

# ANNUAL REPORT 2020-2021



**SKY**

SKY INDUSTRIES LTD.



# INSIDE THE REPORT

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## Caution Regarding Forward-Looking Statements

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other synonyms. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

## ABOUT US


Sky Industries Limited incorporated in the year 1989 is one of India's leading players in Narrow Woven Fabrics. The Company has grown to become one of India's leading suppliers and dominant players in Narrow Woven Fabrics, especially Hook and Loop tape fasteners and other value added.

The Company has its footprint not just in India but also caters to global demand originating from USA, Germany, Turkey, Bangladesh and Sri Lanka. The wide range of products includes various types of hook and loop fasteners, Value added products, neoprene, velvet, elastic and other customized products.


With over 25 years of experience, we have gained recognition as a specialist in providing hook and loop fastening solutions and many more. We have served to some of the most reputed companies from various Industries like Footwear, Infant Wear, Orthopaedic, Automotive, Defence, Apparel, Packaging and Nominated in the BIS Committee for setting Standards of Hook and Loop Tape Fasteners in India.

The Company holds prestigious certifications like ISO, IATF, OEKOTEX.

For more, please visit our website: [www.skycorp.in](http://www.skycorp.in);

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## ANNUAL REPORT

We are proud to present our 32nd Annual Report of Sky Industries Limited. This Report aims to provide detailed insights into Companies performance along with showcasing our process of value creation to our stakeholders while providing an overview of our progress from last year. Our Board acknowledges the contents of this Report, which are prepared under the guidance of senior management and based on the inputs received from various key functions.

Sections of the 32nd Annual Report also complies with the requirements as stated in the Companies Act, 2013 (including the rules made thereunder), the Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India.

The Board believes that 32nd Annual Report for the Financial Year 2020-21 addresses all material topics, offers a balanced and holistic view of its strategy and the organisational ability to create long-term value.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Managing Director

Mr. Shailesh S. Shah

### Whole Time Directors

Mr. Sharad S. Shah

Mr. Maikal Raorani

Mr. Vaibhav Desai

### Independent Directors

Mr. Lokanath Suryanarayan Mishra

Mr. Amarendra Mohapatra

Mrs. Sanghamitra Sarangi

### Chief Financial Officer

Maikal Raorani

### Company Secretary & Compliance Officer

Swapnil Soni

## BOARD COMMITTEES

### Audit Committee

Mr. Lokanath Suryanarayan Mishra  
Chairman

Mr. Amarendra Mohapatra  
Member

Mrs. Sanghamitra Sarangi  
Member

Mr. Maikal Raorani  
Member

### Nomination & Remuneration Committee

Mr. Lokanath Suryanarayan Mishra  
Chairman

Mr. Amarendra Mohapatra  
Member

Mrs. Sanghamitra Sarangi  
Member

### Stakeholders' Relationship Committee

Mr. Lokanath Suryanarayan Mishra  
Chairman

Mr. Amarendra Mohapatra  
Member

Mrs. Sanghamitra Sarangi  
Member

Mr. Maikal Raorani  
Member

## STATUTORY AUDITORS

CGCA & Associates, Chartered Accountants  
(Previously known as UKG & Associates, Chartered Accountants)

## INTERNAL AUDITORS

Sitendu Sharma & Co. Chartered Accountant

## REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited  
C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083.  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## BANKER

Kotak Mahindra Bank

## CIN

L17120MH1989PLC052645

## REGISTERED OFFICER

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

## CORPORATE OFFICE

1101, Universal Majestic, Ghatkopar Mankhurd Link Road,  
Chembur (W), Mumbai – 400043.

Email: [corporate@skycorp.in](mailto:corporate@skycorp.in)

Website: [www.skycorp.in](http://www.skycorp.in)



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# OUR FINANCIAL PERFORMANCE

## REVENUE FROM OPERATION

(Rs. in Lakhs)



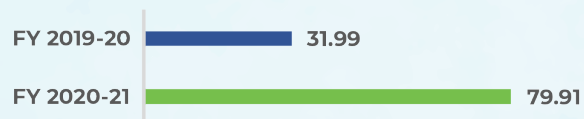
## EBIDTA

(Rs. in Lakhs)



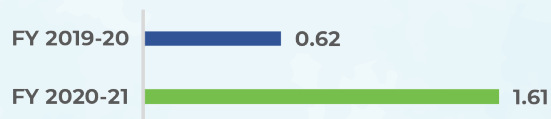
## NET PROFIT

(Rs. in Lakhs)



## EARNING PER SHARES

(in Rs.)



## DIVIDEND PER SHARES

(in Rs.)



## RETURN ON NET WORTH (%)



# NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY SECOND ANNUAL GENERAL MEETING ('AGM') OF THE MEMBERS OF SKY INDUSTRIES LIMITED ('THE COMPANY') WILL BE HELD ON TUESDAY, JUNE 29, 2021 AT 11.00 A.M. IST THROUGH VIDEO CONFERENCING ('VC') / OTHER AUDIO-VISUAL MEANS ('OAVM') FACILITY, TO TRANSACT THE FOLLOWING BUSINESS:

## Ordinary Business:

### 1. Adoption of Financial Statements and Reports thereon

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021 and the Reports of the Board of Directors and Auditors thereon;

### 2. Declaration of Dividend

To declare a final dividend of Re. 1/- per share for the Financial Year ended March 31, 2021.

### 3. Appointment of a Director in place of the one retiring by rotation

- To appoint a Director in place of Mr. Sharad S. Shah (DIN: 00006114), who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. Maikal Raorani (DIN: 00037831), who retires by rotation and, being eligible, offers himself for re-appointment.

## Registered Office:

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

April 27, 2021  
Mumbai

By Order of the Board of Directors  
For **Sky Industries Limited**

sd/-  
**Shailesh S. Shah**  
Managing Director  
DIN: 0006154

## Notes:

- In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular Nos. 14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of Ordinary and Special Resolutions by Companies under the Companies Act, 2013 ("the Act") and the rules made thereunder on account of the threat posed by Covid-19", Circular No. 20/2020 dated May 05, 2020 in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio-visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulation") – Covid-19 pandemic" and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the Listing Regulations due to the Covid-19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the Members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
- The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM are also annexed to this Notice.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e., other than Individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or Governing Body Resolution / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to [fcsrcm@gmail.com](mailto:fcsrcm@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, June 26, 2021 to Monday, June 28, 2021, both days inclusive for the purpose of AGM & determining the eligibility for the Final Dividend, if declared by the Members at the 32nd AGM.
6. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, the payment of such dividend subject to deduction of tax at source will be made on or after June 29, 2021 as under:
  - a. In respect of shares held in dematerialised form, the beneficial owners of the shares as at the close of business hours on Tuesday, June 22, 2021 as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
  - b. In respect of shares held in physical form, to the Members whose names appear in the Company's Register of Members on Tuesday, June 22, 2021.
7. Members may please note that their bank details, as furnished to their respective Depository Participants / the Registrar and Share Transfer Agent, Link Intime India Private Limited ("LIILP") will be mandatorily printed on their dividend warrants as advised by the Securities and Exchange Board of India. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses once the postal facility is operational. To avoid delay in receiving the dividend, members who have not submitted their bank account details or in case of change in bank details or change in address are requested to furnish the same:
  - a. In respect of shares held in dematerialised form, to their respective Depository Participants
  - b. In respect of shares held in physical form, to the Registrar and Share Transfer Agent
8. Pursuant to SEBI circular dated April 20, 2018, Shareholders whose ledger folios having incomplete details with regard to PAN and Bank particulars are required to compulsorily furnish the same to the Registrar and Share Transfer Agents (RTA)/ to the company for registration in the folio.
9. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or / the Registrar and Share Transfer Agent, LIILP for assistance in this regard.
10. Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, email address etc. to the RTA at the following address:

**Link Intime India Private Limited ("LIILP"),**  
 C-101, 247 Park, L.B.S. Marg,  
 Vikhroli (West), Mumbai – 400083.

If the shares are held in electronic form, then change of address and change in the Bank Accounts etc., should be furnished to their respective Depository Participants.

