
	<u>11,507,394</u>	<u>9,635,083</u>
7 SHORT-TERM BORROWINGS		
SECURED		
Loans repayable on demand		
From Banks		
Dombivli Nagari Sahakari Bank Ltd - Flexi OD	86,938,800	84,054,820
Dombivli Nagari Sahakari Bank Ltd - Letter of Credit	-	3,408,079
(The above Flexi OD facility is secured by Industrial Land and Building situated at C-57/1, C-57/2 and C-58, TTC Industrial Area, Thane Belapur Road, Pawne, Navi Mumbai. Plant & Machineries and		
Personal Guaranty by all Promoter Directors.		
The Letter of Credit is secured by Stock and Book Debts and		
	<u>86,938,800</u>	<u>87,462,899</u>
UN-SECURED		
(b) Inter Corporate Deposits		
From Related Party	5,018,494	26,921,322
	<u>5,018,494</u>	<u>26,921,322</u>
	<u>91,957,294</u>	<u>114,384,221</u>

SKY INDUSTRIES LIMITED - CONSOLIDATED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in Rs.)

Note	As at March 31, 2016	As at Mar, 31 2015
8 TRADE PAYABLES		
Due to Micro and Small Enterprises (Refer note no. 8.1)		
Other than Micro and Small Enterprises	67,329,275	97,401,257
	67,329,275	97,401,257
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 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.		
9 OTHER CURRENT LIABILITIES		
Interest accrued but not due on borrowings	-	-
Unclaimed dividends	126,294	126,294
STATUTORY LIABILITIES		
Tax deduction payable	696,117	1,140,495
Sales Tax Payable	631,504	3,837,240
Cess Payable	15,071,452	18,085,463
Provident Fund/Esic/Professional tax payable	214,236	668,768
Excise/Service tax payable	417,094	301,476
EMPLOYEE LIABILITIES		
Salaries Payable	3,655,762	11,164,059
Bonus Payable	1,309,800	1,353,199
Outstanding Liabilities	508,242	667,771
Advances received from customer	1,023,896	18,653,797
Other Payables	-	84,384
	23,654,398	56,082,947
10 SHORT-TERM PROVISIONS		
Provision for employee benefits:		
Leave encashment	58,648	215,000
Others:		
Provision for taxation	3,300,000	6,100,000
	3,358,648	6,315,000

SKY INDUSTRIES LIMITED - CONSOLIDATED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
Note 11 - FIXED ASSETS

(Amount in Rs.)

	Gross Block				Depreciation			Net Block		
	As at April 1, 2015	Additions during the Year	Deduction	As at March 31, 2016	Upto April 1, 2015	For the year	On Deduction	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets										
Leasehold Land	5,060,360	-	-	5,060,360	862,434	64,742	-	927,176	4,133,184	4,197,926
Buildings	33,943,656	-	-	33,943,656	14,980,320	1,170,417	-	16,150,737	17,792,919	18,963,336
Plant & Machinery	226,704,405	739,722	4,505,089	222,939,038	153,747,053	6,211,708	1,071,425	158,887,336	64,051,702	72,957,352
Furniture & Fixtures	4,890,106	-	194,566	4,695,540	4,181,224	108,805	49,963	4,240,066	455,474	708,882
Vehicles	10,362,029	5,330,246	3,859,619	11,832,656	5,154,796	1,066,819	2,216,209	4,005,406	7,827,250	5,207,233
Office Equipment	5,852,890	95,141	541,857	5,406,174	3,935,255	181,198	127,566	3,988,887	1,417,287	1,917,635
Computers	6,247,140	207,674	836,365	5,618,449	5,613,108	262,931	686,604	5,189,435	429,014	634,032
Sub-total	293,060,586	6,372,783	9,937,496	289,495,873	188,474,188	9,066,620	4,151,767	193,389,041	96,106,832	104,586,398
Previous Year	362,637,197	33,733,761	103,310,372	293,060,586	216,426,008	13,034,022	40,985,842	188,474,188	104,586,398	-
Intangible Assets										
Computer software	2,685,787	-	830,778	1,855,009	2,670,578	15,209	830,778	1,855,009	-	15,209
Sub-total	2,685,787	-	830,778	1,855,009	2,670,578	15,209	830,778	1,855,009	-	15,209
Previous Year	2,755,287	-	69,500	2,685,787	2,438,309	301,769	69,500	2,670,578	15,209	-
Total	295,746,373	6,372,783	10,768,274	291,350,882	191,144,766	9,081,829	4,982,545	195,244,050	96,106,832	104,601,607
Capital Work in Progress										
									364,256	364,256
									96,471,088	104,965,863

SKY INDUSTRIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in Rs.)

