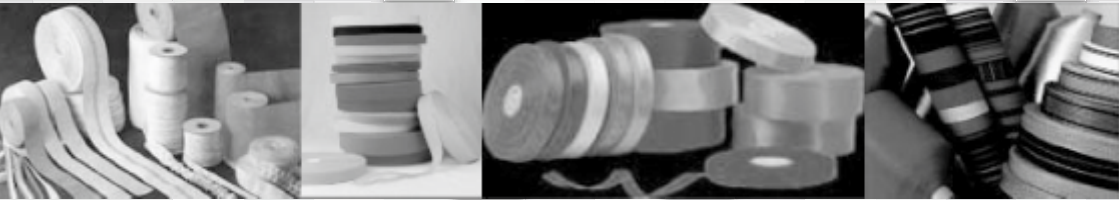




SKY INDUSTRIES LIMITED



Annual Report 2014-2015



SKY INDUSTRIES LIMITED

REGISTERED OFFICE

C-58, TTC Industrial Area,
Thane Belapur Road, Pawane, Navi
Mumbai- 400705
Tel. No.: 43332500
Fax No. : 43332550 email:
sales@skgroup.com

CORPORATE OFFICE

201, Orbit Plaza, 2nd Floor,
New Prabhadevi Road,
Prabhadevi, Mumbai 400 025
Tel : 022 43332500



SKY INDUSTRIES LIMITED

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(CIN: L17120MH1989PLC052645)

26th Annual Report 2014 - 2015

BOARD OF DIRECTORS

NAME	DESIGNATION	DIN
Mr. Nitin Kishore Motani	-Chairman	: 00002903
Mr. Shailesh Shah	-Managing Director	: 00002908
Mr. Sharad S. Shah	-Wholetime Director	: 00002907
Mr. Saurabh K. Motani	-Wholetime Director	: 00003178
Mr. Vaibhav Jai Desai	-Whole time Director	: 06673723
Mr. Vijay Choraria	-Director	: 00017670
Mr. Subramanian Sharma	-Director	: 00219614
Mr. Narendra P Mahajani	-Director	: 01048676
Ms. Aditi Bhatt	-Independent Director	: 07144131

AUDITORS

Thanawala & Co.
Chartered Accountants

BANKERS

The Oriental Bank of Commerce
The Karur Vysya Bank Ltd.
The South Indian Bank Ltd.
The Dombivali Nagari Sahakari Bank Ltd.

REGISTRAR & SHARE

TRANSFER AGENTS

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West),
Mumbai – 400 078.

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Prabhadevi, Mumbai 400 025
Tel : 022 43332500

**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the 26th Annual General Meeting of the Members of M/s Sky Industries Limited will be held on **Wednesday** the **30th** day of **September, 2015** at **11:00 AM** at Hotel Varishtta, Sector 2A, Plot No. 55B, Koper Khairane, Navi Mumbai 400709 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015, 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, 2016 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. **To Appoint Aditi Bhatt (DIN: 07144131) as an Independent Director**



To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“Resolved that, pursuant to Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Ms. Aditi Bhatt (DIN: 07144131), who was appointed as an Additional Director of the Company by the Board of Directors with effect from March, 30 2015 and who holds office till the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Ms. Aditi Bhatt as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company for a period up to 2020, not liable to retire by rotation.”

Registered Office:

By Order of the Board

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

Shailesh Shah
Managing Director

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 statement giving the relevant details of the Directors seeking re-appointment under Item Nos. 2 and 4 of the accompanying Notice,
3. 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.

4. 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.
5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote



at the Meeting.

7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
8. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
9. The 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.
10. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
11. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send

their e-mail address to the following:

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

The Notice of the AGM along with the Annual Report 2014-15 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.

12. (a) In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronic means (e-voting) to all its members. The company has engaged the services of 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 **26th Sep 2015** End of e-voting: Up to 05.00 PM on **29th Sep 2015**

E-voting shall not be allowed beyond 5.00 PM on 29th Sep 2015. 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 2015**.

- (b) The company has engaged the services of CDSL as the Authorized Agency to provide e-voting facilities.
- (c) The company has appointed M/s Ramesh Chandra Mishra (Company Secretaries), as 'scrutinizer' for conducting and

scrutinizing the e-voting process in a fair and transparent manner.

- (d) The login ID and password for e-voting are being sent to the members, who have not registered their e-mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.
- (e) "Voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate 'cyber security'.

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

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

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

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 11th Aug 2015

ITEM NO. 3

The Board, at its meeting held on 30th March, 2015, appointed Ms. Aditi Bhatt as an Additional Director of the Company. She was appointed as an Independent and Woman Director of the Company for a period of five years. As per section 149(6) of the Companies Act, 2013, she has furnished a declaration that she meets with the criteria for independence to act as an Independent Director of the Company.

On the recommendation of the Nomination & Remuneration Committee at their meeting held on 30/03/2015, the Board at their meeting held on 30/03/2015 appointed her in the Board as an Independent woman Director of the Company from 30/03/2015 for a period of five years and she is not liable to retire by rotation. She is only entitled for sitting fees.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Aditi Bhatt will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs.1,00,000/- proposing her candidature for the office of director.

The Company has received from Ms. Aditi Bhatt: (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) intimation in Form DIR -8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

In the opinion of the Board of Directors, Ms. Aditi Bhatt- the Independent Director proposed to be appointed, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and she is independent of the Management. A copy of the draft letter for the appointment of Ms. Aditi Bhatt as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.



No director, key managerial personnel or their relatives, except Ms. Aditi Bhatt, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 3 for the approval of the members.

By Order of the Board

Sd/-
Shailesh Shah
Managing Director

PLACE: MUMBAI

DATE: 11th Aug 2015

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their 26th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

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

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

Particulars	2014-2015	2013-14
Gross Income	5539	5611
Profit Before Interest and Depreciation	265	499
Finance Charges	323	329
Gross Profit		
Provision for Depreciation	133	137
Net Profit Before Tax	(113)	73
Provision for Tax	(15)	4
Net Profit After Tax	(98)	69
Balance of Profit brought forward	1024	956
Balance available for appropriation	926	1024
Proposed Dividend on Equity Shares	NIL	NIL
Tax on proposed Dividend	NA	NA
Transfer to General Reserve	NIL	NIL
Surplus carried to Balance Sheet	926	1024

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

Particulars	2014-2015	2013-14
Gross Income	6543.07	6823.39
Net Profit After Tax	(6.37)	189.75



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. Other Divisions viz. Malai Dori, Elastics etc are now closed. The contribution of Hook and Loop Tape Fasteners is 85% of the overall revenue of the Company. The other significant divisions are Velvet Manufacturing based in Daman.

The turnover of the Company was 55.38 Crores, nearly the same as previous year. The PAT was negative considering pressures on other businesses of the Company, vis a vis a PAT of Rs. 68 Lacs in the previous year.

The trend of performance is reflected in the Consolidated results as well.

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, Ms Aditi Bhatt has been appointed as Independent Director in the Company.

8. Particulars of Employees

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

9. Meetings

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

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 2014-15

17. Secretarial Audit Report

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

18. Internal Audit & Controls

The Company continues to engage M/s Sitendu Sharma & Co as its Internal Auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

19. Issue of employee stock options

No ESOP were granted in the year under preview.

20. Vigil Mechanism:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.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 I**.

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

24. Deposits

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

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

Details of Loans:

Sl. No	Date of making loan	Details of Borrower	Amount	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of BR	Date of SR (if 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	28/5/99	Sky Iac	35.61	Operations	-	-	-
2	31/3/07	Dombivli Nagari Sahakar Bank	5.00	Banking Limits	-	-	-
3	31/3/08	Sky Hommay Pvt Ltd	147.67	Operations	-	-	-
4	6/1/11	SK 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	Str Hemnav 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, total foreign exchange used was Rs. 2414 Lakhs and the total foreign exchange earned was Rs. 711 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, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. 27th Sep, 2014), with the Ministry of Corporate Affairs.

34. Acknowledgements

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

For and on behalf of the Board of Directors

Shailesh Shah

Managing Director

Place: MUMBAI

Date: 11th Aug 2015

ANNEXURE INDEX

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

Annexure I

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2014

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L17120MH1989PLC052645
2.	Registration Date	29th July 1991
3.	Name of the Company	SKY INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	PUBLIC LIMITED COMPANY
5.	Address of the Registered office & contact details	C-58, TTC INDUSTRIAL AREA, THANE BELAPUR ROAD, PAWANE, NAVI MUMBAI- 400705 PHONE: 022 66272500
6.	Whether listed company	YES, LISTED ON BSE - SCRIP CODE 526479
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime (India) Pvt Ltd C-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 %

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(i) Indian									
a) Individual/ HUF	428152	0	428152	18.77%	428152	0	428152	18.77%	
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%	
c) State Govt (a)	0	0	0	0.00%	0	0	0	0.00%	
d) Bodies Corp.	1310447	0	1310447	32.95%	1310447	0	1310447	32.95%	
e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	
f) Any other	0	0	0	0.00%	0	0	0	0.00%	
Total shareholding of Promoter (A)	1738299	0	1738299	43.72%	1738299	0	1738299	43.72%	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	
b) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	
c) Central Govt.	0	0	0	0.00%	0	0	0	0.00%	
d) State Govt (a)	0	0	0	0.00%	0	0	0	0.00%	
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	
g) FIs	0	0	0	0.00%	0	0	0	0.00%	
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	
l) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	
Sub-total (B) (1) :-	0	0	0	0.00%	0	0	0	0	0
2. Non-Institutions									



a) Bodies Corp.								
i) Indian	207657	4900	212457	5.84%	207657	4900	212457	5.84%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%
b) Individuals								
i) Individual shareholders holding amount share capital up to Rs. 1 lakh	790239	216626	996865	25.07%	790239	216626	996865	25.07%
ii) Individual shareholders holding amount share capital in excess of Rs 1 lakh	792894	15000	807894	20.32%	792894	15000	807894	20.32%
c) Other of specific								
Non Resident Indians	116728	94418	211138	5.31%	116728	94418	211138	5.31%
Overseas Corporate Bodies								
Foreign Nationals								
Clearing Members	9727	0	9727	0.24%	9727	0	9727	0.24%
Trusts								
Foreign Bodies- DR								
Sub-total (B)(2)-	1907265	330836	2238101	56.28%	1907265	330836	2238101	56.28%
Total Public Shareholding (B)=(B)(1)+(B)(2)	1907265	330836	2238101	56.28%	1907265	330836	2238101	56.28%
C. Shares held by Custodian for GDRs & ADIs								
Grand Total (A+B+C)	3645864	330836	3976400	100.00%	3645864	330836	3976400	100.00%

B) Shareholding of Promoter-

Slr	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in sharehold ing during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / or owned to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / or owned to total shares	
1	SKAY FINVEST PRIVATE LTD	1310147	32.95%	4.01%	1310147	32.95%	4.01%	NIL
2	KAILASHMATI SURYAKANT SHAH	157000	3.95%		157000	3.95%		NIL
3	NITIN K MOTANI	82529	2.08%		82529	2.08%		NIL
4	SHALESH S SHAH	73620	1.88%		74783	1.89%		1.63
5	SHARAD K SHAH	60570	1.52%		60679	1.52%		NIL
6	SAURABH K MOTANI	53270	1.34%		50279	1.34%		NIL

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	1737136	43.69	1737136	43.69
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	1163 (Purchase)	0.02	1163 (Purchase)	0.02
	At the end of the year	1738299	43.71	1738299	43.71

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	927.24	607.88	-	1535.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	927.24	607.88	-	1535.12
Change in Indebtedness during the financial year				
* Addition				
* Reduction	52.61	338.67	-	391.28
Net Change				
Indebtedness at the end 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

