



# SKY INDUSTRIES LIMITED

## 29<sup>TH</sup> ANNUAL REPORT

### 2017-18





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**ABOUT US**

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

**OUR VALUES**

Trust. Reliability. Quality. Customer Satisfaction. Innovation.

**OUR KEY PRODUCTS AND OFFERINGS**

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

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

**MANAGEMENT TEAM****NAME**

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

**DESIGNATION**

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

**STATUTORY AUDITORS**

Thanawala & Co. Chartered Accountants

**SECRETARIAL AUDITOR**

Ramesh Chandra Mishra & Associates

**INTERNAL AUDITORS**

M/S Sitendu Sharma

**REGISTERED ADDRESS**

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

**CORPORATE OFFICE**

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

**REGISTRAR & SHARE TRANSFER AGENT**

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

**BANKERS**

Kotak Mahindra Bank Limited

## **Notice to the Members**

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

### **ORDINARY BUSINESS:**

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

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

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

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

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

### **SPECIAL BUSINESS:**

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

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

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

#### **Terms & Conditions of appointment:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**By Order of the Board**  
Sd/-  
**Maikal Raorani**  
Director

**Date: 27<sup>th</sup> July 2018**  
**Registered Office:**  
C-58, TTC Industrial Area,  
Thane Belapur Road,  
Pawne,  
Navi Mumbai - 400 705.

**NOTES:**

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



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

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

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

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

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

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

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

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

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

**By Order of the Board**  
**Sd/-**  
**Maikal Raorani**  
**Director**

**Date: 27<sup>th</sup> July 2018**  
**Registered Office:**  
 C-58, TTC Industrial Area,  
 Thane Belapur Road,  
 Pawne,  
 Navi Mumbai - 400 705.

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

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

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

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

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

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

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

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

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

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

**ITEM NO. 5**

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

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

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

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