

SKY/SE/20-21/16

February 12, 2021

To
BSE Limited
P. J. Towers, Dalal Street,
Mumbai- 400 001
Scrip Code: 526479

Dear Sir/Madam

Sub: Sky Industries Limited: Outcome of the Board Meeting held on February 12, 2021

In terms of the provision of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we wish to inform that the Board of Directors of the Sky Industries Limited ("Company") at its Meeting held today i.e. February 12, 2021, *inter-alia*:

- a) Considered & approved the Unaudited Financial Results (Standalone) of the Company for the Third Quarter and Nine months ended on December 31, 2020. The said Unaudited Financial Results along with the Limited Review Report of the Statutory Auditors of the Company for the said period are enclosed herewith in terms of Regulation 30 & 33 of Listing Regulations.
- b) Approved the allotment of following Securities pursuant to Special Resolution passed by the Members of the Company through Postal Ballot Notice on January 09, 2021 and in-principle approval received from BSE Limited Letter Ref. No. DCS/PREF/JR/PRE/988/2020-21 dated February 01, 2021, to respective allottees:
- (i) 4,00,000 Equity Shares of face value of Rs. 10 (Rupees Ten only) each at a price of Rs. 30 (Rupees Thirty only) per Equity Share aggregating to an amount of Rs. 1,20,00,000 (Rupees One Crore and Twenty Lakh only), on Preferential basis to following person:

| SN | Name | Category | No. of Shares | Amount per share | Total Aggregate Amount |
|----|---------------------|--------------|---------------|------------------|------------------------|
| 1. | Ramnik Lalji Sangoi | Non-Promoter | 2,00,000 | Rs. 30 each | Rs. 60,00,000 |
| 2. | Nirav Ramnik Sangoi | Non-Promoter | 2,00,000 | Rs. 30 each | Rs. 60,00,000 |

- (ii) 20,00,000 Convertible Warrants into Equity Shares of having face value of Rs. 10 (Rupees Ten only) each at a price of Rs. 30 (Rupees Thirty only) each aggregating to an amount of Rs. 6,00,00,000 (Rupees Six Crore only), on preferential basis to following person:

| SN | Name | Category | No. of Shares | Amount per share | Total Aggregate Amount |
|----|------------------|--------------|---------------|------------------|------------------------|
| 1. | Shailesh S. Shah | Promoter | 7,00,000 | Rs. 30 each | Rs. 2,10,00,000 |
| 2. | Sharad S. Shah | Promoter | 3,00,000 | Rs. 30 each | Rs. 90,00,000 |
| 3. | Saloni Dedhia | Promoter | 4,70,000 | Rs. 30 each | Rs. 1,41,00,000 |
| 4. | Harini Dedhia | Non-Promoter | 5,30,000 | Rs. 30 each | Rs. 1,59,00,000 |

SKY INDUSTRIES LIMITED



CIN No.: L17120MH1989PLC052645

Corp Off.: 1101, Universal Majestic, Behind RBK Intl School, Ghatkopar Mankhurd Link Road, Chembur (West), Mumbai - 400043
Tel.: +91 22 67137900, Website.: www.skycorp.in

Pursuant to allotment of aforesaid Equity Shares, the paid up Equity Share Capital stands increased from Rs. 5,10,79,690 to Rs. 5,50,79,690.

- c) Approved the appointment of Mr. Swapnil Soni, Associate Member of Institute of Company Secretaries of India (Membership No.: A64139) as Company Secretary & Compliance officer of the Company also Designated as Key Managerial Personnel in terms of Section 203 of Companies Act, 2013 and rules made thereunder read with Regulation 6 of Listing Regulations.

The Meeting of Board of Directors of the Company commenced at 12.30 P.M. and concluded at 02.00 P.M.

We request you to take the above information on record.

Yours faithfully

For SKY INDUSTRIES LIMITED

MAIKAL RAORANI
WHOLE TIME DIRECTOR & CFO
DIN: 00037831



Encl.: a/a

SKY INDUSTRIES LIMITED
Registered Office : C-58, TTC Industrial Area, Thane Belapur Road, Navi Mumbai - 400 705
CIN : L17120MH1989PLC052645
Unaudited Financial Results for the quarter and period ended 31st December 2020

(Rs. In Lacs)