11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent - LIPL for consolidation into a single folio.
12. In case of joint holders, the Member whose name appears as first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 and January 15, 2021, the Annual Report 2020-21, the Notice of the AGM and the Instructions for e-Voting are being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company / respective Depository Participants. Members may also note that the Annual Report 2020-21 and the Notice convening the AGM are also available on the Company's website [www.skycorp.in](http://www.skycorp.in), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of National Securities Depository Limited (NSDL) (agency for providing the Remote e-Voting facility) <https://www.evoting.nsdl.com>.
14. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
15. The attendance of the Shareholders attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
17. The Shareholders, seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 5:00 P.M., Thursday, June 24, 2021, through Email on [corporate@skycorp.in](mailto:corporate@skycorp.in). The same will be replied by/on behalf of the Company suitably.
18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system (e-Voting from a place other than venue of the AGM) ("remote e-voting") as well as e-Voting during the proceeding of the AGM ("e-Voting at the AGM") will be provided by NSDL.
19. The Board of Directors has appointed M/s. Ramesh Chandra Mishra & Associate, Company Secretary in Practice having Membership No.: FCS 5477 and Certificate of Practice No.: 3987, as a Scrutinizer to scrutinize the voting process in a fair and transparent manner.
20. The remote E-voting period commences on Saturday, June 26, 2021 at 10:00 AM and ends on Monday, June 28, 2021 at 5:00 PM. During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, June 22, 2021 i.e., cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through Remote E-voting and are otherwise not barred from doing so, shall be eligible to vote through E-voting system during the AGM.

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

##### **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*



## Step 1: Access to NSDL e-Voting system

### A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual Shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS</b> facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the <b>"Beneficial Owner"</b> icon under "Login" which is available under <b>"IDeAS"</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDeAS"</b> Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="https://web.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of <b>e-Voting service provider</b> i.e. NSDL. Click on NSDL to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="https://web.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to <b>e-Voting website of NSDL</b> for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



**Important note:**

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN: 116072" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [fcsrcm@gmail.com](mailto:fcsrcm@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Sarita Mote, Assistant Manager, NSDL) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e., June 22, 2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 4430.
5. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., June 22, 2021 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system.

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [corporate@skycorp.in](mailto:corporate@skycorp.in) and to the Registrars and Transfer Agents, LILP.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [corporate@skycorp.in](mailto:corporate@skycorp.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e., Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed.
2. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at [corporate@skycorp.in](mailto:corporate@skycorp.in) from June 21, 2021 (10:00 a.m. IST) to June 24, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
7. Members who need assistance before or during the AGM, can contact Ms. Sarita Mote, Assistant Manager, NSDL on 1800 1020 990/ 1800 224 430 or contact at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### **Other Information:**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and make, not later than 2 Working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.skycorp.in](http://www.skycorp.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

#### **Registered Office:**

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

April 27, 2021  
Mumbai

By Order of the Board of Directors  
For **Sky Industries Limited**

sd/-  
**Shailesh S. Shah**  
Managing Director  
DIN: 0006154

## ANNEXURE 1

## DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

Name of the Director	Sharad S. Shah	Maikal Raorani
DIN	00006114	00037831
Date of Birth	02/12/1954	15/06/1973
Age	67 years	48 Year
Date of first appointment on the Board	01/01/1993	06/12/2017
Qualification	Graduate in Commerce	B.E. & MBA
Experience and Expertise	He having vast experience in administration and business.	He is having expertise in the field of Financial, Commercial and Legal matters.
No. of Meetings of the Board attended during the year	5 of 5	5 of 5
List of Directorship of other Boards	-	Cricketnco Apparels Private Limited
List of Membership / Chairmanship of Committees of other Boards	-	a) Sky Industries Limited Audit Committee – Member b) Sky Industries Limited Stakeholders Relationship Committee – Member
Shareholding in Company	862043 Shares	22500 Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Brother: Mr. Shailesh S. Shah, Managing Director	-
Terms and Conditions of re-appointment	As per the Nomination & Remuneration Policy of the Company as displayed on the Company's website i.e., <a href="http://www.skycorp.in">www.skycorp.in</a>	
Details of remuneration last drawn (FY 2020-21) *	20.00 Lakhs	12.00 Lakhs
Justification for choosing the appointees for appointment as Independent Directors	Not Applicable	

\* Remuneration includes covid deductions.

**Registered Office:**

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

April 27, 2021  
Mumbai

By Order of the Board of Directors  
For **Sky Industries Limited**

sd/-  
**Shailesh S. Shah**  
Managing Director  
DIN: 0006154

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY STRUCTURE AND DEVELOPMENTS

Sky Industries Limited ("Company") established in 1989, is one of the pioneers in the fields of technical textiles and more particularly Hook and Loop Tape fasteners. The Industry comprises of few organized and unorganized players. However, the Company is market leader in the premium segment of the product. The Industry caters to many larger Industries like Footwear, Orthopaedic, Aviation, Automobile, Defence etc. The industry has evolved from being import dependent to exporting one.

Presently about 10% of Companies revenue is derived from exports to various countries across the globe. The Company has a strong presence in key markets, such as USA, Europe, Turkey, Bangladesh etc.

## OPPORTUNITIES AND THREATS

The year 2020-21 was plagued with COVID-19 and subsequent lockdowns imposed across the world to contain the virus spread, economic activities came to a standstill initially. Though there were green shoots observed across major industry segments in the third and fourth quarter of FY 2020-21, the level of activities seen during pre-covid times was yet to be achieved. It was an unprecedented year, with the Covid-19 pandemic affecting countries, businesses and individuals across the world.

COVID-19 has placed the Company in advantageous position to capitalize on those international customers who want to shift their supply chain from China. COVID-19 was something which came in unexpected and has a significant not only on the Company, but many organizations across the country. Apart from those, the traditional threats like imports and other new emerging players with access to Asian markets that are creating intense competition for the company's products. Though in last couple of decades no new fastening applications have been able to dislodge Hook and Loop Tape fasteners, the threat of new applications coming in cannot be entirely ruled out. The Company is thus looking to de-risk itself by going in for related diversification, leveraging on its present robust domestic customer base.

India is the second largest producer and exporter of textiles after China. The textiles and apparel industry constitutes 12% of the total exports of the country. The Company has always faced threats of Chinese products, both domestically and in export market. However, the Company has been able to sustain itself on basis of quality product offerings domestically and in international market. The US-China trade war has thrown ample opportunities for exports from India and the Company has the opportunity of capturing steadily growing markets by undertaking capacity expansion. The Company is in process of evaluating various options for the same and plan to grow internationally keeping in view the new opportunities created. The exports in last two years have grown almost five times, and in this year the Company seems to be poised for more.

## SEGMENT-WISE PERFORMANCE

The Company has one segment of activity namely "Fastening solutions under the broader category of Narrow Woven Fabrics". Hence, Accounting Standard on Segment Reporting (AS - 17) issued by the Institute of Chartered Accountant of India does not apply.

The Company has performed well with sustained margins notwithstanding rise in input costs. The Company has absorbed cost increases and yet improved margins with purchasing efficiencies, improvement in manufacturing yield/usage and overall expenditure control.

## 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/Webbing tapes like new competitor setting up business or expanding of the existing players owing to the market available. The Company functions in a dynamic business environment and its operations may be exposed to varied risks. To mitigate its impact, the Company appropriately identifies and assesses threats and takes necessary actions to address such risks.

The Company also has adopted and implemented a Risk Management Policy for identifying risks to the Company, procedures to inform Board members about the risk assessment and minimization procedures, monitoring the risk management plan, etc.