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Nitin Motani	Shallesh Shah	Saurabh Motani	Sharad Shah	Valbhav Desai	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,60,800	23,80,008	22,20,808	23,08,080	9,91,950	18531950
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961						
	(c) Profits in lieu of salary under section 17(3) Income- taxAct, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission - as % of profit						
5	Others, please specify						
	Total (A)	25,60,800	23,80,008	22,20,808	23,08,080	9,91,950	18531950
	Ceilings as per the Act	30,80,800	30,80,000	30,88,880	38,08,080	30,80,800	30,80,000

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Vijay Choraria	Subramanian Sharma	Narendra Mahalan	Aditi Bhat	
1	Independent Directors					
	Fee for attending board committee meetings	-	10000	40000	-	50000
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure - II

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

Sl. No.	Name	Designation/ Nature of Duties	Remuneration Received [Rs.]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held
1	2	3	4	5	6	7	8	9
		NA						

Notes:

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

Annexure - III

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

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

(Figures in INR Lacs)

Name of Subsidiary Company	Sky Hemmay Pvt Ltd
Issued & Subscribed Capital	289.95
Reserves	215.54
Total Assets	645.10
Total Liabilities	645.10
Investments	NIL
Turnover	952.12
Profit/(Loss)before Tax	185.39
Provision for Tax	61
Profit/(Loss) After Tax	124.39
Proposed Dividend	NIL

Name of Subsidiary Company	S. K. Stabel Industries Pvt Ltd
Issued & Subscribed Capital	26.00
Reserves	(23.42)
Total Assets	13.87
Total Liabilities	13.87
Investments	NIL
Turnover	18.76
Profit/(Loss)before Tax	(9.80)
Provision for Tax	NIL
Profit/(Loss) After Tax	(9.80)
Proposed Dividend	NIL

Figures in USD

Name of Subsidiary Company	Skay Inc
Issued & Subscribed Capital	80000
Reserves	(263501)
Total Assets	66785
Total Liabilities	66785
Investments	NIL
Turnover	NIL
Profit/(Loss)before Tax	NIL
Provision for Tax	NIL
Profit/(Loss) After Tax	NIL
Proposed Dividend	NIL

Annexure-IV**Form No. MR-3
SECRETARIAL AUDIT REPORT****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH
2015**

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

To,

The Members,

Sky Industries Limited

Mumbai

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

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

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

thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.

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

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

Other laws applicable specifically to the Company namely:

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

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

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

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

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

Regulations, 1998,

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

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

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

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and



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

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

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

Place: Mumbai
Mishra & Association

Date:30/05/2015

For Ramesh Chandra

Sd/-

Ramesh Mishra

FCS: 5477

PCS: 3987

**'ANNEXURE A'**

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

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

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

Place: Mumbai
Mishra & Association
Date: 30/05/2015

For Ramesh Chandra

Sd/-
Ramesh Mishra
FCS: 5477
PCS: 3987

CORPORATE GOVERNANCE REPORT – 2014-15

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

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	5	5	Present	No	No	No
2.	Mr. Shailesh S. Shah Managing Director	PD-ED	5	5	Present	No	No	No
3.	Mr. Saurabh K. Mouni	PD-ED	5	5	Present	No	No	No
4.	Mr. Shamal S. Shah	PD-ED	5	5	Present	No	No	No
5.	Mr. Vaibhav Desai	ED	5	5	Present	No	No	3
6	Mr. Naseendra Mahajan	NED-ID	5	5	Present	No	2	3
7	Mr. Vijay Chomria	NED-ID	5	1	Present	9	3	7
8	Mr. Subramian Sharma	NED-ID	5	1	Present	3	3	3
9	Ms Aditi Bhat	NED-ID	5	@	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, 2015

*** In Audit and Shareholders Grievances Committee of Indian Public Limited Companies as on 31st March, 2015.

@ Appointment on 30th Mar 2015.

Details of Board Meetings Held during the Year

Date of Board Meeting	20 May	11 Aug	14 Nov	13 Feb	30 Mar
Board Strength	8	8	8	8	8
No. of Directors Present	8	6	6	6	6

Availability of information to the members of the Board:

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

The information regularly supplied to the Board includes:

- Annual operating plans, budgets and updates.
- Capital budgets and updates.
- Quarterly results for the company and its operating divisions. Minutes of meetings of audit committee and other committees of the board. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.

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

Materially significant related party disclosures:

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors, management, subsidiary or relatives except for those disclosed in the financial statements for the year ended March 31, 2015.

Board Committees

Currently, the Board functions through Sub-committees namely, Audit Committee, Nomination and Remuneration Committee, Shareholders' Committee, Risk Management Committee and Corporate Social Responsibility 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. Vijay Chomaria (Member – Independent Director)	4	4
3.	Mr. Subramaniam Sharma (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.

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 2014-15 remuneration paid to the Executive Directors are as under

Name of Director	Amount (INR)
Mr. Nitin K. Motani	2560000/-
Mr. Shailesh S. Shah	2380000/-
Mr. Saurabh K. Motani	2220000/-
Mr. Sharad S. Shah	2380000/-
Mr. Vaibhav Desai	991950/-

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' Committees

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. Vijay Choraria	- Chairman
Mr. Narendra Mahajani	- 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: 6

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

	2011-12	2012-13	2013-14
Date	20.12.2012	27.09.2013	27.09.2014
Time	11.00 A.M	11.00 A.M.	11.00 A.M.
Venue	Registered Office	Hotel Abbott	Hotel Abbott.

7. Disclosures

Related Party Transactions

During the financial year 2014-15 the Company has not entered into any transactions of material nature with its promoters, directors or the management, subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The Company has Declarations that have been received from the senior management personnel to this effect. The disclosure in respect of related party transactions is provided in Notes to Accounts.

Statutory Compliance, Penalties and Strictures

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

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

1. During the financial year 2014-15, there are certain audit qualifications in the Company's financial statements, however, which are more of procedural in nature.
 - a) 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.
2. The Company is making all the efforts to recruit Independent / Non-executive Directors on the Board of the Company, to comply with requirements of the 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 report.

9. General Shareholder information:

a. Annual General Meeting

Date : 30th Sep 2015

Time : 11.00 A. M.

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

b. Financial Calendar 2015 – 2016

First quarter results	:: By mid August, 2015
Second quarter results	:: By mid November, 2015
Third quarter results	:: By mid February, 2016
Annual results for the year ending on 31st March, 2016	:: By end of May, 2016

c. Book Closure

The Register of Members and Transfer Registers of the Company will remain closed from 26th September, 2015 to 29th September, 2015 (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 : INE 765B01018

- e. Stock Market Data:** High, Low during each month in last financial year (BSE) Details of High/Low during each month in the financial year 2014 – 2015:

The Stock Exchange, Mumbai

Month	Open	High	Low	Close	No. of	No. of
					Shares	Trades
Apr-14	27.1	27.1	16.35	16.35	722	77
May-14	15.55	15.55	13.7	15.1	28,067	370
Jun-14	15	18.45	14.8	17.35	16,228	308
Jul-14	17.05	19.6	16.15	19.6	1,666	57
Aug-14	18.5	19.45	14.65	18.3	7,467	61
Sep-14	16.5	17.5	13.75	15.8	19,040	132
Oct-14	15.5	17.4	14.85	15.6	703	59
Nov-14	14.85	16.9	13.6	15.3	11,709	120
Dec-14	15	15	9	12.3	25,398	182
Jan-15	12.8	14.8	12.8	13.32	1,835	43
Feb-15	12.66	12.66	9.66	9.66	4,240	57
Mar-15	10	10.69	7.8	7.95	4,364	99

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 **3645564** equity shares of Rs.10/- each were dematerialized as on 31st March, 2015 constituting 92 % of the paid-up capital of the Company.

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

i. **Address for correspondence** C-58, TTC Industrial Area, Thane Belapur Road, Pawane Navi Mumbai – 400 705

e-mail : sales@skgroup.com

j. **Plant Locations:**

- C-58, C - 57/1,2 TTC Industrial Area, Thane Belapur Road, Pawane Navi Mumbai – 705

- Plot No. A/112-120, Harihar Compound, Mankoli Naka, Bhwandi, 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)

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 de-risk 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. 711 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. 5539 Lacs as compared to previous years Rs. 5508 Lacs, a flat growth. The Company faced external pressures as well as managed to overcome a mini-crisis in form of labour unrest at its Vashi plant. However, the Company was able to service its customers and prevent a loss of market share by having alternate arrangements.

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, 2015, the total number of employees on the rolls of the Company was 86.

DECLARATION

To
The Members of
Sky Industries Ltd

As provided 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 LIMITED**

Shailesh Shah
(Managing Director)

Independent Auditor's Report

To,
SKY Industries Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of ***SKY Industries Limited***, which comprise the Balance Sheet as on March 31, 2015, the Statement of Profit and Loss, the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows 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. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

Auditor's responsibility

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

4. 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.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the act and other applicable authorities pronouncements, issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. 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.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the

- Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the 'Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.
10. As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as 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 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 written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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 knowledge and belief and according to the information and explanations given to us-
 - i. the Company does not have any pending litigations which



would impact its financial position.

- ii. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, the question of delay of transferring funds does not arise.

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

Place : Mumbai
Dated : 30/05/2015

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

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of *SKY Industries Limited* on the standalone financial statements as of and for the year ended March 31, 2015

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets, pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

ii. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No major material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

iii. (a) The Company has granted unsecured loans, to three companies covered in the register maintained under Section 189 of the Act. The Company has not granted any secured/unsecured loans to firms or other parties covered in the register maintained under Section 189 of the Act.

(b) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii.(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax and service tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Nature of Dues	Amount in Rs.	Period for which dispute relates	Forum where dispute is pending
Income Tax	1 14896	Asst year 2009-10	CIT (A)
Gujarat VAT	3208752	2006-07 & 2007-08	Commissioner of Sales Tax
CST	1 25149	2006-2007	Commissioner of Sales Tax

(c) There is no requirement for transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, the question of delay of transferring funds does not arise.

- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix. The Company has not defaulted in repayment of dues to any financial institution or bank nor has it issued any debentures as at the balance sheet date. The provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. In our opinion, and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
- xi. The Company has not raised any term loans, Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. 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 material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management,

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

Place : Mumbai

Dated :30/05/2015

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

			(Amount in Rs.)
	Note	As At March 31 2015	As At March 31 2014
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	397,64,000	397,64,000
(b) Reserves and surplus	3	1005,90,000	1104,67,808
(c) Money received against share warrants		-	
		1403,54,000	1502,31,808
2 Non-current liabilities			
(a) Long-term borrowings	4	157,18,032	238,10,326
(b) Deferred tax liabilities (net)		101,28,350	118,24,947
		258,46,382	356,35,273
3 Current liabilities			
(a) Short-term borrowings	5	1143,84,220	1535,12,317
(b) Trade payables	6	975,60,937	1078,49,072
(c) Other current liabilities	7	718,19,387	612,17,181
(d) Short-term provisions	8	2,15,000	156,99,118
		2839,79,544	3382,77,687
		4501,79,926	5241,44,768
B ASSETS			
1 Non-current assets			
(a) Fixed assets	9		
1) Tangible Assets		1045,86,399	1462,11,190
2) Intangible Assets		15,209	3,16,978
3) Capital Work in Progress		3,64,256	13,65,142
4) Assets held for disposal		-	1,44,980
		1049,65,864	1480,38,290
(b) Non-current investments	10	217,08,214	217,09,314
(c) Long-term loans and advances	11	366,05,722	611,88,019
(d) Other non-current assets	12	-	-
		1632,79,800	2309,35,623
2 Current assets			
(a) Inventories	13	1349,79,802	1421,37,571
(b) Trade receivables	14	1159,89,655	958,64,868
(c) Cash and cash equivalents	15	238,06,621	80,43,992
(d) Short-term loans and advances	16	106,61,330	79,13,448
(e) Other current assets	17	14,62,718	392,49,267
		2869,00,126	2932,09,145
		4501,79,926	5241,44,768
Significant accounting policies	I		

The accompanying notes (1 to 26) form an integral part of the financial statements.