Note	As at March 31, 2016	As at Mar, 31 2015
12 NON-CURRENT INVESTMENTS		
Unquoted, Trade Investments		
In Others :		
- 50,000 (Previous year 50,000) Equity shares of Rs.10/- each, fully paid in Dombivali Nagari Sahakari Bank Ltd.	500,010	500,010
	<u>500,010</u>	<u>550,010</u>
Total Investments	500,010	550,010
Less : Provision for diminution in the value of Investments	<u><u>500,010</u></u>	<u><u>550,010</u></u>
13 LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Security Deposits	4,446,835	20,984,107
Advance Tax and Tax Deducted at Source	848,000	5,353,878
Balance with Government Authorities	14,224,365	17,229,276
	<u><u>19,519,201</u></u>	<u><u>43,567,262</u></u>
14 OTHER NON-CURRENT ASSETS		
a. Others		
Unsecured, considered good		
Non Moving Inventory	43,332,371	32,822,975
	<u><u>43,332,371</u></u>	<u><u>32,822,975</u></u>
15 INVENTORIES (At lower of cost or net realisable value)		
a. Raw Materials	15,312,691	15,516,696
b. Raw Materials - In transit	4,328,085	-
c. Work-in-progress	794,883	17,641,221
d. Packing Material	2,354,959	2,684,919
e. Finished goods		
- Manufactured	56,892,584	74,886,683
- Traded Goods	6,070,392	6,022,871
	<u><u>85,753,594</u></u>	<u><u>116,752,390</u></u>

SKY INDUSTRIES LIMITED - CONSOLIDATED
NOTES FORMING PART OF THE ACCOUNTS

(Amount in Rs.)

	As at March 31, 2016	As at March 31, 2015
16 TRADE RECEIVABLES		
Unsecured, considered good		
Trade receivables outstanding for a period more than six months from the date they are due for payment	18,905,700	8,307,876
Less: Provision for doubtful debts	2,659,130	2,659,130
	16,246,570	5,648,746
Others	91,615,673	119,531,625
	107,862,243	125,180,371
17 CASH AND CASH EQUIVALENTS		
a. Balances with banks :		
Earmarked Balances (Refer Note 17.1)	126,669	126,669
Balance in Deposit account held as Margin	4,782,813	9,495,885
Balance in Current account	616,454	20,308,528
b. Cash on hand	1,483,676	2,387,609
	7,009,611	32,318,691
17.1 Indicates earmarked balance for distribution of unpaid dividend		
18 SHORT-TERM LOANS AND ADVANCES		
a. Loans and advances to related parties *		
Staff advances	5,675,826	5,685,693
Prepaid expenses	136,172	235,818
Advances to suppliers	3,264,929	5,583,387
Advance for Capital Expenses	1,511,790	-
	10,588,717	11,504,898
19 OTHER CURRENT ASSETS		
Interest receivables	11,352	286,031
DEPB licences	-	1,176,687
	11,352	1,462,718

SKY INDUSTRIES LIMITED - CONSOLIDATED
**NOTES FORMING PART OF THE
ACCOUNTS**

(Amount in Rs.)

	Year Ended March 31, 2016	Year ended 31.03.2015
20 REVENUE FROM OPERATIONS		
Sale of Products (Gross) (Refer Note.No 20.1)	515,995,024	617,162,796
Less: Excise Duty	964,356	44,637
	515,030,668	617,118,158
Sale of Services	52,898	15,215,543
	515,083,565	632,333,701
OTHER OPERATING INCOME		
Freight recovered	684,673	5,611,181
Sale of scrap	684,320	2,243,496
Octroi charges collected	618,370	570,668
Other Charges Recovered	20,987	89,497
Export Incentives	792,784	3,245,163
Miscellaneous Receipt	536,837	-
	3,337,971	11,760,005
	518,421,536	644,093,706

SKY INDUSTRIES LIMITED - CONSOLIDATED
NOTES FORMING PART OF THE ACCOUNTS

(Amount in Rs.)