**RISK MITIGATION STRATEGIES****Market Risk**

Due to the global Covid-19 pandemic, supply chain issues may directly affect market demand for our products.

The Company is looking at alternate sources of supply of the raw materials and other inputs.

**Raw Material Procurement**

Fluctuation in raw material prices can adversely affect the Company's profitability and margins. Inability to procure raw materials at suitable prices may affect the Company.

The Company has multiple sources of raw material. Certain increase in raw material prices was passed on to the end customers, with a view to protect the margins.

**Management Risk**

Changes in Key Managerial positions and senior administrative levels may impact operations, decision making and information flow within the organization which may affect overall business.

The Company has been fortunate enough to see major changes in the top and middle level management. The Organisation has well laid out strategies for compensating and rewarding the employees including giving ESOPs etc

**Operation & Maintenance**

The company is equipped with state-of-the-art manufacturing facilities. However, inability to procure spare parts or in the event of any unprecedented crisis, the Company's operations may be impacted.

The Company has multiple vendors across geographies, and thus mitigating this risk.

**Current Volatility Risk**

As the company caters to a number of foreign clients, it is exposed to risks associated with foreign currency fluctuations.

Since the Company has exports, to that extent there is a natural hedge.

**Competition Risk**

In a constantly changing textile industry, inability to meet the needs of clients, especially those of outsourced manufacturers, may result in a loss of market share, taking into consideration the competitive business landscape.

Company's strategy of providing end-to-end solutions and innovative products, and maintaining strong relationship with clients helps in reducing competitive risks.

**Environment Risk**

The chemicals employed in the manufacturing process can be harmful for the environment.

The Company has primary, secondary and tertiary effluent treatment process, and takes all due care to ensure minimal damage to the environment.

## OUTLOOK

As a Company, Sky Industries Limited is optimistic about future as well as its growth path. The Company is confident in the ability to grow its business organically with enhance the production and adopt new technology.

Post the initial lag during the start of the year, the Company expects the market for narrow woven fabrics to grow reasonably in line with general industrial outlook. The export sector is also expected to grow moderately.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information. Critical functions are rigorously reviewed and the reports are shared with the Management for timely corrective actions, if any.

The qualified, experienced and independent Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal controls systems and suggests improvements for strengthening whenever required. The Company has an Internal Audit function which functionally reports to the Chairman of the Audit Committee, thereby maintaining:

1. Effectiveness and efficiency of operations
2. Prevention and detection of frauds and errors
3. Safeguarding of assets from unauthorised use or losses
4. Accuracy and completeness of accounting records
5. Compliance with applicable laws and regulations
6. Timely preparation of reliable financial information

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Your Company strongly believes that its employees are the key pillar of your Company's success in the market. Your Company continues to attract the best of talent, thanks to its diverse yet inclusive culture and ability to seek opportunities for their career growth. The Company provides a professional work environment and maintains healthy relations with its employees. As on March 31, 2021, the Company had 62 employees on its rolls.

The Company has never been so severely tested before on the resilience front than recently when the Company was itself coping and helping its employees cope with the COVID-19 outbreak. The health of our employees is of paramount importance. With the outbreak of COVID-19 virus, Company has taken extra precaution at workplaces to ensure that all its employees are protected well against the virus. These measures include conducting regular sanitization drives across our offices & factories and regular communication with employees to ensure their physical and mental wellbeing.

These are challenging times and the Company has taken several steps to stay connected with our workforce and customers and to support them during these uncertain times. Proactive work from home was initiated for all employees by end-March 2020. Employees were equipped with a number of resources and support which enabled them to work from a remote environment, efficiently and effectively.

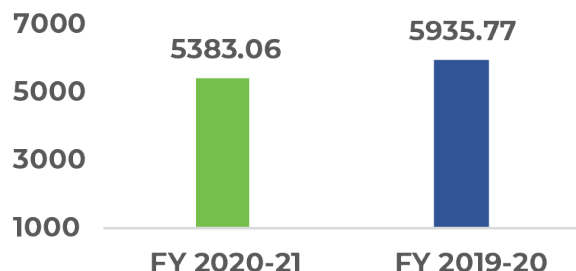
The company acknowledges the efforts of its people and takes great pride in the dedication, sincerity and hard work of its workforce

## DISCUSSION ON FINANCIAL PERFORMANCE

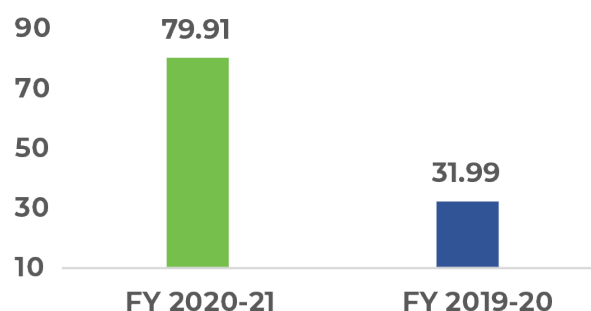
## 1. The summary of the operating performance is given below:

Particulars	FY 2020-21	FY 2019-20	% of Change
Revenue from Operation	5340.38	5932.48	-10%
Operating Profit (EBITDA)	553.5	443.6	25%
Finance Cost	115.2	115.83	-1%
Depreciation Cost	205.95	209.9	-2%
Profit Before Tax	140.3	31.97	339%
Profit After Tax	79.91	28.76	178%

**Revenue from Operation**  
(Rs. in Lakhs)



**Profit After Tax**  
(Rs. in Lakhs)



The Financial Results for the year ended March 31, 2021, have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Previous periods figures have been restated as per Ind AS to make them comparable.

## 2. Key financial ratios of the Company showing financial performance are as under:

Ratios	FY 2020-21	FY 2019-20	% of Change
Debtors Turnover (in days)	87	69	25%
Inventory Turnover (in days)	81	95	-15%
Interest Coverage Ratio	4.8	3.8	25%
Current Ratio	1.50:1	1.28:1	17%
Debt Equity Ratio	0.44:1	0.44:1	-
Operating Profit Margin (%)	8.21%	5.50%	49%
Net Profit Margin (%)	1.48%	0.40%	270%
Return on Net worth (%)	3.11%	1.49%	109%

## CAUTIONARY STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to your Company's Operations. These include climatic and economic conditions affecting demand and supply, government regulations, taxation, and natural calamities over which the Company does not have any direct control.

# DIRECTORS' REPORT

Dear Members

Your Directors are pleased to present the Thirty Second Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended March 31, 2021.

## 1. CORPORATE OVERVIEW

Sky Industries Limited incorporated in the year 1989 is one of India's leading players in Narrow Woven Fabrics. The Company has grown to become one of India's leading suppliers and dominant players in Narrow Woven Fabrics, especially Hook and Loop tape fasteners. The Company's stronghold is its local manufacturing capability undertaken at its facilities located at Bhiwandi & Navi Mumbai. The Company has its footprint not just in India but also caters to global demand originating from USA, Germany, Italy, Australia, Turkey, Bangladesh and Sri Lanka.

## 2. FINANCIAL SUMMARY AND HIGHLIGHTS

The highlights of the Company's financial results for the Financial Year 2020-21 are as under:

(Rs. in Lakhs)

PARTICULARS	FY 2020-21	FY 2019-20
Gross Total Revenue	5383.06	5935.77
Profit before Tax & Exceptional items	232.35	117.87
Profit before Tax after Exceptional items	140.30	31.97
Profit for the period after tax	79.91	28.76
Total Comprehensive income	87.96	31.97
<b>APPROPRIATIONS</b>		
Dividend	55.49	24.18

Mainly Company's Hook and Loop Tape fasteners is a major division, contributes to approximately 70% of the overall revenue. The Company registered Profit after tax of Rs. 79.91 Lakhs during the year under review as against Rs. 28.76 Lakhs for the previous financial year.