As per our Report of even date

For and on behalf of the Board of Directors

For and on behalf of

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

VIJAY K THANAWALA
PROPRIETOR

Shallesh Shah
Managing Director

Saurabh Motani
Director

Vaibhav Desai
Director

Membership No. 15632

Mumbai, Dated: May 30, 2015

**SKY INDUSTRIES LIMITED****Statement of Profit and Loss For the Year Ended March 31, 2015**

(Amount in Rs.)

	Note	For the year ended 31.03.2015	For the year ended 31.03.2014
I. Revenue from operations	18	5538,61,851	5505,55,737
II. Other income	19	99,74,559	105,18,922
III. Total Revenue		5638,36,410	5610,74,659
IV. Expenses:			
Cost of materials consumed	20	3571,09,198	3153,38,014
Purchases of Stock-in-Trade	21	373,26,552	482,63,720
Changes in Inventories of Finished Good, Work In Progress and Traded Goods	22	(22,82,481)	(84,84,224)
Employee benefits expense	23	616,99,356	661,25,341
Finance costs	24	322,86,667	328,83,452
Depreciation and amortization Expenses	9	133,35,791	136,97,992
Other expenses	25	735,80,304	884,56,897
V.Total Expenses		5730,55,388	5562,81,191
VI. Profit/(Loss) before tax		(92,18,978)	47,93,468
VII. Exceptional Items	26	-21,95,222.0	24,61,430
VIII Tax expense:			
(1) Current tax - For the year		-	14,00,000
-Excess/(Short) Provision of the Previous years		1,60,205	-
(2) Deferred tax		(16,96,597)	(10,16,700)
		(15,36,392)	3,83,300
IX. Profit (Loss) for the period from continuing operations (VI-VII-VIII)	1	(98,77,809)	68,71,597

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****VIJAY K THANAWALA****PROPRIETOR**

Membership No. 15632

Mumbai, Dated: May 30, 2015

Shailesh Shah
Managing Director**Saurabh Motani**
Director**Vaibhav Desai**
Director

SKY INDUSTRIES LIMITED			
Cash Flow Statement for the Year Ended March 31, 2015			
(Amount in Rs.)			
		For the year ended 31.03.2015	For the year ended 31.03.2014
A.	Cash Flow from Operating Activities:		
	Profit before tax and extra ordinary item	(92,18,978)	47,93,468
	Adjustment for:		
	Depreciation	133,35,791	136,97,992
	Interest and Finance Charges	322,86,667	328,83,452
	Interest income	(6,82,645)	(4,83,739)
	Dividend	(22,93,809)	(15,54,370)
	(Profit)/Loss on Sale /Disposal of Fixed Assets	-	-
		426,46,005	445,43,335
	Operating Profit before Working Capital Changes	334,27,026	493,36,803
	Adjustment for:		
	Trade Receivables	(201,24,787)	124,74,519
	Other Receivables	596,20,963	52,72,668
	Inventory	71,57,769	82,07,772
	Obsolete stock w/off	(18,04,194)	-
	Cess paid	(44,26,151)	-
	Trade and Other Payable	(330,63,253)	(70,39,156)
		73,60,347	189,15,803
	Cash generated from Operations	407,87,373	682,52,606
	Direct Tax paid/net of Refund received	(3,52,461)	(1,01,570)
	Net Cash Flow from Operating Activities	404,34,912	681,51,036
B.	Cash Flow from Investing Activities:		
	Acquisition of Fixed Assets	(337,33,761)	(17,97,778)
	Proceeds from Sale of Fixed Assets	855,90,982	90,34,576
	Decrease/(Increase) in Investments	1,100	-
	Dividend	22,93,809	15,54,370
	Interest income	6,82,645	4,83,739
	Net Cash used in Investing Activities	548,34,775	92,74,907

SKY INDUSTRIES LIMITED		
Cash Flow Statement for the Year Ended March 31, 2015		(Amount in Rs.)
	For the year ended 31.03.2015	For the year ended 31.03.2014
C. Cash Flow from Financing Activities:		
(Decrease)/Increase in Working Capital facility (net)	(52,61,101)	(411,82,656)
Increase/(Decrease) of Term Loan/Vehicle Loans	(80,92,294)	(323,01,590)
Increase/(Decrease) of Unsecured Loans	(338,66,995)	256,00,738
Interest and Finance Charges Paid	(322,86,667)	(328,83,452)
Net Cash (Used)/Generated from Financing Activities	(795,07,057)	(807,66,960)
Net Increase/(Decrease) in Cash and Cash Equivalents	157,62,629	(33,41,018)
Cash and Cash Equivalents as at the beginning of the year	80,43,992	113,85,011
Cash and Cash Equivalents as at the end of the year	238,06,621	80,43,992
Net Increase/(Decrease) in Cash and Cash Equivalents	157,62,629	(33,41,019)
<p>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.</p> <p>As per our Report of even date</p> <p>As per our Report of even date For and on behalf of the Board of Directors</p> <p>THANAWALA & COMPANY CHARTERED ACCOUNTANTS Firm Reg. No. 110948W</p> <p>VIJAY K THANAWALA PROPRIETOR Membership No. 15632 Mumbai, Dated: May 30, 2015</p> <p>Shailesh Shah Managing Director</p> <p>Saurabh Motani Director</p> <p>Vaibhav Desai Director</p>		

SKY INDUSTRIES LIMITEDNOTES FORMING PART OF ACCOUNTS FOR THE YEAR
ENDED 31st March, 2015**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

[Director] Director]

Place : Mumbai,

Dated : 30th May 2015

SKY INDUSTRIES LIMITED					
NOTES FORMING PART OF FINANCIAL STATEMENTS					
(Amount in Rs.)					
Note			As at March 31, 2015	As at March 31, 2014	
2	SHARE CAPITAL				
	Authorised Capital				
	15,000,000 Equity Shares of Rs. 10/- each		1500,00,000	1500,00,000	
	500,000 Redeemable Preference Shares of Rs. 100/-each		500,00,000	500,00,000	
			2000,00,000	2000,00,000	
	Issued, Subscribed and Paid Up				
	3,976,400 Equity Shares of Rs 10/- each		397,64,000	397,64,000	
	(Refer Notes 2.1 to 2.3)		397,64,000	397,64,000	
2.1	Shareholders holding more than 5% shares in the Company				
			As at March 31, 2015	As at March 31, 2014	
	Name of Shareholder	No of Equity shares held	% of Holding	No of Equity shares held	
				% of Holding	
	SKAY FINVEST PRIVATE LIMITED	13,10,147	32.95%	13,10,147	
		13,10,147	32.95%	13,10,147	
				32.95%	
	c. Reconciliation of number of shares				
		Equity Shares		Preference Shares	
	Particulars	Number	Rs.	Number	Rs.
	Shares outstanding at the beginning of the year	39,76,400	397,64,000	39,76,400	397,64,000
	Shares issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	39,76,400	397,64,000	39,76,400	397,64,000
2.2	There is no movement in the number of shares outstanding during the year ended March 31, 2015 and year ended March 31, 2014.				
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 equity shares held by the shareholders.				
				As at March 31, 2015	As at March 31, 2014
3	RESERVES AND SURPLUS				
	a. General Reserve				
	As per last balance sheet		80,00,000	80,00,000	
	Add: Transfer from surplus		-	-	
	Less: Written Back in Current Year		-	-	
	Closing Balance		80,00,000	80,00,000	
			80,00,000	80,00,000	
	b. Profit and loss Account				
	As per last balance sheet		1024,67,808	955,96,211	
	Less : Net Profit /(Loss) for the year		(98,77,808)	68,71,597	
			925,90,000	1024,67,808	
			1005,90,000	1104,67,808	

SKY INDUSTRIES LIMITED			
NOTES FORMING PART OF FINANCIAL STATEMENTS			
(Amount in Rs.)			
Note		As at March 31, 2015	As at March 31, 2014
4	LONG-TERM BORROWINGS		
	SECURED LOANS		
	From Banks		
	(a) Term loans [Refer Note 4.1, 4.3(a) and 4.3(b)]	-	37,18,987
	(b) Vehicle loans [Refer Note 4.2, 4.3(c) and 4.3(d)]	55,098	18,80,115
		<u>55,098</u>	<u>55,99,102</u>
	From other parties		
	Vehicle loan [Refer Note 4.2, 4.3(d)]	1,17,046	7,24,938
		<u>1,17,046</u>	<u>7,24,938</u>
	UN SECURED LOANS		
	From Directors	155,45,888	174,86,286
		<u>155,45,888</u>	<u>174,86,286</u>
		<u>157,18,032</u>	<u>238,10,326</u>
4.1	Term loans from banks are secured by way of pari passu first charge on land & buildings including all movable assets, plant and machinery, stores and spares, furniture and fixture, both present and future, excluding vehicles, and a second charge on all the current assets of the Company, both present and future, and personal guarantee of Directors.		
4.2	The vehicle loans from banks and other parties are secured by the hypothecation of vehicles purchased under the scheme.		
4.3	Terms of repayment :		
	(a) Term Loan from Dombivli Nagari Shakari Bank Ltd Corporate Loan - Repayable in 16 months @ Rs. 7.43 lacs	-	24,18,027
	(b) Term Loan from The Karur Vysya Bank Ltd Term Loan No. 1 - Repayable in 15 months @ Rs. 2.45 lacs	-	13,00,960
	(c) Vehicle loans from Dombivali Nagrik Shakari Bank Ltd.		
	Vehicle Loan No. 1 - Repayable in 14 months @ Rs. 0.41 lacs	-	4,93,915
	Vehicle Loan No. 2 - Repayable in 14 months @ Rs. 0.31 lacs	-	3,77,508
	Vehicle Loan No. 3 - Repayable in 1 month @ Rs. 0.11 lacs	-	9,608
	Vehicle Loan No. 4 - Repayable in 13 months @ Rs. 0.11 lacs	5,519	1,26,616
	Vehicle Loan No. 5 - Repayable in 6 months @ Rs. 0.11 lacs	-	55,348
	Vehicle Loan No. 6 - Repayable in 9 months @ Rs. 0.11 lacs	-	88,907
	Vehicle Loan No. 7 - Repayable in 16 months @ Rs. 0.38 lacs	-	5,51,131
	Vehicle Loan No. 8 - Repayable in 17 months @ Rs. 0.11 lacs	-	1,77,082
	(d) Vehicle loans from Kotak Mahindra Prime Ltd Vehicle Loan No. 1 - Repayable in 14 months @ Rs. 0.55 lacs	1,17,046	7,24,938

SKY INDUSTRIES LIMITED		
NOTES FORMING PART OF FINANCIAL STATEMENTS		
(Amount in Rs.)		
Note	As at March 31, 2015	As at March 31, 2014
5 SHORT-TERM BORROWINGS		
SECURED		
Loans repayable on demand		
From Banks		
Dombivli Nagari Sahakari Bank Ltd - CC	-	303,29,490
Dombivli Nagari Sahakari Bank Ltd - Flexi OD	840,54,820	-
Dombivli Nagari Sahakari Bank Ltd - Letter of Credit	34,08,079	-
Oriental Bank of Commerce - CC	-	78,47,244
Oriental Bank of Commerce - Packing Credit	-	99,50,814
The South Indian Bank Ltd - CC	-	71,47,076
The South Indian Bank Ltd - Letter of Credit	-	35,68,509
The Karur Vysya Bank Ltd - CC	-	305,28,849
The Karur Vysya Bank Ltd - Letter of Credit	-	33,52,017
	874,62,899	927,24,000
UN-SECURED		
(a) Loans and advances from related parties		
Loan from Shareholders	-	221,91,607
Advances from group companies	-	5,63,517
	-	227,55,124
(b) Inter Corporate Deposits		
From Related Party	269,21,322	355,33,193
From Others	-	25,00,000
	269,21,322	380,33,193
	1143,84,220	1535,12,317