Note	Year Ended March 31, 2016	Year Ended March 31, 2015
20.1 Sale of Products (Net)		
Manufactured :		
Hook & Loop Tape Fasteners	406,808,966	393,835,763
Narrow Woven Fabrics	62,548,830	139,709,046
	469,357,796	533,544,810
Traded :		
Fibre glass Insect Screen	20,449,958	21,245,292
Elastics	20,868,549	61,989,912
Others	4,354,365	338,144
	45,672,872	83,573,348
	515,030,668	617,118,158
21 OTHER INCOME		
Service Contract charges	767,482	887,693
Interest Income	359,791	802,106
Dividend Income	65,000	2,300,709
Rent Income	678,000	-
Excess Provision write back	2,316,520	1,719,517
Miscellaneous income	2,012,316	4,502,879
	6,199,109	10,212,904
22 COST OF MATERIAL CONSUMED		
Opening Stock :		
Raw Materials	12,507,825	29,692,140
Raw Materials in Transit	-	6,577,874
	12,507,825	36,270,014
Add: Purchases	335,417,490	371,131,608
	347,925,315	407,401,622
Less: Obsolete stock w/ off	-	1,804,194
Less: Closing Stock :		
Raw Materials	17,667,650	18,201,615
Raw Materials in Transit	4,328,085	-
	21,995,735	18,201,615
	325,929,580	376,491,082
22.1 Value of Raw Material Consumed		
Yarn	28,104,656	53,056,036
Hook & Loop - Semifinished	259,091,529	242,092,950
Resins & Chemicals	781,115	3,050,806
Others	37,952,280	78,291,290
	325,929,580	376,491,082

SKY INDUSTRIES LIMITED - CONSOLIDATED
**NOTES FORMING PART OF THE
FINANCIAL STATEMENTS**

(Amount in Rs.)

Note	Year Ended March 31, 2016	Year Ended March 31, 2015
23 PURCHASE OF TRADED GOODS		
Fibre glass Insect Screen	15,895,294	15,264,262
Elastics	15,869,738	11,809,966
Others	3,554,683	18,725,867
	<u>35,319,715</u>	<u>45,800,095</u>
24 CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS TRADED GOODS		
<u>Closing Inventory</u>		
Finished Goods		
Manufactured	80,467,458	107,709,658
Trading	13,796,530	6,022,871
	<u>94,263,988</u>	<u>113,732,529</u>
Work-In-Progress	12,826,243	17,641,221
	<u>107,090,231</u>	<u>131,373,750</u>
<u>Opening Inventory</u>		
Finished Goods		
Manufactured	95,676,671	94,959,822
Trading	12,796,451	4,176,604
	<u>108,473,122</u>	<u>99,136,426</u>
Work-In-Progress	13,998,855	29,966,471
	<u>122,471,977</u>	<u>129,102,897</u>
	<u>(15,381,746)</u>	<u>2,270,853</u>
25 EMPLOYEE BENEFITS EXPENSE		
Salaries and incentives	32,035,588	57,433,417
Directors Remuneration & Sitting fees	5,480,000	10,784,898
Contributions to Provident fund & other funds	548,221	897,935
Staff welfare expenses	799,024	1,929,841
	<u>38,862,833</u>	<u>71,046,091</u>

SKY INDUSTRIES LIMITED - CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS			(Amount in Rs.)
Note	Year Ended March 31, 2016	Year Ended March 31, 2015	
26 FINANCE COST			
Interest Expense on Loan from Bank:			
Term Loan	-	161,587	
Vehicle Loan	233,206	193,844	
Working Capital Loan	10,856,066	15,406,760	
Interest Expense on Loan from Others:			
Shareholders Loan	1,947,934	4,854,502	
Inter Corporate Deposit	3,431,950	4,844,477	
Bank Charges & Processing fees	3,188,083	6,116,862	
Interest on Delayed Payment to Creditors	213,607	1,439,725	
Net loss on foreign currency transaction and transla	1,758,644	162,716	
	21,629,490	33,180,472	
27 OTHER EXPENSES			
A) Manufacturing Expenses			
Labour Charges	9,815,789	25,282,527	
Power and Fuel	3,259,826	12,316,153	
Repairs and Maintenance :			
Building	-	252,950	
Machinery	-	300,072	
Others	2,352,736	3,785,543	
	15,428,351	41,937,245	
B) Establishment Expenses			
Rent	6,874,858	15,723,690	
Insurance	785,012	1,164,575	
Rates and Taxes	507,824	1,037,742	
Legal and Professional	4,952,874	8,036,890	
Travelling & Other Conveyance	4,933,404	6,243,153	
Postage, Telegram , Telephone & Courier	1,598,393	2,383,845	
Printing & Stationery	1,115,641	1,187,165	
Miscellaneous expenses	3,034,835	3,213,592	
	23 802 840	38 990 652	