The Financial Statements for the year ended March 31, 2021 have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. There are no material departures from the prescribed norms stipulated by the accounting standards in preparation of the annual accounts.

Management evaluates all recently issued or revised accounting standards on an on-going concern basis. The Company discloses Financial Results on a quarterly basis, which are subject to Limited Review and publishes Audited Financial Results on an annual basis.

## 3. IMPACT OF GLOBAL CRISIS: COVID-19

Year 2020 was an unprecedented year, with the Covid-19 pandemic affecting countries, businesses and individuals across the world. The World Health Organisation (WHO) declared COVID-19 a global pandemic on March 2020 and the Ministry of Home Affairs, Government of India on March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of COVID-19. Consequently on March 26, 2020, the operations were shut down completely.

Company followed the same, keeping a people-first approach. Proactive work from home was initiated for all employees by end of March 2020. Employees were equipped with a number of resources and support which enabled them to work from a remote environment, efficiently and effectively.

In the course of time, the Company received approval from the concerned authorities of the State of Maharashtra to resume its operation from April 17, 2020 & May 03, 2020 for Bhiwandi & Navi Mumbai factory respectively and with complying to COVID-19 guidelines, resumed operations with a limited workforce.

The health of our employees is of paramount importance. With the outbreak of COVID-19 virus, Company has taken extra precautions at workplaces to ensure that all its employees are protected well against the virus. These measures include conducting regular sanitization drives across our offices & factories and regular communication with employees to ensure their physical and mental wellbeing. These are challenging times and the Company has taken several steps to stay connected with our workforce and customers and to support them during these uncertain times.

The Company has a strong business framework which enabled us to respond to the COVID-19 crisis with swiftness. Although, there are uncertainties due to the pandemic, the Company had a strong cash position as of March 31, 2021 and expects to meet its on-going cash obligations as relates to its lease rentals, debt repayments and other financial obligations.

We will remain resolute in our goals of employee safety, business continuity and of being a trusted partner to our customers.

#### **4. DIVIDEND**

In spite of difficult year, the Board of Directors considering the Company's financial performance and the availability of distributable profit, have pleased to recommend a dividend of Re. 1 per equity share of Rs. 10/- each (i.e., 10%) for the Financial Year ended on March 31, 2021 subject to the approval of Members in the ensuing Annual General Meeting of the Company.

The Company continues with its task to build businesses with long-term goals based on its intrinsic strengths in terms of its powerful brands, quality manufacturing prowess, distribution strengths and customer relationships.

#### **5. INCREASE IN ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL**

During the year under review, the Company issued and allotted 72,345 Equity Shares to eligible employees on exercise of options granted under the Sky Industries Employee Stock Option Plan 2018 (hereinafter "ESOP 2018") of the Company.

The Company on November 12, 2020 has issued & allotted 2,40,000 Equity Shares upon the Conversion of Warrants into Equity Shares of face value of Rs. 10 each at a price of Rs. 29.25/- to Mr. Shailesh S. Shah, Promoter & Managing Director of the Company.

Further, pursuant to Shareholders Resolution passed on January 09, 2021 and In-principle approval received from the BSE Limited on February 01, 2021, the Board on February 12, 2021 has issued and allotted 4,00,000 Equity Shares of face value of Rs. 10 each at a price of Rs. 30 per Equity Share aggregating to an amount of Rs. 1,20,00,000 to Non-Promoter Group of Company, on Preferential basis and 20,00,000 Convertible Warrants into Equity Shares of having face value of Rs. 10 each at a price of Rs. 30 each aggregating to an amount of Rs. 6,00,00,000 to both Promoter & Non-Promoter group, on preferential basis.

At the end of year, Companies issued, subscribed and paid-up capital was 5,54,87,45 Equity Shares of Rs 10 each.

The change in paid-up share capital during the year was as under:

<b>Particulars</b>	<b>No. of Securities Allotted</b>	<b>Cumulative Paid-up Share Capital</b>
Capital at the beginning of the year, i.e., as on April 01, 2020	-	48,36,400
Allotment of Equity Shares on July 08, 2020, pursuant to exercise of options granted under ESOP 2108 to eligible employees.	31,569 Equity Shares	48,67,969
Allotment of 2,40,000 Equity Shares at a price of Rs 29.25 each on November 12, 2020 upon Conversion of Warrants to Mr. Shailesh S. Shah, Managing Director & Promoter of Company.	2,40,000 Equity Shares	51,07,969
Allotment of 4,00,000 Equity Shares at a price of Rs. 30 each on February 12, 2021 to Non-Promoter group of Company on preferential basis.	4,00,000 Equity Shares	55,07,969

Particulars	No. of Securities Allotted	Cumulative Paid-up Share Capital
Allotment of 20,00,000 Convertible Warrants into Equity Shares at a price of Rs. 30 each on February 12, 2021 to both Promoter & Non-Promoter group, on preferential basis.	20,00,000 Warrants	55,07,969
Allotment of Equity Shares on March 08, 2021, pursuant to exercise of options granted under ESOP 2108 to eligible employees.	40,776 Equity Shares	55,48,745
Capital at the end of the year, i.e., as on March 31, 2021	-	55,48,745

*Note: Allotment of 2,50,000 Equity Shares was made pursuant to conversion of Warrants into Equity Shares (Last Tranche) on April 27, 2021.*

There were no instances where the Company failed to implement any corporate action within the specified time limit.

## 6. CREDIT RATING

As on the report date, CRISIL's assigned ratings with respect to the bank / credit facilities availed by the Company is as follows:

SN	PARTICULARS	RATING ASSIGNED
1.	Long Term Rating	CRISIL BB+/Stable (Reaffirmed)
2.	Short Term Rating	CRISIL A4+ (Reaffirmed)

## 7. PERFORMANCE OF SUBSIDIARY COMPANIES

The Company has no subsidiaries, therefore not required to provide detail of performance of subsidiary Company. Hence, AOC -1 is not required to be attached to the said report.

## 8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is provided in a separate section and forms an integral part of the Annual Report.

## 9. CORPORATE GOVERNANCE

The Company's Paid-up Equity Share Capital and Net Worth, on last day of the previous year, i.e., on March 31, 2021, was Rs. 554.87 Lakhs and Rs. 2568.07 Lakhs respectively, which does not meet the criteria of applicability as per threshold limit mentioned in the Regulation 15(2) of the Listing Regulations. Hence, Pursuant to Regulation 27 of the Listing Regulations, the requirement of furnishing report on Corporate Governance is not applicable to the Company for the Financial Year under review.

## 10. DIRECTORS

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Sharad S. Shah, Whole Time Director and Mr. Maikal Raorani, Whole Time Director & CFO retires by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, offers themselves for re-appointment. The Board recommends their re-appointment for the consideration of the Members of the Company at the forthcoming AGM on the terms and conditions mentioned in the Notice convening the AGM. A brief profile of Mr. Sharad S. Shah and Mr. Maikal Raorani has also been provided therein.

During the year under review, the Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Lokanath Suryanarayan Mishra (DIN: 03364948) as Non-Executive Independent Director on the Board of Directors of the Company in accordance with Section 149(4) of the Act, with effect from July 08, 2020 to hold office for a term of 5 (five) consecutive years.



Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee, re-appointed Mr. Vaibhav Desai (DIN: 06673723) as Whole Time Director for a period of 3 (three) consecutive years with effect from October 01, 2020, on the terms and conditions including remuneration approved by the Board.

All Independent Directors of the Company have given declarations that they meet the conditions of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors fulfil the said conditions of independence. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

The Ministry of Corporate Affairs ("MCA") vide Notification Number G.S.R. 804(E) dated October 22, 2019 and effective from December 01, 2019 has introduced the provision relating to inclusion of names of Independent Directors in the Data Bank maintained by Indian Institute of Corporate Affairs (IICA). All Independent Directors of the Company are registered with IICA.