SKY INDUSTRIES LIMITED			
NOTES FORMING PART OF FINANCIAL STATEMENTS			
(Amount in Rs.)			
Note		As at March 31, 2015	As at March 31, 2014
6	TRADE PAYABLES		
	Due to Micro and Small Enterprises (Refer note no. 8.1)	-	-
	Other than Micro and Small Enterprises	975,60,937	1078,49,072
		<u>975,60,937</u>	<u>1078,49,072</u>
7	OTHER CURRENT LIABILITIES		
	Interest accrued but not due on borrowings	-	1,20,164
	Unclaimed dividends	1,26,294	1,26,294
	STATUTORY LIABILITIES		
	Tax deduction payable	10,39,569	17,12,102
	Sales Tax Payable	38,34,467	13,28,785
	Cess Payable	180,83,463	-
	Provident Fund/Esic/Professional tax payable	6,05,465	8,35,308
	Excise/Service tax payable	2,57,358	7,14,221
	EMPLOYEE LIABILITIES		
	Salaries Payable	102,52,914	139,31,286
	Bonus Payable	12,59,303	14,25,944
	Gratuity Payable (Refer Note 25.1)	96,35,083	79,11,403
	Outstanding Liabilities	4,73,964	11,02,293
	Security Deposit received	85,66,154	85,66,154
	Advances received from customer	175,98,969	233,58,843
	Other Payables	84,384	84,384
		<u>718,19,388</u>	<u>612,17,181</u>
8	SHORT-TERM PROVISIONS		
	Provision for employee benefits:		
	Leave encashment	2,15,000	2,74,048
	Others:		
	Provision for taxation	-	154,25,070
		<u>2,15,000</u>	<u>156,99,118</u>

		Gross Block				Depreciation			
		As at April 1, 2014	Additions during the Year	Deduction	As at March 31, 2015	Upto April 1, 2014	For the year	On Deduction	Upto March 31, 2015
Tangible Assets									
	Leasehold Land	83,60,860	-	33,00,500	50,60,360	13,09,482	1,00,199	5,47,247	8,62,434
	Buildings	496,37,408	-	156,93,752	339,43,656	201,41,471	16,63,791	68,24,942	149,80,320
	Plant & Machinery	2692,38,420	336,20,521	761,54,536	2267,04,405	1739,10,825	90,76,895	292,40,667	1537,47,053
	Furniture & Fixtures	58,19,751	-	9,29,645	48,90,106	44,72,487	3,26,709	6,17,972	41,81,224
	Vehicles	159,45,075	-	55,83,046	103,62,029	62,83,548	13,38,525	24,67,277	51,54,796
	Office Equipment	64,76,218	22,350	6,45,678	58,52,890	40,98,183	2,06,286	3,69,214	39,35,255
	Computers	71,59,465	90,890	10,03,215	62,47,140	62,10,014	3,21,617	9,18,523	56,13,108
	Sub-total	3626,37,197	337,33,761	1033,10,372	2930,60,586	2164,26,008	130,34,022	409,85,842	1884,74,188
	Previous Year	3760,62,403	17,97,778	152,22,984	3626,37,197	2104,83,944	130,06,860	70,64,795	2164,26,009
Intangible Assets									
	Computer software	27,55,287	-	69,500	26,85,787	24,38,309	3,01,769	69,500	26,70,578
	Sub-total	27,55,287	-	69,500	26,85,787	24,38,309	3,01,769	69,500	26,70,578
	Previous Year	27,55,287	-	-	27,55,287	17,47,176	6,91,133	-	24,38,309
	Total	3653,92,484	337,33,761	1033,79,872	2957,46,373	2188,64,317	133,35,791	410,55,342	1911,44,766
Capital Work in Progress Assets Held for Disposal									

Note		As at March 31, 2015	As at March 31, 2014
10	NON-CURRENT INVESTMENTS		
	In Equity Shares (Un quoted) :		
	(c) Investments in preference shares	-	-
	In Subsidiary Companies :		
	- 80,000 (Previous year 80,000) Equity shares of US\$ 1/- each, fully paid up in Skay Inc., U.S.A	35,60,515	35,60,515
	- 14,78,770 (Previous year 14,78,770) Equity shares of Rs. 10/- each, fully paid up in Sky Hemrray Pvt Ltd	147,87,700	147,87,700
	- 2,59,999 (Previous year 2,59,999) Equity shares of Rs. 10/- each, fully paid up in SK Stabel Industries Pvt Ltd	28,59,989	28,59,989
		212,08,204	212,08,204
	In Others :		
	- 50,000 (Previous year 50,000) Equity shares of Rs.10/- each, fully paid in Dombivali Nagari Sahakari Bank Ltd.	5,00,010	5,00,010
	- 105 (Previous year 105) Equity shares of Rs. 10/ each, fully paid in Janakalyan Sahakari Bank Ltd.	-	1,100
		5,00,010	5,01,110
	Total Investments	217,08,214	217,09,314
	Less : Provision for diminution in the value of Investments	-	-
		217,08,214	217,09,314
11	LONG-TERM LOANS AND ADVANCES		
	Unsecured, considered good		
	Security Deposits (Refer Note 11.1)	193,04,013	202,96,278
	Advance Tax and Tax Deducted at Source	3,52,461	145,26,275
	Balance with Government Authorities	169,49,247	263,65,466
		366,05,722	611,88,019
11.1	Includes deposits from Private Company in which director is a member or Director	147,20,000	147,20,000

SKY INDUSTRIES LIMITED				
NOTES FORMING PART OF FINANCIAL STATEMENTS				
				(Amount in Rs.)
Note			As at March 31, 2015	As at March 31, 2014
12	OTHER NON-CURRENT ASSETS			
	a. Trade receivables			
	Unsecured			
	Trade receivables outstanding for a period more than six months from the date they are due for payment		26,59,130	26,59,130
	Less: Provision for doubtful debts		(26,59,130)	(26,59,130)
13	INVENTORIES (At lower of cost or net realisable value)	CURRENT	NON CURRENT	TOTAL
	a. Raw Materials	98,22,906		98,22,906
	b. Raw Materials - In transit	-		-
	c. Work-in-progress	9,67,495	130,31,360	139,98,855
	d. Packing Material	26,84,919		26,84,919
	e. Finished goods			
	- Manufactured	826,58,636	197,91,615	1024,50,251
	- Traded Goods	60,22,871		60,22,871
		1021,56,827	328,22,975	1349,79,802
14	TRADE RECEIVABLES Unsecured, considered good			
	Trade receivables outstanding for a period more than six months from the date they are due for payment			320,06,415
	Others			839,83,240
				1159,89,655
				958,64,868
15	CASH AND CASH EQUIVALENTS			
	a. Balances with banks :			
	Earmarked Balances (Refer Note 15.1)		1,26,669	1,26,669
	Balance in Deposit account held as Margin		91,21,607	53,95,939
	Balance in Current account		122,29,091	21,21,170
	b. Cash on hand		23,29,254	4,00,214
			238,06,621	80,43,992
15.1	Indicates earmarked balance for distribution of unpaid dividend			

SKY INDUSTRIES LIMITED		
NOTES FORMING PART OF THE ACCOUNTS		(Amount in Rs.)
	As at March 31, 2015	As at March 31, 2014
16	SHORT-TERM LOANS AND ADVANCES	
	Staff advances	40,03,079
	Prepaid expenses	3,39,415
	Advances to suppliers	35,70,954
	106,61,330	79,13,448
17	OTHER CURRENT ASSETS	
	Interest receivables	4,54,193
	Receivable on sale of Fixed Assets	380,92,290
	Other receivables	5,73,642
	DEPB licences	1,29,142
	14,62,718	392,49,267
	Year Ended March 31, 2015	Year Ended March 31, 2014
18	REVENUE FROM OPERATIONS	
	Sale of Products (Gross) (Refer Note.No 20.1)	5356,99,958
	Less: Excise Duty	1,04,852
	5270,81,672	5355,95,106
	Sale of Services	17,46,040
	154,03,832	5373,41,145
	5424,40,866	
	OTHER OPERATING INCOME	
	Freight recovered	45,75,939
	Sale of scrap	20,97,916
	Octroi charges collected	5,16,381
	Other Charges Recovered	16,83,519
	Export Incentives	42,89,945
	Miscellaneous Receipt	50,892
	114,20,984	132,14,592
	5538,61,851	5505,55,737

SKY INDUSTRIES LIMITED			
NOTES FORMING PART OF THE ACCOUNTS			(Amount in Rs.)
Note		Year Ended March 31, 2015	Year Ended March 31, 2014
18.1	Sale of Products (Net)		
	Manufactured :		
	Hook & Loop Tape Fasteners	3930,93,413	3589,50,315
	Narrow Woven Fabrics	496,27,922	763,21,169
		4427,21,336	4352,71,484
	Traded :		
	Fibre glass Insect Screen	212,45,292	207,15,695
	Aluminium wire Mesh	-	5,73,221
	Elastics	627,32,262	750,63,357
	Others	3,38,144	39,71,348
		843,15,698	1003,23,621
		5270,37,034	5355,95,105
19	OTHER INCOME		
	Service Contract charges	8,87,693	24,16,600
	Interest Income	6,82,645	4,83,739
	Dividend Income	22,93,809	15,54,370
	Excess Provision write back	16,97,493	44,34,262
	Miscellaneous income	44,12,919	16,29,951
		99,74,559	105,18,922
20	COST OF MATERIAL CONSUMED		
	Opening Stock :		
	Raw Materials	153,70,201	373,33,794
	Raw Materials in Transit	65,77,874	13,06,277
		219,48,075	386,40,071
	Add: Purchases	3494,73,142	2986,46,018
		3714,21,217	3372,86,089
	Less: Obsolete stock w/off	18,04,194	-
	Less: Closing Stock :		
	Raw Materials	125,07,825	153,70,201
	Raw Materials in Transit	-	65,77,874
		125,07,825	219,48,075
		3571,09,198	3153,38,014
20.1	Value of Raw Material Consumed		
	Yarn	309,77,567	664,33,793
	Hook & Loop - Semifinished	2474,54,548	1840,76,372
	Resins & Chemicals	25,02,171	57,95,806
	Others	761,74,912	590,32,043
		3571,09,198	3153,38,014

SKY INDUSTRIES LIMITED				
NOTES FORMING PART OF THE FINANCIAL STATEMENTS				
				(Amount in Rs.)
Note			Year Ended	Year Ended
			March 31, 2015	March 31, 2014
20.2	Value of Raw Material Consumed			
			Year Ended March 31, 2015	Year Ended March 31, 2014
		Percentage	Amount	Percentage
	Imported Raw Materials	70.65	2522,89,335	74.27
	Indigenous Raw Materials	29.35	1048,19,863	25.73
		100.00	3571,09,198	100.00
				3153,38,014
21	PURCHASE OF TRADED GOODS			
	Fibre glass Insect Screen		152,64,262	181,78,545
	Knit Loop fabrics		-	31,49,931
	Elastics		118,09,966	263,48,111
	Others		102,52,324	5,87,133
			373,26,552	482,63,720
21.1	Value of Traded Goods Purchased			
			Year Ended March 31, 2015	Year Ended March 31, 2014
		Percentage	Amount	Percentage
	Imported Purchases	42.31	157,93,802	36.08
	Indigenous Purchases	57.69	215,32,750	63.92
		100.00	373,26,552	100.00
				482,63,720
22	CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS TRADED GOODS			
	<i>Inventory at the end of the year</i>			
	Finished Goods			
	Manufactured		1024,50,251	754,35,667
	Trading		60,22,871	34,44,099
			1084,73,122	788,79,766
	Work-In-Progress		139,98,855	328,25,506
			1224,71,977	1117,05,272
	<i>Inventory at the beginning of the year</i>			
	Finished Goods			
	Manufactured		900,46,673	846,65,481
	Trading		39,05,274	92,86,466
			939,51,947	939,51,947
	Work-In-Progress		262,37,549	262,37,549
			1201,89,496	1201,89,496
			22,82,481	(84,84,224)
23	EMPLOYEE BENEFITS EXPENSE			
	Salaries and incentives		489,58,950	537,80,627
	Directors Remuneration		105,31,950	93,80,850
	Contributions to Provident fund & other funds		8,97,935	12,46,703
	Superannuation scheme		-	78,000
	Staff welfare expenses		13,10,521	16,39,162
			616,99,356	661,25,341