C) Selling Expenses			
Auditors Remuneration :	-	-	
Audit Fees	600,000	740,450	
Audit under other statutes	-	-	
	600,000	740,450	
Advertisement & Business, Sales Promotion	1,599,227	1,653,650	
Freight, Cartage and Forwarding Expenses	6,324,143	16,109,292	
Commission	334,278	2,313,933	
Bad Debts written off	16,950,149	770,996	
Discount - Scheme	1,572,951	1,384,313	
Miscellaneous Balance Written off	447,713	-3,924,836	
Octroi Charges	688,506	690,396	
Donations	4,000	16,000	
Prior Period items	335,503	1,723,777	
VAT refund receivable w/off	-	2,209,419	
Interest on delayed payment of Tax	594,113	274,513	
	29,450,583	23,961,903	
	68,681,774	104,889,800	
28 EXCEPTIONAL ITEMS			
Cess paid	617,169	22,511,614	
Profit on Sale of Assets	-	-34,882,886	
Loss on sales of Assets	2,623,683	6,316,470	
Assets Written off	567,303	10,831,899	
Investments w/off	3,560,515	-	
Capital Gain	-12,900,930	-	
Obsolete Stock w/off	-	1,804,194	
	-5,532,260	6,581,291	

SKY INDUSTRIES LIMITED - CONSOLIDATED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

Note		Year Ended March 31, 2016	Year Ended March 31, 2015
29 OTHER NOTES			
(i) EARNINGS PER SHARE			
Loss attributable to Equity shareholders		12,561,104	637,094
Weighted average number of Equity shares outstanding (Nominal value of Shares Rs. 10)		3,976,400	3,976,400
Earnings per share (Basic & Diluted) in Rs.		3.16	0.16
(ii) CONTINGENT LIABILITIES NOT PROVIDED IN RESPECT OF :			
a) Guarantees given by the Company's banker against counter guarantee given by the company		583,700	583,700
b) Sales tax demands pending with Commissionerate and disputed by the company		3,333,901	3,333,901
(iii) VALUE OF IMPORT ON CIF BASIS :			
(i) Raw Materials & Trading goods		289,852,918	200,307,335
(ii) Stores & Spares		397,627	570,795
		<u>290,250,545</u>	<u>200,878,130</u>
(iv) EARNING IN FOREIGN CURRENCY			
(i) FOB value of Exports		17,959,524	67,355,555
(ii) Insurance on Exports		15,037	93,425
(iii) Freight on Exports		246,204	5,434,847
(iv) Other charges		9,525	400,292
		<u>18,230,289</u>	<u>73,284,119</u>

SKY INDUSTRIES LIMITED - CONSOLIDATED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

Note
(v) SEGMENT REPORTING

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

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

Mr. Nitin K. Motani
 Mr. Shailesh S. Shah
 Mr. Saurabh K. Motani
 Mr. Sharad S Shah
 Mr. Vaibhav Desai
 Mrs. Lekha N Motani
 Mrs. Kailashmati S Shah

ii. Enterprises over which Key management personnel exercise significant influence.

S.K. Exports
 S.K. Silks
 Shamots International
 S.K. Overseas
 Skay Finvest Private Ltd
 Novitas India Private Ltd
 SMJ Labels LLP

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	Key managerial personnel/persons exercising significant influence & their relatives (i)	Enterprises over which Key management personnel exercising significant influence (ii)
Sales	-	8,033,589
	-	(3,409,161)
Service Charges Received	-	870,842
	-	(1,017,974)
Purchases	-	1,131,501
	-	(15,588,755)
Remuneration	6,425,700	-
	(10,531,950)	-
Rent Receipts	-	322,745
	-	-
Rent Paid	-	3,235,704
	-	(4,487,341)
Interest Paid	1,947,934	3,431,950
	(2,041,274)	(4,844,477)
Labour Charges	-	11,400
	-	-
Reimbursement of Expenses	-	1,288,225
	-	(1,555,388)
Sale of Fixed Assets	-	493,500
	-	(1,320,000)
Sale of Investments	-	24,220,630
	-	-

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	

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 27th Annual General Meeting / Extra-Ordinary General Meeting of the company, to be held on the 30th day of Sep 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.

Sr. No.	Resolution(S)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2016		
2.	Re-appointment of M/s. Thanawala & Co, Chartered Accountants as Statutory Auditors & fixing their remuneration		
3.	Conversion of Loan into shares/convertible warrants into Shares on preferential basis		
4.	Preferential Allotment of Shares and Warrants to Promoters		

* 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)

27th Annual General Meeting on 30th September 2016

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 27th Annual General Meeting of Sky Industries Limited, C-58, TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai on Friday, the 30th Sep'16

(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.