In the opinion of the Board, the Independent Directors possess the requisite integrity, experience, expertise, proficiency and qualifications.

## 11. KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 203 of the Act, the following are the Key Managerial Personnel ("KMP") of the Company:

SN	NAME	DESIGNATION
1	Mr. Shailesh S. Shah	Managing Director
2	Mr. Maikal Raorani	Whole Time Director & Chief Financial Officer
3	Mr. Swapnil Soni*	Company Secretary & Compliance Officer

\* Subsequent to the cessation of Ms. Gauri Rane as Company Secretary & Compliance Officer of the Company with effect from September 11, 2020, Mr. Swapnil Soni was appointed as Company Secretary & Compliance Officer of the Company also designated as KMP with effect from February 12, 2021.

## 12. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2020-21, Five Meetings of the Board of Director were held i.e., on July 08, 2020, September 11, 2020, November 12, 2020, December 03, 2020 & February 12, 2021.

The requisite quorum was present at all the Meetings. The table below provides the attendance of the Board of Directors of Company:

SN	NAME OF DIRECTOR	CATEGORY	NO. OF BOARD MEETING
1	Mr. Shailesh S. Shah	Managing Director	5 of 5
2	Mr. Sharad S. Shah	Whole Time Director	5 of 5
3	Mr. Maikal Raorani	Whole Time Director & CFO	5 of 5
4	Mr. Vaibhav Desai	Whole Time Director	5 of 5
5	Mr. Amarendra Mohapatra	Independent Director	5 of 5
6	Ms. Sanghamitra Sarangi	Independent Director	5 of 5
7	Mr. Lokanath Suryanarayan Mishra*	Independent Director	5 of 5

\* Mr. Lokanath Suryanarayan Mishra was appointed as an Independent Director on the Board of Company w.e.f. July 08, 2020.

### 13. COMMITTEES OF THE BOARD

The Committees of the Board of Directors of the Company plays vital role in the governance and focus on specific areas and make informed decisions within the delegated authority. Each Committee is governed by their respective terms of reference which exhibit their composition, scope, powers, duties and responsibilities.

The Board of Directors has the following Committees:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders Relationship Committee

The details of the Committees of the Board along with their composition, number of meetings and attendance at the meetings are as follows:

#### A. AUDIT COMMITTEE

Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 of the Listing Regulations.

All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

During the Financial Year 2020-21, Five Audit Committee Meetings of the Board of Directors of Company held i.e. on July 08, 2020, September 11, 2020, November 12, 2020, December 03, 2020 & February 12, 2021.

The table below provides the attendance of the Audit Committee Members:

SN	NAME OF DIRECTOR	POSITION	CATEGORY	NO. OF MEETINGS
1	Mr. Lokanath Suryanarayan Mishra*	Chairman	Independent Director	5 of 5
2	Mr. Amarendra Mohapatra	Member	Independent Director	5 of 5
3	Ms. Sanghamitra Sarangi	Member	Independent Director	5 of 5
4	Mr. Maikal Raorani	Member	Whole Time Director & CFO	5 of 5

\* Mr. Lokanath Suryanarayan Mishra was appointed as an Independent Director on the Board of Company w.e.f. July 08, 2020.

The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Unaudited Financial Statements and on annual basis, Audited Financial Statement as required under Regulation 33 of the Listing Regulations. The Company's Financial Statements are made available on the website [www.skycorp.in](http://www.skycorp.in) and are also sent to the Stock Exchange where the Company's Equity Shares are listed for display at their websites.

The Audit Committee also oversees and reviews the functioning of a vigil mechanism and reviews the findings of investigation into cases of material nature and the actions taken in respect thereof. The Audit Committee also provides for adequate safeguards against victimization of whistle blowers who avail of the mechanism. The Vigil Mechanism/ Whistle Blower Policy has been hosted on Company's website [www.skycorp.in](http://www.skycorp.in).

The Company continued to strengthen its commitment towards good governance. The Company has a Code of Conduct for Prevention of Insider Trading ('Insider Trading Code') pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Audit Committee also oversees Insider Trading Policy and supervises in implementation of the Insider Trading Code.

**B. NOMINATION & REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee duly constituted by the Board of Directors has a well-defined composition of members and terms of reference in accordance with Section 178 of the Act and applicable Rules thereto and in accordance with Regulation 19 of the Listing Regulation.

During the Financial Year 2020-21, Three Nomination and Remuneration Committee Meetings of the Board of Directors of Company held i.e. on July 08, 2020, February 12, 2021 & March 08, 2021.

The table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at all the Meetings.

SN	NAME OF DIRECTOR	POSITION	CATEGORY	NO. OF MEETINGS
1	Mr. Lokanath Suryanarayan Mishra*	Chairman	Independent Director	3 of 3
2	Mr. Amarendra Mohapatra	Member	Independent Director	3 of 3
3	Ms. Sanghamitra Sarangi	Member	Independent Director	3 of 3
4	Mr. Maikal Raorani	Member	Whole Time Director & CFO	1 of 1

\* Mr. Lokanath Suryanarayan Mishra was appointed as an Independent Director on the Board of Company w.e.f. July 08, 2020.

The Nomination & Remuneration Committee also oversees Implementation, administration and superintendence and for formulation of the detailed terms and conditions of the Sky Industries Employee Stock Option Plan 2018.

**C. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Pursuant to provisions of Section 178(5) of the Act read with Regulation 20 of the Listing Regulations, Stakeholders Relationship Committee of the Board has been constituted.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Link Intime India Private Limited attends to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

During the Financial Year 2020-21, Four Stakeholders Relationship Committee Meetings of the Board of Directors of Company held i.e., on July 08, 2020, September 11, 2020, November 12, 2020 & February 12, 2021.

The table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at all the Meetings.

SN	NAME OF DIRECTOR	POSITION	CATEGORY	NO. OF MEETINGS
1	Mr. Lokanath Suryanarayan Mishra*	Chairman	Independent Director	4 of 4
2	Mr. Amarendra Mohapatra	Member	Independent Director	4 of 4
3	Ms. Sanghamitra Sarangi	Member	Independent Director	4 of 4
4	Mr. Maikal Raorani	Member	Whole Time Director & CFO	4 of 4

\* Mr. Lokanath Suryanarayan Mishra was appointed as an Independent Director on the Board of Company w.e.f. July 08, 2020.

**14. BOARD EVALUATION**

Pursuant to the provisions of the Act and the Listing Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Directors was completed during the year under review. The Independent Directors of the Company have held one meeting during the year on March 30, 2021, without the presence of Non-Independent Directors and members of the management to review the performance of Non-Independent Directors and the Board of Directors as a whole.

The Board of Directors expressed their satisfaction with the evaluation process.

## 15. NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Executive & Non-Executive Directors, Key Managerial Personnel, Senior Management and other employees of the Company.

The policy outlines the criteria for determining qualifications, positive attributes, relevant experience and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates.

The Policy also lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees.

The weblink for Nomination and Remuneration Policy of the Company are available on the website of the Company and can be accessed through the web link at [www.skycorp.in](http://www.skycorp.in).

## 16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances and to provide adequate safeguards against victimization of persons who may use such mechanism. The Whistle Blower Policy has been posted on the website of the Company at [www.skycorp.in](http://www.skycorp.in).

During the financial year under review, no complaints were received under the Whistle Blower Policy / Vigil mechanism.

## 17. SKY INDUSTRIES EMPLOYEE STOCK OPTION PLAN – 2018 (“ESOP 2018”)

The Company at its Nomination & Remuneration Committee Meeting held on July 08, 2020 & March 08, 2021, has issued and allotted 31569 & 40776 Equity Shares respectively to the employees against exercise of equal number of stock options pursuant to ESOP 2018.