SKY INDUSTRIES LIMITED			
NOTES FORMING PART OF THE FINANCIAL STATEMENTS			
(Amount in Rs.)			
Note		Year Ended March 31, 2015	Year Ended March 31, 2014
24	FINANCE COST		
	Interest Expense on Loan from Bank:		
	Term Loan	1,61,587	37,45,623
	Vehicle Loan	1,38,029	5,00,390
	Working Capital Loan	152,03,701	142,01,857
	Interest Expense on Loan from Others:		
	Vehicle Loan	55,815	3,045
	Shareholders Loan	45,13,833	35,08,882
	Inter Corporate Deposit	48,44,477	29,63,170
	Bank Charges & Processing fees	59,32,433	45,27,110
	Interest on Delayed Payment to Creditors	14,36,793	34,33,376
		322,86,667	328,83,452
25	OTHER EXPENSES		
	A) Manufacturing Expenses		
	Labour Charges	118,05,552	147,03,142
	Power and Fuel	66,34,172	96,33,295
	Repairs and Maintenance :		
	Building	2,52,950	-
	Machinery	3,00,072	5,33,057
	Others	25,20,579	20,52,581
		215,13,325	269,22,074
	B) Establishment Expenses		
	Rent	119,69,466	159,26,066
	Insurance	11,02,462	12,59,338
	Rates and Taxes	9,40,300	12,96,336
	Legal and Professional	77,30,324	25,84,701
	Travelling & Other Conveyance	47,31,672	63,76,852
	Postage, Telegram , Telephone & Courier	17,90,109	24,05,519
	Printing & Stationery	9,54,647	11,88,848
	Director Sitting fees	50,000	-
	Miscellaneous expenses	35,75,465	50,58,698
		328,44,445	360,96,358
	C) Selling Expenses		
	Net loss on foreign currency transaction and translation	59,177	54,78,008
	Auditors Remuneration :		
	(a) Auditor		
	Audit Fees	6,00,000	6,00,000
	Audit under other statutes	-	-
		6,00,000	6,00,000
	Advertisement & Business, Sales Promotion	4,78,780	5,47,020
	Freight, Cartage and Forwarding Expenses	141,84,661	156,28,028
	Commission	12,37,541	22,62,544
	Bad Debts written off	6,56,447	-
	Discount - Scheme	11,57,830	12,591
	Miscellaneous Balance Written off	-40,58,957	-28,130
	Octroi Charges	6,83,676	-
	Donations	16,000	-
	Prior Period items	17,23,777	9,38,404
	VAT refund receivable w/off	22,09,419	-
	Interest on delayed payment of Tax	2,74,183	-
		192,22,535	254,38,465

SKY INDUSTRIES LIMITED		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS		(Amount in Rs.)
Note	Year ended March,31 2015	Year ended March,31 2014
Actual Return on Plan Asset		
Expected return on plan assets	3,49,728	4,17,058
Actuarial gain/(loss) on plan assets	1,71,775	(2,35,613)
Actual return on plan assets	5,21,503	1,81,445
Amount Recognised in the Balance sheet		
Liability at the end of the year	122,31,767	128,38,520
Fair Value of plan assets at the end of the year	25,96,684	49,27,117
Amount Recognised in the Balance Sheet	96,35,083	79,11,403
Net gratuity cost for the year		
Current Service Cost	7,70,669	12,64,699
Interest Cost	9,53,011	8,77,780
Expected return on plan assets	(3,49,728)	(4,17,058)
Net Actuarial (gain)/loss to be recognised	3,49,728	4,26,966
Net gratuity cost	17,23,680	21,52,387
Balance Sheet Recognition		
Opening net liability	79,11,403	57,59,016
Expenses as above	17,23,680	21,52,387
Employer's Contribution	-	-
Closing Net liability	96,35,083	79,11,403
Actuarial Assumptions		
Discount Rate (p.a.)	8.00	8.00
Rate of return on plan assets	9.00	8.00
Salary escalation rate (p.a.)	3.00	3.00
II. Defined Contribution Plans:		
The Company has recognised the following amount as an expenses and included in the Note No-25 * Contribution to Provident and Other Funds :		
Contribution to Employee Provident Fund	7,29,482	8,60,802
Contribution to Employee State Insurance	1,65,897	3,83,003
Contribution to Maharashtra Labour Welfare Fund	2,556	3,888
	8,97,935	12,47,693

SKY INDUSTRIES LIMITED			
NOTES FORMING PART OF THE FINANCIAL STATEMENTS		<i>(Amount in Rs.)</i>	
Note			
		Year Ended March 31, 2015	Year Ended March 31, 2014
27	OTHER NOTES		
(i)	EARNINGS PER SHARE		
	Profit/(Loss) attributable to Equity shareholders	(98,77,809)	68,71,597
	Weighted average number of Equity shares outstanding (Nominal value of Shares Rs. 10)	39,76,400	39,76,400
	Earnings per share (Basic & Diluted) in Rs.	(2.48)	1.73
(ii)	PRIOR PERIOD EXPENSES		
	During the year the company has accounted expenditure relating to Prior period in its Statement of Profit & Loss, bifurcation of such expenses is as under :		
	Interest to others	1,87,957	-
	Custom Duty	-	4,84,709
	Salaries, Wages & Bonus :		
	- Wages & Bonus	11,83,773	-
	Labour charges	30,000	-
	Printing & Stationery	9,537	-
	Sundry balances w/off	-	61,213
	Professional & other fees	1,54,000	26,124
	Security charges	8,000	-
	Membership & Subscription	-	3,371
	Travelling & other Conveyance	18,000	14,971
	Postage, Telegram & Telephone	-	2,937
	Service Tax on GTA	-	1,28,451
	Sales Tax, VAT	1,17,173	-
	Repairs & Maintenance - Others	15,337	2,048
	Freight, Cartage & Forwarding Expenses	-	31,050
		17,23,777	7,54,874
(iii)	CONTINGENT LIABILITIES NOT PROVIDED IN RESPECT OF :		
	a) Guarantees given by the Company's banker against counter guarantee given by the company	5,83,700	5,83,700
	b) Guarantees given by the Company's banker on behalf of subsidiary, against counter guarantee given by the Company.	126,00,000	126,00,000
	c) Income tax demand disputed by the Company	1,14,896	1,14,896
	d) Cess Demand from Deputy Commissioner of Navi Mumbai Municipal Corporation	-	36,83,521
	e) Sales tax demands pending with Commissionerate and disputed by the company	33,33,901	33,33,901

SKY INDUSTRIES LIMITED		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS		(Amount in Rs.)
Note	Year Ended March 31, 2015	Year Ended March 31, 2014
(iv) VALUE OF IMPORT ON CIF BASIS :		
(i) Raw Materials & Trading goods	1966,11,893	1621,31,217
(ii) Stores & Spares	5,70,795	30,794
(iii) Capital Goods	-	2,07,100
	1971,82,688	1623,69,111
(v) EXPENDITURE IN FOREIGN CURRENCY		
(i) Commission on Exports	-	-
(ii) Foreign Travel	-	2,61,737
	-	2,61,737
(vi) EARNING IN FOREIGN CURRENCY		
(i) FOB value of Exports	652,55,252	1014,69,174
(ii) Insurance on Exports	93,425	3,52,228
(iii) Freight on Exports	54,22,422	40,40,369
(iv) Other charges	4,00,292	3,38,901
	711,71,391	1062,00,672
(vii) EMPLOYEE BENEFITS		
I. Defined Benefit Plans:		
Contribution to Gratuity Fund		
<p>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 superannuation, death or on 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.</p> <p>The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31 March 2015</p>		
Changes in present value of obligations		
Opening balance	128,38,520	114,39,806
Current service Cost	7,70,669	12,64,699
Interest Cost	9,53,011	8,77,780
Benefits Paid	(28,51,936)	(9,35,118)
Actuarial (gain)/loss on obligation	5,21,503	1,91,353
Closing balance	122,31,767	128,38,520
Changes in Fair Value of Plan assets		
Opening balance	49,27,117	56,80,790
Expected return on plan assets	3,49,728	4,17,058
Contributions by Employer	-	-
Benefits paid	(28,51,936)	(9,35,118)
Actuarial gain/(loss) on plan assets	1,71,775	(2,35,613)
Closing balance	-	49,27,117

SKY INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

Note
(viii) SEGMENT REPORTING

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

(ix) 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
- Mr. Mohit N Motani

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

- S.K. Exports
- S.K. Silks
- Shamots International
- S.K.Overseas
- SK Windtronics Private Ltd
- Jask Invogue Private Ltd.
- 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	Key managerial personnel/persons exercising significant influence & their relatives	Enterprises over which Key management personnel exercising significant influence
	(i)	(ii)	(iii)
Sales	78,760 (2,83,700)	-	34,09,161 (127,41,635)
Service Charges Received	- (3,41,943)	-	10,17,974 (21,43,696)
Purchases	164,04,823 (34,52,716)	-	155,88,755 (105,73,748)
Remuneration	-	105,31,950 (93,80,850)	-
Rent	-	-	44,87,341 (37,98,000)
Interest Paid	-	20,41,274 (16,07,445)	48,44,477 (48,89,016)
Reimbursement of Expenses	2,00,738	-	15,55,388 (21,57,614)
Sale of Fixed Assets	-	-	13,20,000 (8,53,600)
Purchase of Fixed Assets	325,13,000	-	- (1,98,000)

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

1. We have examined the attached Consolidated Balance Sheet of Sky Industries Limited, its subsidiary as at 31st March 2015 and also the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21 – “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Sky Industries Limited and its subsidiaries included in the consolidated financial statements.
4. In our opinion and to the best of our information and according to the explanations given to us and on consideration of separate audit report on the individual audited financial statements of Sky Industries Limited and its subsidiaries, the consolidated financial statements read with the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Consolidated Balance Sheet, of the

consolidated state of affairs of Sky Industries Limited and its subsidiaries as at 31st March, 2015; and

- ii) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations Sky Industries Limited and its subsidiaries for the year ended on that date.

- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Sky Industries Limited and its subsidiaries for the year ended on that date.