| Sr. No. | Particulars | Quarter ended | | | Period Ended | | Year Ended |
|---------|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 31.12.2020 | 30.09.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 | 31.03.2020 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Revenue from Operations | 1,733.90 | 1,304.95 | 1,432.25 | 3,513.96 | 4,358.21 | 5,932.46 |
| 2 | Other Income | 15.51 | 7.69 | 7.46 | 33.29 | 28.52 | 3.31 |
| | Total Income (1+2) | 1,749.41 | 1,312.63 | 1,439.71 | 3,547.25 | 4,386.73 | 5,935.77 |
| 3 | Expenses | | | | | | |
| | Cost of materials consumed | 1,030.00 | 570.28 | 765.10 | 1,887.69 | 2,530.09 | 3,169.06 |
| | Purchases of Stock in trade | 142.47 | 75.93 | 234.42 | 315.47 | 581.57 | 1,080.44 |
| | Changes in inventories of finished goods, work-in-progress and stock in trade | 8.13 | 273.13 | 10.90 | 244.69 | 15.70 | (8.88) |
| | Employee Benefit Expenses | 124.95 | 96.63 | 119.13 | 308.14 | 331.49 | 474.80 |
| | Finance Costs | 25.93 | 28.38 | 34.34 | 82.31 | 88.18 | 115.83 |
| | Depreciation | 52.15 | 51.48 | 75.19 | 154.69 | 158.27 | 209.90 |
| | Other Expenses | 198.68 | 145.34 | 171.93 | 434.07 | 573.62 | 776.75 |
| | Total Expenses | 1,582.31 | 1,241.16 | 1,411.01 | 3,427.05 | 4,278.93 | 5,817.90 |
| | Profit from operations before exceptional items and tax (1+2-3) | 167.10 | 71.48 | 28.71 | 120.19 | 107.80 | 117.87 |
| 5 | Exceptional Items | (92.05) | - | - | (92.05) | - | (85.89) |
| 6 | Profit/Loss before tax (4-5) | 75.05 | 71.48 | 28.71 | 28.14 | 107.80 | 31.97 |
| 7 | Tax Expense | | | | | | |
| | 1. Current Tax | 26.50 | - | 10.00 | 26.50 | 32.00 | 17.00 |
| | 2. Short Provision of Tax of previous year | 0.54 | - | - | (2.09) | - | 3.23 |
| | 3. Deferred Tax | 13.58 | 15.55 | (3.09) | 0.54 | (16.60) | (17.02) |
| 8 | Net Profit / (Loss) after tax (7-8) | 34.43 | 55.92 | 21.80 | 3.19 | 92.40 | 31.99 |
| 9 | Other Comprehensive Income | - | | | | | |
| 10 | Comprehensive Income for period | 34.43 | 55.92 | 21.80 | 3.19 | 92.40 | 31.99 |
| 11 | Paid up Equity Share Capital (Face value of Rs. 10/- each) | 51,07,969 | 48,67,969 | 46,06,400 | 51,07,969 | 46,06,400 | 46,06,400 |
| 12 | Earnings per equity share | | | | | | |
| | 1. Basic | 0.71 | 1.15 | 0.47 | 0.06 | 2.01 | 0.62 |
| | 2. Diluted | 0.71 | 1.15 | 0.47 | 0.06 | 2.01 | 0.61 |

NOTES:

- The above results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at its meeting held on 12th February, 2021
- The financial results have been prepared in accordance with the applicable accounting standards, as modified by the Companies (Indian Accounting Standards) Rules, 2015 and as specified in section 133 of the Companies Act, 2013.
- The Company mainly operates in a single primary business segment comprising of manufacture and trading of narrow fabrics, therefore disclosure requirements as per Ind AS 108, "Operating Segments" are not applicable to the Company.
- During the quarter ended, the company has allotted 2,40,000 equity shares to one of its promoter, pursuant to conversion of warrants.
- Exceptional Item includes Net Loss on sale of land

| Period | Loss (in Rs.) |
|-----------------------------------|---------------|
| Quarter ended 31st December, 2020 | 92,04,929 |

- The Company has granted 1,72,462 options on February 14, 2019, to the eligible employees as the company's Employee Stock Option Plan (ESOP 2018). During the period eligible employees have exercised 31,569 options and accordingly the company has allotted 31,569 shares at Rs 10 each. As per Ind AS 102- "Share Based Payment" total charge of ESOP will be apportioned over the vesting period, accordingly the Employee Benefit Expenses includes ESOP Charge under respective period as under:

| | Quarter ended | | | Period Ended | | Year ended |
|-------------|---------------|------------|------------|--------------|------------|------------|
| | 31.12.2020 | 30.09.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 | 31.03.2020 |
| ESOP Charge | 2,58,161 | 2,58,161 | 5,11,484 | 7,74,483 | 15,34,453 | 20,45,936 |

- With easing of lockdown restrictions, the Company's performance for the quarter has improved over the quarter ended 30th September, 2020. Further, the Company has made detailed assessment of the recoverability and carrying value of its assets comprising property, plant and equipment, inventories, receivables and other current assets as at the period end and on the basis of evaluation, has concluded that no material adjustments are required in the financial results. Given the uncertainties associated with the nature, condition and duration of COVID-19, the impact assessment on the Company's financial statements will be continuously made and provided for as and when required.
- The Indian Parliament has approved the Code of Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. Based on initial assessment by the Company, the additional impact on Provident Fund contributions by the Company is not expected to be material, whereas, the likely additional impact on Gratuity liability / contributions by the Company could be material. The Company will complete their evaluation and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- The previous financial period/year figures have been regrouped/rearranged wherever necessary to make them comparable.

Place : Mumbai
Dated : 12.02.2021



For and on behalf of Board of directors of
SKY INDUSTRIES LTD

Sharad S. Shah
SHARAD S. SHAH
WHOLE TIME DIRECTOR
DIN: 00006114

MBR



UKG & ASSOCIATES

CHARTERED ACCOUNTANTS

Champak K. Dedhia B.Com., FCA

Gautam R. Mota B.Com., LLB, FCA


LIMITED REVIEW REPORT

To,
The Board of Directors,
Sky Industries Limited
Mumbai

Independent Auditor's report on standalone unaudited quarterly financial results and year to date results of the company pursuant to the regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations 2015, (as amended)

1. We have reviewed the accompanying statement of unaudited financial results ("Statement") of **Sky Industries Limited** (the 'Company') for the quarter ended 31st December, 2020 and year to date from April 01, 2020 to December 31, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the regulation), as amended, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. These financial statements are the responsibility of the Company's management and have been approved by the Board of Directors of the Company, and have been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these standalone financial statements based on our review.
3. We conducted our review in accordance with the standard on Review Engagements (SRE) 2410, "*Review of Interim Financial Information performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For UKG & Associates
Chartered Accountants
Firm Reg. No.: 123393W


Champak K. Dedhia
Partner
Membership No. 101769
Mumbai, 12th February, 2021
UDIN: 21101769AAAAGG9506