A certificate from the Statutory Auditors certifying that the scheme viz. ESOP 2018 has been implemented in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and in accordance with the Resolution(s) passed by the Members has been obtained and would be available for inspection by the Members of the Company

The disclosure with respect to ESOP 2018 as required by the SEBI (Share Based Employee Benefits) Regulations, 2014, has been annexed as **Annexure ‘A’** to the Boards’ Report.

## 18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to Financial Statements forming part of the Annual Report.

## 19. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm’s length basis and thus a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. All related party transactions are mentioned in the notes to the accounts.

All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are

verified by the Risk Assurance Department and a statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company and can be seen at the link [www.skycorp.in](http://www.skycorp.in). None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration, ESOP and sitting fees.

## **20. ANNUAL RETURN**

Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and is accessible at the web-link: [www.skycorp.in](http://www.skycorp.in).

## **21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

## **22. DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Act:

- a) that in the preparation of the Annual Accounts for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **23. AUDITORS**

### **A. Statutory Auditor**

Messrs CGCA & Associates, Chartered Accountants (Firm Registration No. 123393W) (Earlier known as UKG & Associates) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting (AGM) of the Members held on September 07, 2018 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on June 05, 2017. Pursuant to the amendments made to Section 139 of the Act by the Companies (Amendment) Act, 2017 effective from May 07, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

There is no audit qualification, reservation or adverse remark for the year under review.

## B. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and rules made thereunder, the Company has appointed Messrs Ramesh Chandra Mishra & Associates, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as **Annexure 'B'** and forms an integral part of this Report. There is no secretarial audit qualification for the year under review.

The Company's Paid-up Equity Share Capital and Net Worth, on last day of the previous year, i.e., on March 31, 2021, was Rs. 554.87 Lakhs and Rs. 2568.07 Lakhs respectively, which does not meets the criteria of applicability as per threshold limit mentioned in the Regulation 15(2) of the Listing Regulations. Hence, pursuant to Regulation 24A of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Annual Secretarial Compliance Report is not applicable to Company for the Financial Year under review.

## 24. INTERNAL FINANCIAL CONTROL SYSTEMS, THEIR ADEQUACY AND RISK MANAGEMENT

The establishment of an effective corporate governance and internal control system is essential for sustainable growth and long-term improvements in corporate value, and accordingly Sky Industries Limited works to strengthen such structures. We believe that a strong internal control framework is an important pillar of Corporate Governance.

The Company has an effective internal control and risk-mitigation system, which is constantly assessed and strengthened with new/revised standard operating procedures. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information. Critical functions are rigorously reviewed and the reports are shared with the Management for timely corrective actions, if any. Business risks and mitigation plans are reviewed and the internal audit processes include evaluation of all critical and high-risk areas.

The internal and operational audit is entrusted to Messrs Sitendu Sharma & Co., Chartered Accountant. The main focus of internal audit is to review business risks, test and review controls, assess business processes besides benchmarking controls with best practices in the industry. Significant audit observations and follow-up actions thereon are reported to the Audit Committee. For ensuring independence of audits, internal auditors report directly to the Audit Committee.

## 25. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

## 26. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the financial year under review, the provisions of Section 135 of the Act relating to the Corporate Social Responsibility are not applicable to your Company

## 27. ENVIRONMENT, HEALTH AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

## 28. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION& REDRESSAL) ACT 2013

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees whether permanent, temporary or contractual are covered under the above policy. The said policy has been uploaded on the internal portal of the Company for information of all employees. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act.

During the year under review, no complaints were reported to the Board.



## 29. STATUTORY INFORMATION AND OTHER DISCLOSURES

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure 'C'** and forms an integral part of this Report.

The Disclosure required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure 'D'** and forms an integral part of this Report.

A statement comprising the names of top 10 employees in terms of remuneration drawn and every person employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure 'E'** and forms an integral part of this annual report. The said Annexure is not being sent alongwith this annual report to the members of the Company in line with the provisions of Section 136 of the Act. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

The Company has not accepted any deposits, within the meaning of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014.

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## 30. MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATE

In terms of the SEBI LODR Regulations, the certificate, as prescribed in Part B of Schedule II of the Listing Regulations, has been obtained from Mr. Shailesh Shah, Managing Director and Mr. Maikal Raorani, Whole Time Director & Chief Financial Officer, for the Financial Year 2020-21 with regard to the Financial Statements and other matters. The said Certificate forms part of this Report.

## 31. GREEN INITIATIVES

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of 32nd Annual General Meeting of the Company including the Annual Report for Financial Year 2020-21 are being sent to all Members whose e-mail addresses are registered with the Company / Depository Participant(s).

## 32. CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

## 33. APPRECIATION

Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels but for whose hard work, and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the Company.

For and on behalf of the Board of Directors of  
**Sky Industries Limited**

sd/-

**Shailesh S. Shah**  
Managing Director  
DIN: 00006154

April 27, 2021  
Mumbai

**DISCLOSURE PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 FOR THE FINANCIAL YEAR 2020-21**

<b>SN</b>	<b>Details of ESOP</b>	<b>Sky Industries Employee Stock Option Plan 2018 (SKY ESOP 2018)</b>
<b>1</b>	<b>Date of Shareholders Approval</b>	September 7, 2018 & ratified on September 14, 2019
<b>2</b>	<b>Total No. of Options approved under ESOP</b>	500000
<b>3</b>	<b>Vesting Requirements</b>	For the options granted on February 14, 2019: 30% of the options granted – one year from the date of grant 30% of the options granted – two years from the date of grant 40% of the options granted – three years from the date of grant For the options granted on March 08, 2021: 100% of the options granted – one years from the date of grant
<b>4</b>	<b>Maximum Term of Options Granted</b>	Within 3 years from the date of grant of options
<b>5</b>	<b>Exercise Price or Pricing Formula</b>	Rs. 10/- (Rupees Ten)
<b>6</b>	<b>Source of Shares</b>	Primary
<b>7</b>	<b>Variation in Terms of Options</b>	No Variation
<b>8</b>	<b>Method of Option Valuation</b>	Black Scholes Merton Model
<b>9</b>	<b>Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options (if method is Intrinsic Value Method)</b>	NA
<b>10</b>	<b>Option movement during the Year</b>	
	Number of Options outstanding at the beginning of the period	172462 options granted on February 14, 2019
	Number of Options granted during the year	5800 options granted on March 08, 2021.
	Number of Options forfeited/lapsed during the year	-
	Number of Options vested during the year	172462 options
	Number of Options exercised during the year	31569 Options on July 08, 2020 40776 Options on March 08, 2021
	Number of Shares arising as a result of exercise of options	31569 Equity Shares on July 08, 2020 40776 Equity Shares on March 08, 2021
	Money realized by exercise of options (Amount in Rs.)	Rs. 315690 on July 08, 2020 Rs. 407760 on March 08, 2021
	Loan repaid by the Trust during the year from exercise price received	-
	Number of Options outstanding as at March 31, 2021	105917 options
	Number of Options exercisable as at March 31, 2021	105917 options
<b>11</b>	<b>Weighted average exercise price of Options granted whose</b>	
	(a) Exercise Price equals market price	-
	(b) Exercise Price is greater than market price	-
	(c) Exercise Price is less than market price	Rs. 10/-
	<b>Weighted average fair value of Options granted during the year whose</b>	
	(a) Exercise Price equals market price	-