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

Place : Mumbai
Dated : 30/05/2015

[V.K. Thanawala]

Proprietor
Membership No. 15632



		(Amount in Rs.)	
	Note	As At March 31 2015	As At March 31 2014
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	397,64,000	397,64,000
(b) Reserves and surplus	3	1,075,63,977	1,128,98,815
(c) Money received against share warrants		1,473,27,977	1,526,62,815
		255,39,059	195,66,902
2 Minority interest *			
3 Non-current liabilities			
(a) Long-term borrowings	4	157,18,032	244,11,161
(b) Deferred tax liabilities (net)		117,28,988	172,27,068
(c) Other long-term liabilities	5	-	5,00,000
		274,47,020	421,38,229
4 Current liabilities			
(a) Short-term borrowings	5	1,143,84,220	1,562,79,275
(b) Trade payables	6	974,01,257	1,116,15,775
(c) Other current liabilities	7	742,84,184	645,61,601
(d) Short-term provisions	8	63,15,000	250,37,611
		2,923,84,661	3,574,94,261
		4926,98,716	5718,62,207
B ASSETS			
1 Non-current assets			
(a) Fixed assets	9		
1) Tangible Assets		1,280,79,709	2,057,58,168
2) Intangible Assets		95,435	4,52,614
3) Capital Work in Progress		3,64,256	13,65,142
4) Assets held for disposal		-	1,44,980
		1,285,39,400	2,077,20,904
(b) Non-current investments	10	5,50,010	5,51,110
(c) Long-term loans and advances	11	435,67,263	667,05,168
(d) Other non-current assets	12	-	-
		1,726,56,673	2,749,77,182
2 Current assets			
(a) Inventories	13	1,495,75,365	1,653,72,911
(b) Trade receivables	14	1,251,80,371	1,056,41,324
(c) Cash and cash equivalents	15	323,18,691	145,58,042
(d) Short-term loans and advances	16	115,04,898	99,66,669
(e) Other current assets	17	14,62,718	13,46,080
		3,200,42,043	2,968,85,025
		4926,98,716	5718,62,207
Significant accounting policies		1	

The accompanying notes (1 to 26) form an integral part of the financial statements.

As per our Report of even date

For and on behalf of the Board of Directors

For and on behalf of

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

VIJAY K THANAWALA
PROPRIETOR

Shailsh Shah
Managing Director

Saurabh Motani
Director

Vaibhav Desai
Director

Membership No. 15632
 Mumbai, Dated: May 30, 2015

SKY INDUSTRIES LIMITED - CONSOLIDATED			
Statement of Profit and Loss For the Year Ended March 31, 2015			
			(Amount in Rs.)
	Note	For the year ended 31.03.2015	For the year ended 31.03.2014
I. Revenue from operations	18	6440,93,706	6718,44,215
II. Other income	19	102,12,904	104,94,410
III. Total Revenue		6543,06,610	6823,38,624
IV. Expenses:			
Cost of materials consumed	20	3764,91,082	3685,26,101
Purchases of Stock-in-Trade	21	458,00,095	525,33,850
Changes in Inventories of Finished Good, Work In Progress and Traded Goods	22	-22,70,853	(105,26,509)
Employee benefits expense	23	710,46,091	776,05,831
Finance costs	24	330,17,756	337,24,010
Depreciation and amortization Expenses	9	168,30,083	195,85,354
Other expenses	25	1050,52,516	1189,89,993
V.Total Expenses		6459,66,770	6604,38,630
VI. Profit/(Loss) before tax		83,39,839	218,99,994
VII. Exceptional Items	26	-65,81,291	23,75,109
VIII Tax expense:			
(1) Current tax - For the year		61,00,000	56,50,000
- Excess/(Short) Provision of the Previous years		5,19,533	(1,58,909)
(2) Deferred tax		-54,98,079	(1,91,312)
		11,21,454	52,99,779
IX. Profit (Loss) for the period from continuing operations (VI-VII-VIII)		6,37,094	189,75,324
	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			
VIJAY K THANAWALA	Shailesh Shah	Saurabh Motani	Vaibhav Desai
PROPRIETOR	Managing Director	Director	Director
Membership No. 15632			
Mumbai, Dated: May 30, 2015			

SKY INDUSTRIES LIMITED		
Cash Flow Statement for the Year Ended March 31, 2015		
		(Amount in Rs.)
	For the year ended 31.03.2015	For the year ended 31.03.2014
A. Cash Flow from Operating Activities:		
Profit before tax and extra ordinary item	83,39,839	218,99,994
Adjustment for:		
Depreciation	168,30,083	195,85,354
Interest and Finance Charges	330,17,756	337,24,010
Interest income	(8,02,106)	(6,18,672)
Dividend	(23,00,709)	(15,61,270)
Preliminary expenses w/off	-	74,629
	467,45,025	512,04,051
Operating Profit before Working Capital Changes	550,84,864	731,04,045
Adjustment for:		
Trade Receivables	(195,39,047)	121,22,045
Other Receivables	214,83,037	(91,54,627)
Inventory	157,97,546	99,44,342
Trade and Other Payable	(183,80,201)	(61,12,385)
	(6,38,664)	67,99,375
Cash generated from Operations	544,46,200	799,03,420
Direct Tax paid/net of Refund received	(53,53,878)	(3,44,940)
Net Cash Flow from Operating Activities	490,92,321	795,58,480
B. Cash Flow from Investing Activities:		
Acquisition of Fixed Assets	(380,18,043)	(38,09,432)
Proceeds from Sale of Fixed Assets	871,39,485	83,56,702
Dividend	23,00,709	-
Interest income	8,02,106	6,18,672
Net Cash used in Investing Activities	527,74,267	51,65,942

SKY INDUSTRIES LIMITED			
Cash Flow Statement for the Year Ended March 31, 2015		(Amount in Rs.)	
		For the year ended 31.03.2015	For the year ended 31.03.2014
C.	Cash Flow from Financing Activities:		
	(Decrease)/Increase in Working Capital facility (net)	(84,38,587)	(404,84,789)
	Increase/(Decrease) of Term Loan/Vehicle Loans	(86,93,129)	(323,01,590)
	Increase/(Decrease) of Unsecured Loans	(339,56,467)	233,14,039
	Interest and Finance Charges Paid	(330,17,756)	(337,24,010)
	Payment of Dividend	-	(28,99,550)
	Tax on Dividend paid	-	(4,92,924)
	Net Cash (Used)/Generated from Financing Activities	(841,05,939)	(865,88,824)
	Net Increase/(Decrease) in Cash and Cash Equivalents	177,60,649	(18,64,402)
	Cash and Cash Equivalents as at the beginning of the year	145,58,042	164,22,445
	Cash and Cash Equivalents as at the end of the year	323,18,691	145,58,042
	Net Increase/(Decrease) in Cash and Cash Equivalents	177,60,649	(18,64,403)
<p>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.</p> <p>As per our Report of even date</p> <p>As per our Report of even date _____ For and on behalf of the Board of Directors</p> <p>THANAWALA & COMPANY CHARTERED ACCOUNTANTS Firm Reg. No. 110948W</p>			
VIJAY K THANAWALA PROPRIETOR Membership No. 15632 Mumbai, Dated: May 30, 2015	Shailesh Shah Managing Director	Saurabh Motani Director	Vaibhav Desai Director

SKY INDUSTRIES LIMITED - CONSOLIDATED			
NOTES FORMING PART OF FINANCIAL STATEMENTS			
		(Amount in Rs.)	
Note		As at March 31, 2015	As at March, 31 2014
2	SHARE CAPITAL		
	Authorised Capital		
	15,000,000 Equity Shares of Rs. 10/- each	1500,00,000	1500,00,000
	500,000 Redeemable Preference Shares of Rs. 100/-each	500,00,000	500,00,000
		2000,00,000	2000,00,000
	Issued, Subscribed and Paid Up		
	3,976,400 Equity Shares of Rs 10/- each (Refer Notes 2.1 to 2.3)	397,64,000	397,64,000
		397,64,000	397,64,000
2.1	Shareholders holding more than 5% shares in the Company		
	Name of Shareholder		% of Holding
	SKAY FINVEST PRIVATE LIMITED	13,10,147	32.95%
		13,10,147	32.95%
2.2	There is no movement in the number of shares outstanding during the year ended March 31, 2015 and year ended March 31, 2014.		
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 equity shares held by the shareholders.		
		As at March 31, 2015	As at March 31, 2014
3	RESERVES AND SURPLUS		
	a. General Reserve		
	As per last balance sheet	86,32,500	83,82,500
	Add: Transfer from surplus	-	2,50,000
	Less: Written Back in Current Year		
	Closing Balance	86,32,500	86,32,500
	b. Profit and loss Account		
	As per last balance sheet	1039,52,543	913,20,867
	Less : Net Profit for the year	6,37,094	189,75,324
	Add : Share of Minority Interest	-59,71,932	(10,05,155)
	Less: Transfer to Reserves	-	2,50,000
	Less: Proposed Dividends	-	43,49,325
	Less: Tax on Proposed Dividends	-	7,39,168
		986,17,705	1039,52,543
	c. Capital Reserve	3,68,906	3,68,906

SKY INDUSTRIES LIMITED - CONSOLIDATED			
NOTES FORMING PART OF FINANCIAL STATEMENTS			
		(Amount in Rs.)	
Note		As at March 31, 2015	As at Mar, 31 2014
4	LONG-TERM BORROWINGS		
	SECURED LOANS		
	From Banks		
	(a) Term loans [Refer Note 4.1, 4.3(a) and 4.3(b)]	-	37,18,987
	(b) Vehicle loans [Refer Note 4.2, 4.3(c) and 4.3(d)]	55,098	18,80,115
		<u>55,098</u>	<u>55,99,102</u>
	From other parties		
	Vehicle loan [Refer Note 4.2, 4.3(d)]	1,17,046	7,24,938
		<u>1,17,046</u>	<u>7,24,938</u>
	UN SECURED LOANS		
	From Directors	155,45,888	180,87,121
		<u>155,45,888</u>	<u>180,87,121</u>
		<u>157,18,032</u>	<u>244,11,161</u>
4.1	Term loans from banks are secured by way of pari passu first charge on land & buildings including all movable assets, plant and machinery, stores and spares, furniture and fixture, both present and future, excluding vehicles, and a second charge on all the current assets of the Company, both present and future, and personal guarantee of Directors.		
4.2	The vehicle loans from banks and other parties are secured by the hypothecation of vehicles purchased under the scheme.		
4.3	Terms of repayment :		
	(a) Term Loan from Dombivli Nagari Shakari Bank Ltd Corporate Loan - Repayable in 16 months @ Rs. 7.43 lacs	-	24,18,027
	(b) Term Loan from The Karur Vysya Bank Ltd Term Loan No. 1 - Repayable in 36 months @ Rs. 8.43 lacs	-	13,00,960
	(c) Vehicle loans from Dombivli Nagrik Shakari Bank Ltd.		
	Vehicle Loan No. 1 - Repayable in 14 months @ Rs. 0.41 lacs	-	4,93,915
	Vehicle Loan No. 2 - Repayable in 14 months @ Rs. 0.31 lacs	-	3,77,508
	Vehicle Loan No. 3 - Repayable in 1 month @ Rs. 0.11 lacs	-	9,608
	Vehicle Loan No. 4 - Repayable in 25 months @ Rs. 0.11 lacs	-	55,348
	Vehicle Loan No. 5 - Repayable in 13 months @ Rs. 0.11 lacs	5,519	1,26,616
	Vehicle Loan No. 6 - Repayable in 6 months @ Rs. 0.11 lacs	-	88,907
	Vehicle Loan No. 7 - Repayable in 9 months @ Rs. 0.11 lacs	-	5,51,131
	Vehicle Loan No. 8 - Repayable in 16 months @ Rs. 0.38 lacs	-	1,77,082
	(d) Vehicle loans from Kotak Mahindra Prime Ltd Vehicle Loan No. 1 - Repayable in 14 months @ Rs. 0.55 lacs	1,17,046	7,24,938