SN	Details of ESOP	Sky Industries Employee Stock Option Plan 2018 (SKY ESOP 2018)	
	(b) Exercise Price is greater than market price	-	
	(c) Exercise Price is less than market price	Rs. 23.01/-	
	<b>Weighted Average Information:</b> The fair value of employee share options, see (A) above, has been measured using Black Scholes Merton Model. The fair value of the options and the inputs used in the measurement of the grant date fair values of the equity-settled share-based payment plan are as follows:		
	Grant Date	February 14, 2019, March 08, 2021	
	Price of underlying shares in market at the time of option grant	Rs. 30.90, Rs. 42.10	
	Exercise price	Rs. 10.00	
	Expected volatility <sup>1</sup>	74.83%	
	Expected life <sup>2</sup>	2.50 years	
	Expected dividends <sup>3</sup>	1.82%	
	Risk-free interest rate <sup>4</sup>	6.79%	
	<b>Notes:</b> <i>1. Expected volatility is calculated considering the volatility of shares between the listing date and grant date.</i> <i>2. Expected life is calculated as average of Minimum life (which is time period during which an employee has the right to apply for the shares of the company under the options to be granted to them also known as vesting period) and Maximum life (which is the total time period available with an employee to exercise an option, after the lapse of which no right shall accrue to the employee.)</i> <i>3. Expected Dividend is calculated considering last three years average dividend Yield.</i> <i>4. Risk free interest rate is calculated considering the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities or Government bond.</i>		
12	<b>Employee Wise details of-</b>		
	i) Options granted to Key Managerial Personnel during the FY 2020-21		
	<b>Name</b>	<b>Designation</b>	<b>Option Granted during the Year</b>
	Mr. Maikal Roarani	Whole Time Director & CFO	37500
			Rs. 10/- per option
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year; and		
	<b>Name</b>	<b>Designation</b>	<b>Option Granted during the Year</b>
	NIL		
	iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversations) of the Company at the time of grant		
	<b>Name</b>	<b>Designation</b>	<b>Option Granted during the Year</b>
	NIL		

For and on behalf of the Board of Directors of  
**Sky Industries Limited**

sd/-  
**Shailesh Shah**  
 Managing Director  
 DIN: 00006154

sd/-  
**Maikal Raorani**  
 Whole Time Director & CFO  
 DIN: 00037831

Mumbai  
 April 27, 2021

**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021**

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

To,  
**The Members,**  
**Sky Industries Limited,**  
 C-58, TTC Industrial Area,  
 Thane Belapur Road, Pawane,  
 Navi Mumbai ,MH 400705 India.

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

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

Based on our 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 conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 (hereinafter called the 'Audit Period') 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 and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 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 **(Not applicable to the Company during the Audit Period)**.

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, 2015;
7. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
8. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2006 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,2014;

We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

10. Factories Act, 1948;
11. Industries (Development and Regulation) Act, 1951;
12. Labour Laws and other identical laws related to the labour and employees appointed by the Company either on its payroll or on contractual basis;
13. Competition Act, 2002.
14. Consumer Protection Act, 1986.
15. Environmental Protection Act, 1986.
16. The Hazardous Waste (Management & Handling and Transboundary Movement) Rules, 2008.
17. Gas Cylinders Rules, 2004.
18. Standards of Weights & Measures (Enforcement) Act, 1985.
19. Foreign Trade (Development & Regulation) Act, 1992.
20. The Legal Metrology Act, 2009.
21. Information Technology Act, 2000 and the rules made thereunder;
22. The Payment of Gratuity Act, 1972.

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

23. Secretarial Standard issued by The Institute of Company Secretaries of India.
24. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Listing Agreements/Regulations entered into by the Company with the Bombay Stock Exchange Limited.

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

1. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
3. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, (Not Applicable to the Company during the Audit Period).

**We report that**, during the year under review, the Company has complied with the Provisions of the Acts, rules, regulations, guidelines and Standards, etc. as mentioned above.

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

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

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

**We further report that,** Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

**We further report that,** during the Audit Period, the following events occurred which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines:

1. Appointment of Mr. Lokanath Suryanarayan Mishra (DIN: 03364948) as an Independent Director to hold office for a term of 5 (Five) consecutive years from July 08, 2020 to July 7, 2025;
2. Re-appointment of Shri Vaibhav Desai (DIN: 06673723) as Whole Time Director for a period of 3 (Three) years from October 01, 2020 to September 30, 2023.
3. Allotment of 31569 Equity Shares pursuant to exercise of option under Sky Industries Employee Option Plan 2018 ("ESOP 2108") by eligible employees of the Company on July 08, 2020.
4. Allotment of 240000 Equity Shares of Rs. 10 each at a price of Rs. 29.25 upon the conversion of 240000 Warrant into Equity Shares on November 12, 2020 to Mr. Shailesh S. Shah, Promoter & Managing Director of the Company.
5. Issue and Allotment of 400000 Equity Shares of Rs. 10 each at a price of Rs. 30 each & 2000000 Warrants of Rs. 10 each at a price of Rs. 30 each to Promoter and Non-promoter group of Company, on a preferential basis on February 12, 2021.
6. Allotment of 40776 Equity Shares pursuant to exercise of option under Sky Industries Employee Option Plan 2018 ("ESOP 2108") by eligible employees of the Company on July 08, 2020.

For **Ramesh Chandra Mishra & Associates**

sd/-  
**Ramesh Mishra**  
Company Secretary In Practice  
FCS: 5477  
PCS: 3987

May 15, 2021  
Mumbai  
UDIN NO.: F005477C000313136

**ANNEXURE TO THE SECRETARIAL AUDIT REPORT**

To,  
The Members,  
Sky Industries Limited,  
C-58, TTC Industrial Area,  
Thane Belapur Road, Pawane,  
Navi Mumbai ,MH 400705 India.

**Our report of even date is to 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Ramesh Chandra Mishra & Associates**

sd/-  
**Ramesh Mishra**  
Company Secretary In Practice  
FCS: 5477  
PCS: 3987

May 15,2021  
Mumbai  
UDIN NO.:- F005477C000313136



**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND  
FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information under section 134 (3) (m) of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2020 is given here below and forms part of the Board's Report.

**A. CONSERVATION OF ENERGY**

**I. Steps taken or impact on conservation of energy:**

The company is making continuous efforts on ongoing basis for energy conservation by adopting innovative measures to reduce wastage and optimise consumption. Some of the specific measures undertaken by the Company in this direction at its production units located at Vashi & Bhiwandi are as under:

1. Replacement of 48 nos. of 36-watt tube rode with 16-watt LED tube rode.
2. Replacement of normal Ceiling Fan with energy efficient ceiling fan.

These measures have also led to power saving, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.

**II. The steps taken by the company for utilising alternate sources of energy: NA**

**III. The Capital investment on energy conservation equipment's: NA**

**B. TECHNOLOGY ABSORPTION**

**IV. The efforts made towards technology absorption:**

The Company is continuously making efforts for adaptation of latest technology in its units.

**V. The benefits derived like product improvement, cost reduction, product development or import substitution:**

The Company has been continuously improving the quality of its existing products and also been able to reduce the cost.

**VI. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NOT APPLICABLE**

**VII. The expenditure incurred on Research & Development: NA**

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(Rs. In Lacks)

Particulars	FY 2020-21	FY 2019-20
Foreign Exchange Earned	595.48	495.69
Foreign Exchange Used	2450.43	3403.23

## ANNEXURE - D

## STATEMENT OF DISCLOSURE OF REMUNERATION

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

SN	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year.	<b>Name of the Director</b>	<b>Ratio (in x times)</b>
		Mr. Shailesh S. Shah	11.91
		Mr. Sharad S. Shah	4.89
		Mr. Maikal Raorani	2.93
		Mr. Vaibhav Desai	2.54
		Mr. Amarendra Mohapatra	-
		Ms. Sanghamitra Sarangi	-
		Mr. Lokanath Suryanarayan Mishra <sup>1</sup>	-
		a. The median remuneration of all the employees of the Company was Rs. 4.09 Lakh.	
		b. For this purpose, Sitting Fees paid to the Directors has not been considered as remuneration.	
		c. Figures have been rounded off wherever necessary.	
2	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year.	<b>Name of the Director and KMP</b>	<b>% increase in Remuneration</b>
		Mr. Shailesh S. Shah	16.07%
		Mr. Sharad S. Shah	-16.67%
		Mr. Maikal Raorani	-33.33%
		Mr. Vaibhav Desai	-15.00%
		Mr. Amarendra Mohapatra	-
		Ms. Sanghamitra Sarangi	-
		Mr. Lokanath Suryanarayan Mishra <sup>1</sup>	-
		Ms. Gauri Rane <sup>2</sup>	-
		Mr. Swapnil Soni <sup>3</sup>	-
3	The percentage increase/decrease in the median remuneration of employees in the financial year.	During FY 2020-21, the percentage increase in the median remuneration of employees as compared to previous year was approximately 4.78%	
4	The number of permanent employees on the rolls of Company.	There were 62 employees as on March 31, 2021	
5	The Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average increase in remuneration of employees of 4.78% is pursuant to increase in numbers of Employee but the managerial remuneration doesn't exceed due to covid deduction.	
6	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed.	