SKY INDUSTRIES LIMITED - CONSOLIDATED		
NOTES FORMING PART OF FINANCIAL STATEMENTS		
		(Amount in Rs.)
Note	As at March 31, 2015	As at Mar, 31 2014
5 OTHER LONG-TERM LIABILITIES		
Trade/Security Deposit Received	-	5,00,000
Capital Goods	-	-
	-	5,00,000
5 SHORT-TERM BORROWINGS		
SECURED		
Loans repayable on demand		
From Banks		
Dombivli Nagari Sahakari Bank Ltd - CC	-	303,29,490
Dombivli Nagari Sahakari Bank Ltd - Flexi OD	840,54,820	98,24,713
Dombivli Nagari Sahakari Bank Ltd - Letter of Credit	34,08,079	99,50,814
Oriental Bank of Commerce - CC	-	71,47,076
Oriental Bank of Commerce - Packing Credit	-	35,68,509
The South Indian Bank Ltd - CC	-	305,28,849
The South Indian Bank Ltd - Letter of Credit	-	33,52,017
The Karur Vysya Bank Ltd - CC	-	7,00,017
The Karur Vysya Bank Ltd - Letter of Credit	-	-
	874,62,899	954,01,486
UN-SECURED		
(a) Loans and advances from related parties		
Loan from Shareholders	-	222,81,079
Advances from group companies	-	5,63,517
	-	228,44,596
(b) Inter Corporate Deposits		
From Related Party	269,21,322	355,33,193
From Others	-	25,00,000
	269,21,322	380,33,193
	1143,84,220	1562,79,275

SKY INDUSTRIES LIMITED - CONSOLIDATED		
NOTES FORMING PART OF FINANCIAL STATEMENTS		
		(Amount in Rs.)
Note	As at March 31, 2015	As at Mar, 31 2014
6	TRADE PAYABLES	
	Due to Micro and Small Enterprises (Refer note no. 8.1)	
	Other than Micro and Small Enterprises	
	974,01,257	1116,15,775
	974,01,257	1116,15,775
7	OTHER CURRENT LIABILITIES	
	Interest accrued but not due on borrowings	1,20,164
	Unclaimed dividends	1,26,294
	STATUTORY LIABILITIES	
	Tax deduction payable	18,73,097
	Sales Tax Payable	13,31,559
	Cess Payable	-
	Provident Fund/Esic/Professional tax payable	9,33,396
	Excise/Service tax payable	7,48,589
	EMPLOYEE LIABILITIES	
	Salaries Payable	145,21,906
	Bonns Payable	15,18,314
	Gratuity Payable (Refer Note 25.1)	79,11,403
	Outstanding Liabilities	13,44,223
	Security Deposit received	85,66,154
	Advances received from customer	247,69,004
	Other Payables	7,97,498
	741,99,800	645,61,601
8	SHORT-TERM PROVISIONS	
	Provision for employee benefits:	
	Leave encashment	2,74,048
	Others:	
	Provision for taxation	196,75,070
	Provision for Dividend	43,49,325
	Tax on Proposed Dividend	7,39,168
	75,65,000	250,37,611

SKY INDUSTRIES LIMITED - CONSOLIDATED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
Note 9 - FIXED ASSETS

	Gross Block			Depreciation				
	As at April 1, 2014	Additions during the Year	Deduction	As at March 31, 2015	Upto April 1, 2014	For the year	On Deduction	Upto March 31, 2015
Tangible Assets								
Leasehold Land	83,60,860	-	33,00,500	50,60,360	13,09,482	1,00,199	5,47,247	8,62,434
Buildings	496,37,408	-	156,93,752	3,39,43,656	201,41,471	16,63,791	68,24,942	1,49,80,320
Plant & Machinery	3,532,14,135	3,77,70,946	1,200,33,256	2,709,51,825	1,992,25,907	123,18,300	362,66,825	1,752,77,382
Sky	2,692,38,420	3,36,20,521	761,54,536	2,267,04,405	1,739,10,825	90,76,895	292,40,667	1,537,47,053
	4,00,96,995	41,50,425		4,42,47,420	1,84,37,018	30,93,311		2,15,30,329
	438,78,720		438,78,720		68,78,064	1,48,094	70,26,158	-
Furniture & Fixtures	66,36,159	11,000	11,07,390	55,39,769	47,17,989	4,25,239	7,57,754	43,85,474
Sky	58,19,751		9,29,645	48,90,106	44,72,487	3,26,709	6,17,972	41,81,224
	6,38,663	11,000		6,49,663	1,06,293	97,957		2,04,250
	1,77,745		1,77,745		1,39,209	573	1,39,782	-
Vehicles	159,28,925	-	55,96,896	103,62,029	62,94,054	13,38,397	24,77,855	51,54,796
Sky	159,45,075	-	55,83,046	103,62,029	62,83,548	13,38,525	24,67,277	51,54,796
	13,850		13,850		10,506	72	10,578	-
Office Equipment	66,99,802	1,04,350	6,45,678	61,58,474	41,65,892	2,39,929	3,69,214	40,36,607
Sky	64,76,218	22,350	6,45,678	58,52,890	40,98,183	2,06,286	3,69,214	39,35,255
	2,23,584	82,000		3,05,584	67,709	33,643		1,01,352
Computers	75,22,249	1,31,747	10,89,191	65,64,805	64,16,580	3,88,711	10,01,092	58,04,199
Sky	71,59,465	90,890	10,03,215	62,47,140	62,10,014	3,21,617	9,18,523	56,13,108
	2,76,808	40,857		3,17,665	1,24,113	66,978		1,91,091
	85,976		85,976		82,453	116	82,569	-
Sub-total	4,480,29,538	3,80,18,043	1,474,66,663	3,385,80,918	2,422,71,373	1,64,74,766	482,44,929	2,105,01,210
Previous Year	3,854,05,336	1,47,08,536	2,49,51,488	3,760,62,404	2,135,32,143	1,17,87,066	1,68,55,295	2,104,83,914
Intangible Assets								
Computer software	30,52,256	-	85,978	29,66,278	25,99,642	3,55,316	84,116	28,70,842
Sub-total	30,52,256	-	85,978	29,66,278	25,99,642	3,55,316	84,116	28,70,842
Previous Year	27,05,287	50,000	-	27,55,287	10,30,732	7,16,472	-	17,47,204
Total	45,10,81,794	3,80,18,043	1,475,52,641	3,415,47,196	2,448,71,015	1,68,30,082	483,29,045	2,133,72,052
Capital Work in Progress								
Assets Held for Disposal								

Note	As at March 31, 2015	As at Mar, 31 2014
10 NON-CURRENT INVESTMENTS		
In Equity Shares (Un quoted) :		
In Others :		
- 50,000 (Previous year 50,000) Equity shares of Rs. 10/- each, fully paid in Dombivali Nagari Sahakari Bank Ltd.	5,00,010	5,00,010
- 105 (Previous year 105) Equity shares of Rs. 10/ each, fully paid in Janakalyan Sahakari Bank Ltd.	-	1,100
5,000 (Previous year 5000) Equity shares of Rs. 10/- each, fully paid in Shamrao Vital Co-op Bank	50,000	50,000
	5,50,010	5,51,110
Total Investments	5,50,010	5,51,110
Less : Provision for diminution in the value of Investments		
	5,50,010	5,51,110
11 LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advances		
Security Deposits (Refer Note 11.1)	209,84,107	222,48,001
Doubtful	-	-
Less: Provision for doubtful deposits	-	-
Advance Tax and Tax Deducted at Source	53,53,878	172,31,926
Balance with Government Authorities	172,29,276	272,25,241
	225,83,155	444,57,167
	435,67,262	667,05,168
11.1 Includes deposits from Private Company in which director is a member or Director	147,20,000	147,20,000

SKY INDUSTRIES LIMITED - CONSOLIDATED			
NOTES FORMING PART OF FINANCIAL STATEMENTS			
			(Amount in Rs.)
Note		As at Mar, 31 2015	As at Mar, 31 2014
12	OTHER NON-CURRENT ASSETS		
	a. Trade receivables		
	Unsecured		
	Trade receivables outstanding for a period more than six months from the date they are due for payment	26,59,130	26,59,130
	Less: Provision for doubtful debts	-26,59,130	(26,59,130)
13	INVENTORIES (At lower of cost or net realisable value)		
	a. Raw Materials	155,16,696	259,45,856
	b. Raw Materials - In transit	0	65,77,874
	c. Work-in-progress	176,41,221	302,37,801
	d. Packing Material	26,84,919	37,46,284
	e. Finished goods		
	- Manufactured	1077,09,658	895,78,630
	- Traded Goods	60,22,871	92,86,466
		1495,75,365	1653,72,911
14	TRADE RECEIVABLES Unsecured, considered good		
	Trade receivables outstanding for a period more than six months from the date they are due for payment	56,48,746	70,78,866
	Others	1195,31,625	985,62,458
		1251,80,371	1056,41,324
15	CASH AND CASH EQUIVALENTS		
	a. Balances with banks :		
	Earmarked Balances (Refer Note 15.1)	1,26,669	1,26,669
	Balance in Deposit account held as Margin	94,95,885	106,17,516
	Balance in Current account	203,08,528	31,59,113
	b. Cash on hand	23,85,709	6,54,744
		323,16,791	145,58,042
15.1	Indicates earmarked balance for distribution of unpaid dividend		

SKY INDUSTRIES LIMITED - CONSOLIDATED			
NOTES FORMING PART OF THE ACCOUNTS		(Amount in Rs.)	
		As at March 31, 2015	As at March 31, 2014
16	SHORT-TERM LOANS AND ADVANCES		
	Staff advances	56,85,693	40,34,576
	Prepaid expenses	2,35,818	3,87,884
	Advances to suppliers	55,83,387	55,44,209
		115,04,898	99,66,669
17	OTHER CURRENT ASSETS		
	Interest receivables	2,86,031	6,38,930
	Other receivables	-	5,73,642
	DEPB licences	11,76,687	1,33,508
		14,62,718	13,46,080
		For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
18	REVENUE FROM OPERATIONS		
	Sale of Products (Gross) (Refer Note.No 20.1)	6171,62,796	6568,38,946
	Less: Excise Duty	44,637	1,04,852
		6171,18,158	6567,34,094
	Sale of Services	152,15,543	16,57,428
		6323,33,701	6583,91,522
	OTHER OPERATING INCOME		
	Freight recovered	56,11,181	45,75,939
	Sale of scrap	22,43,496	23,18,794
	Octroi charges collected	5,70,668	5,16,381
	Other Charges Recovered	89,497	16,83,519
	Export Incentives	32,45,163	43,07,169
	Miscellaneous Receipt	-	50,892
		117,60,005	134,52,693
		6440,93,706	6718,44,215

SKY INDUSTRIES LIMITED - CONSOLIDATED			
NOTES FORMING PART OF THE ACCOUNTS			(Amount in Rs.)
Note		Year Ended March 31, 2015	Year Ended March 31, 2014
18.1	Sale of Products (Net)		
	Manufactured :		
	Hook & Loop Tape Fasteners	3938,35,763	3589,50,315
	Narrow Woven Fabrics	1397,09,046	1974,60,158
		5335,44,810	5564,10,472
	Traded :		
	Fibre glass Insect Screen	212,45,292	207,15,695
	Knit Loop fabrics	-	-
	Aluminium wire Mesh	-	5,73,221
	Elastics	619,89,912	750,63,357
	Others	3,38,144	39,71,348
		835,73,348	1003,23,621
		6171,18,158	6567,34,093
19	OTHER INCOME		
	Service Contract charges	8,87,693	20,40,562
	Interest Income	8,02,106	6,18,672
	Dividend Income	23,00,709	15,61,278
	Excess Provision write back	17,19,517	45,46,247
	Miscellaneous income	45,02,879	16,58,051
		102,12,904	104,94,416
20	COST OF MATERIAL CONSUMED		
	Opening Stock :		
	Raw Materials	296,92,140	554,34,588
	Raw Materials in Transit	65,77,874	13,06,277
		362,70,014	567,40,865
	Add: Purchases	3711,31,608	3480,55,250
		4074,01,622	4047,96,115
	Less: Obsolete stock w/off	18,04,194	-
	Less : Sale of Raw Materials	109,04,731	-
	Less: Closing Stock :		
	Raw Materials	182,01,615	296,92,140
	Raw Materials in Transit	-	65,77,874
		182,01,615	362,70,014
		3764,91,082	3685,26,101
20.1	Value of Raw Material Consumed		
	Yarn	530,56,036	1189,63,580
	Hook & Loop - Semifinished	2420,92,950	1806,25,236
	Resins & Chemicals	30,50,806	64,68,028
	Others	782,91,290	624,69,258
		3764,91,082	3685,26,101

SKY INDUSTRIES LIMITED - CONSOLIDATED		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS		(Amount in Rs.)
Note		
	Year Ended March 31, 2015	Year Ended March 31, 2014
22	CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS TRADED GOODS	
	<u>Closing Inventory</u>	
	Finished Goods	
	Manufactured	1077,09,658
	Trading	60,22,871
		1137,32,529
	Work-In-Progress	176,41,221
		1313,73,750
	<u>Opening Inventory</u>	
	Finished Goods	
	Manufactured	949,59,822
	Trading	41,76,604
		991,36,426
	Work-In-Progress	299,66,471
		1291,02,897
		22,70,853
		(105,26,509)
23	EMPLOYEE BENEFITS EXPENSE	
	Salaries and incentives	574,33,417
	Directors Remuncartion & Sitting fees	107,84,898
	Contributions to Provident fund & other funds	8,97,935
	Superannuation scheme	-
	Staff welfare expenses	19,29,841
		710,46,091
		776,05,831

SKY INDUSTRIES LIMITED - CONSOLIDATED		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS		<i>(Amount in Rs.)</i>
Note		
	Year Ended March 31, 2015	Year Ended March 31, 2014
24	FINANCE COST	
	Interest Expense on Loan from Bank:	
	Term Loan	1,61,587
	Vehicle Loan	1,93,844
	Working Capital Loan	154,06,760
	Interest Expense on Loan from Others:	
	Vehicle Loan	-
	Shareholders Loan	48,54,502
	Inter Corporate Deposit	48,44,477
	Bank Charges & Processing fees	61,16,862
	Interest on Delayed Payment to Creditors	14,39,725
		330,17,756
		337,24,010
25	OTHER EXPENSES	
	A) Manufacturing Expenses	
	Consumption of stores and spare parts	-
	Labour Charges	252,82,527
	Power and Fuel	123,16,153
	Repairs and Maintenance :	
	Building	2,52,950
	Machinery	3,00,072
	Others	37,85,543
		419,37,245
		448,18,337
	B) Establishment Expenses	
	Rent	157,23,690
	Insurance	11,64,575
	Rates and Taxes	10,37,742
	Legal and Professional	80,36,890
	Travelling & Other Conveyance	62,43,153
	Postage, Telegram, Telephone & Courier	23,83,845
	Printing & Stationery	11,87,165
	Miscellaneous expenses	48,37,339
		406,14,399
		440,49,442
	C) Selling Expenses	
	Net loss on foreign currency transaction and translation	1,62,716
	Auditors Remuneration :	
	(a) Auditor	-
	Audit Fees	7,40,450
	Audit under other statutes	-
		7,40,450
		7,04,468
	Advertisement & Business, Sales Promotion	16,53,650
	Freight, Cartage and Forwarding Expenses	161,09,292
	Commission	23,13,933
	Provision for doubtful debts	-
	No longer required Provision	-
	Bad Debts written off	7,70,996
	Discount - Scheme	13,84,313
	Miscellaneous Balance Written off	-39,24,836
	Octroi Charges	6,90,396
	Donations	16,000
	Prior Period items	17,23,777
	VAT refund receivable w/off	22,09,419
	Interest on delayed payment of Tax	2,74,513

SKY INDUSTRIES LIMITED			
NOTES FORMING PART OF THE FINANCIAL STATEMENTS		<i>(Amount in Rs.)</i>	
Note		Year Ended March 31, 2015	Year Ended March 31, 2014
27	OTHER NOTES		
(i)	EARNINGS PER SHARE		
	Profit/(Loss) attributable to Equity shareholders	6,37,094	189,75,324
	Weighted average number of Equity shares outstanding (Nominal value of Shares Rs. 10)	39,76,400	39,76,400
	Earnings per share (Basic & Diluted) in Rs.	0.16	4.77
(ii)	PRIOR PERIOD EXPENSES		
	During the year the company has accounted expenditure relating to Prior period in its Statement of Profit & Loss, bifurcation of such expenses is as under :		
	Interest to others	1,87,957	-
	Custom Duty	-	4,84,709
	Salaries, Wages & Bonus :		
	- Wages & Bonus	11,83,773	-
	Labour charges	30,000	-
	Printing & Stationery	9,537	-
	Sundry balances w/off	-	61,213
	Professional & other fees	1,54,000	26,124
	Security charges	8,000	-
	Membership & Subscription	-	3,371
	Travelling & other Conveyance	18,000	14,971
	Postage, Telegram & Telephone	-	2,937
	Service Tax on GTA	-	1,28,451
	Sales Tax, VAT	1,17,173	-
	Repairs & Maintenance - Others	15,337	2,048
	Freight, Cartage & Forwarding Expenses	-	31,050
		17,23,777	7,54,874
(iii)	CONTINGENT LIABILITIES NOT PROVIDED IN RESPECT OF :		
	a) Guarantees given by the Company's banker against counter guarantee given by the company	5,83,700	5,83,700
	b) Guarantees given by the Company's banker on behalf of subsidiary, against counter guarantee given by the Company.	126,00,000	126,00,000
	c) Income tax demand disputed by the Company	1,14,896	1,14,896
	d) Cess Demand from Deputy Commissioner of Navi Mumbai Municipal Corporation	-	36,83,521
	e) Sales tax demands pending with Commissionerate and disputed by the company	33,33,901	33,33,901

SKY INDUSTRIES LIMITED		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS		
		(Amount in Rs.)
Note	Year Ended March 31, 2015	Year Ended March 31, 2014
(iv) VALUE OF IMPORT ON CIF BASIS :		
(i) Raw Materials & Trading goods	2003,07,335	1621,31,217
(ii) Stores & Spares	5,70,795	30,794
(iii) Capital Goods	-	2,07,100
	2008,78,130	1623,69,111
(v) EXPENDITURE IN FOREIGN CURRENCY		
(i) Commission on Exports	-	-
(ii) Foreign Travel	2,91,560	4,91,637
	2,91,560	4,91,637
(vi) EARNING IN FOREIGN CURRENCY		
(i) FOB value of Exports	673,55,555	1023,85,407
(ii) Insurance on Exports	93,425	3,52,228
(iii) Freight on Exports	54,34,847	40,40,369
(iv) Other charges	4,00,292	3,38,901
	732,84,119	1071,16,905
(vii) EMPLOYEE BENEFITS		
I. Defined Benefit Plans:		
Contribution to Gratuity Fund		
<p>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 superannuation, death or on 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.</p>		
<p>The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31 March 2014</p>		
Changes in present value of obligations		
Opening balance	114,39,806	127,82,610
Current service Cost	12,64,699	11,82,522
Interest Cost	8,77,780	9,40,537
Benefits Paid	(9,35,118)	(20,51,795)
Actuarial (gain)/loss on obligation	1,91,353	(14,14,068)
Closing balance	128,38,520	114,39,806
Changes in Fair Value of Plan assets		
Opening balance	56,80,790	71,04,007
Expected return on plan assets	4,17,058	4,89,825
Contributions by Employer	-	89,398
Benefits paid	(9,35,118)	(20,51,795)
Actuarial gain/(loss) on plan assets	(2,35,613)	49,355
Closing balance	49,27,117	56,80,790

SKY INDUSTRIES LIMITED		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS		(Amount in Rs.)
Note	Year ended March,31 2015	Year ended March,31 2014
Actual Return on Plan Asset		
Expected return on plan assets	3,49,728	4,17,058
Actuarial gain/(loss) on plan assets	1,71,775	(2,35,613)
Actual return on plan assets	5,21,503	1,81,445
Amount Recognised in the Balance sheet		
Liability at the end of the year	122,31,767	128,38,520
Fair Value of plan assets at the end of the year	25,96,684	49,27,117
Amount Recognised in the Balance Sheet	96,35,083	79,11,403
Net gratuity cost for the year		
Current Service Cost	7,70,669	12,64,699
Interest Cost	9,53,011	8,77,780
Expected return on plan assets	(3,49,728)	(4,17,058)
Net Actuarial (gain)/loss to be recognised	3,49,728	4,26,966
Net gratuity cost	17,23,680	21,52,387
Balance Sheet Recognition		
Opening net liability	79,11,403	57,59,016
Expenses as above	17,23,680	21,52,387
Employer's Contribution	-	-
Closing Net liability	96,35,083	79,11,403
Actuarial Assumptions		
Discount Rate (p.a.)	8.00	8.00
Rate of return on plan assets	9.00	8.00
Salary escalation rate (p.a.)	3.00	3.00
II. Defined Contribution Plans:		
The Company has recognised the following amount as an expenses and included in the Note No-25 * Contribution to Provident and Other Funds :		
Contribution to Employee Provident Fund	7,29,482	8,60,802
Contribution to Employee State Insurance	1,65,897	3,83,003
Contribution to Maharashtra Labour Welfare Fund	2,556	3,888
	8,97,935	12,47,693

SKY INDUSTRIES LIMITED		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS		<i>(Amount in Rs.)</i>
Note		
(viii) SEGMENT REPORTING		
As the Company has only one primary business activity, Segment Reporting is not applicable.		
(ix) RELATED PARTY DISCLOSURE :		
i. Key management personnel/persons exercising significant influence & their relatives:		
Mr. Nain K. Motani		
Mr. Shailesh S. Shah		
Mr. Saurabh K. Motani		
Mr. Sharad S Shah		
Mr. Vaibhav Desai		
Mr. Mohit N Motani		
ii. Enterprises over which Key management personnel exercise significant influence.		
S.K. Exports		
S.K. Silks		
Shamots International		
S.K. Overseas		
SK Windtronics Private Ltd		
Jask Invogue Private Ltd.		
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	Enterprises over which Key management personnel exercising significant influence
	(i)	(ii)
Sales	-	34,09,161
	-	<i>(127,41,635)</i>
Service Charges Received	-	10,17,974
	-	<i>(21,43,696)</i>
Purchases	-	155,88,755
	-	<i>(105,73,748)</i>
Remuneration	105,31,950	-
	<i>(93,80,850)</i>	-
Rent	-	44,87,341
	-	<i>(37,98,000)</i>
Interest Paid	20,41,274	48,44,477
	<i>(16,07,445)</i>	<i>(48,89,016)</i>
Reimbursement of Expenses	-	15,55,388
	-	<i>(21,57,614)</i>
Sale of Fixed Assets	-	13,20,000
	-	<i>(8,53,600)</i>
Purchase of Fixed Assets	-	-
	-	<i>(1,98,000)</i>

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 falling him	

Name :	E-mail Id:
Address:	
Signature , or falling him	

Name :	E-mail Id:
Address:	
Signature , or falling him	

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 26th 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 Hotel Varishtta, Sector 2A, Plot No. 55B, Koper Khairane, Navi Mumbai 400709 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. 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, 2015		
2.	Re-appointment of M/s. Thanawala & Co, Chartered Accountants as Statutory Auditors & fixing their remuneration		
3.	Appointment of Ms Aditi Bhatt as Director		

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

Signed this ___ day of ___ 20__



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)
26th Annual General Meeting on 30th September 2015

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 26th Annual General Meeting of Sky Industries Limited, C-58, TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai on Monday, the 30th Sep'15

(Member's /Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.



SKY INDUSTRIES LIMITED

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