## Notes:

1. Mr. Lokanath Suryanarayan Mishra was appointed as Non-executive Independent Director w.e.f. July 08, 2020.
2. Ms. Gauri Rane resigned as Company Secretary & Compliance Officer w.e.f. September 11, 2020.
3. Mr. Swapnil Soni was appointed as Company Secretary & Compliance Officer w.e.f. February 12, 2021.
4. Managerial Personnel includes Managing Director.



## DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

To  
The Members  
Sky Industries Limited

The Board has formulated the Code of Conduct for Business Ethics for all the Directors and Senior Managers of the Company which has been posted on the website of the Company. It is hereby affirmed that all the Directors and Senior Managers have complied with the Code of Conduct for Business Ethics framed by the Company and a confirmation to this effect for the year 2020-21 has been obtained from all the Directors and Senior Managers.

For and on behalf of the Board of Directors of

April 27, 2021  
Mumbai

sd/-  
**Shailesh S. Shah**  
Managing Director  
DIN: 00006154

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## MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

To  
The Board of Directors  
Sky Industries Limited

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Sky Industries Limited (“the Company”) to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, no transactions are entered into by the Company during the year, which are fraudulent, illegal or violative of the Company’s code of conduct.
- c) We are responsible for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

For **Sky Industries Limited**

**Shailesh S. Shah**  
Managing Director  
DIN: 00006154

Mumbai  
April 27, 2021

For **Sky Industries Limited**

sd/-  
**Maikal Raorani**  
Whole Time Director & CFO  
DIN: 00037831

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Sky Industries Limited**

## Report on the Audit of Financial Statements

### Opinion

We have audited the accompanying financial statements of **Sky Industries Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 on the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit, other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Act. Our responsibilities under those SA's are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in our audit
<b>Revenue Recognition</b>  Revenue from sale of goods is recognized when control of the products being sold is transferred to the customer and when there are no longer any unqualified obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.  Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.  Revenue is measured at fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected	<b>Our audit procedures included :</b> <ul style="list-style-type: none"><li>• We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with applicable accounting standards</li><li>• We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents</li><li>• We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct period.</li></ul>

Key Audit Matter	How the matter was addressed in our audit
on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provisions for discounts and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.	<ul style="list-style-type: none"> <li>• We tested the design, implementation and operating effectiveness of controls over the calculations of discounts and rebates</li> <li>• We assessed manual journals posted to revenue to identify unusual items.</li> </ul>
Provision for taxation and other significant provisions	Our audit procedures included :
<p>Accrual for tax and other contingencies requires the management to make judgements and estimates in relation to the issues and exposures arising from a range of matters relating to direct tax, indirect tax, transfer pricing arrangements, claims and other eventualities arising in the regular course of business</p> <p>The key judgements lies in the estimations of the provisions where they may differ from the future obligations. By nature, provision is difficult to estimate and includes many variables.</p>	<ul style="list-style-type: none"> <li>• We tested the effectiveness of controls around the recognition of provisions</li> <li>• We used our subject matter experts to assess the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities.</li> <li>• We challenged the assumptions and critical judgements made by the management which impact their estimate of the provisions required, considering judgments previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company's advisors and assessing whether there was an indication of management bias.</li> <li>• We discussed the status in respect of significant provisions with the Company's internal tax team and consultant as well.</li> <li>• We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by management and Board of Directors.
- Conclude on the appropriateness of management's and Board of Director use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these



matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.
3. 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 it appears from our examination of those books;
  - (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flow dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act
  - (e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations (if any) as at 31st March, 2021 on its financial position in its standalone financial statements – Refer Note 33 to the standalone financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.

For **CGCA & Associates**  
**Chartered Accountants**  
 Firm Regn No.: 123393W

sd/-  
**Champak K. Dedhia**  
 Partner  
 Membership No: 101769

Mumbai  
 27th April, 2021  
 UDIN: 21101769AAAAJE8071

# Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2021, we report that:

## 1. Fixed Assets

- a. The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed asset.
- b. As explained to us the Company has a phased program for physical verification of the fixed asset of the company to cover all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company. No material discrepancies were noticed on such verification carried on during the year, as compared with the available records.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the company.

## 2. Inventory

The inventory of finished goods, raw materials, components, stores and spare parts except those lying with third parties, and in transit, has been physically verified by the management at regular intervals, which we consider to be reasonable. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

## 3. Loans and Advances granted

The Company has granted an advance to a Company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

- (a) In respect of the aforesaid loan, the rate of interest and other terms and conditions on which the loans had been granted are not, prima facie, prejudicial to the interest of the Company.
- (b) The said loans are repayable on demand and are not overdue. The payment of principal and interest from the said parties are regular in nature.
- (c) There are no overdue amounts in respect of the loan granted to the Company listed in the register maintained under section 189 of the Act.

## 4. Compliances with Sections 185 and 186 in case of loans, investments, guarantees and security:

According to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act 2013 with respect to the loans given and investments made.

## 5. Deposits:

The Company has not accepted any deposit from the public and hence the directives issued by Reserve Bank of India and provision of section 73 to 76 or any other relevant provisions of the Act and the Rule framed there under are not applicable.

## 6. Cost Records:

We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However we have not made detailed examination of the records.

**7. Statutory Dues:**

According to the information and explanations given to us, in respect of statutory dues:

- a. The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employee's State Insurance, Income-Tax, Custom Duty, Cess, Excise Duty, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities.
- b. There were no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income-Tax, Custom Duty, Cess, Excise Duty, Goods and Service Tax and other material statutory dues in arrears as at 31st March, 2021, for a period of more than six months from the date they become payable except the following:

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates
Navi Mumbai Municipal Corporation	Property Tax	5,15,859/-	Various Years
Navi Mumbai Municipal Corporation	Cess	26,48,397/-	Various Years

- c. Details of statutory dues which have not been deposited as on 31st March 2021 on account of disputes are given below :

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates
Navi Mumbai Municipal Corporation	Property Tax	3,05,35,635/-	Various Years

**8. Dues To Financial Institutions/Banks**

Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks, governments or debenture holders.

**9. Application of Initial Public Offer / Term Loans**

The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). The Company has during the year availed a term loan from Kotak Mahindra Bank Ltd. under the Emergency Credit Line Guarantee Scheme of National Credit Guarantee Trustee Company Ltd. in order to meet its working capital requirements. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the said loan has been applied for the purpose for which it was raised.

**10. Frauds:**

According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

**11. Managerial Remuneration:**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

**12. Nidhi Companies:**

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

### 13. Compliances with Sections 177 and 188 in case of transactions with related parties:

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

### 14. Preferential allotment or private placement of shares/debentures:

According to the information and explanations given to us, the Company has made preferential allotment of equity shares and convertible warrants during the year under audit, in compliance with the requirements of Section 42 of Companies Act, 2013. The amounts raised have not been utilised during the year.

### 15. Compliances with Sections 192 in case of non cash transactions with Directors:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **CGCA & Associates**  
Chartered Accountants  
Firm Regn No.: 123393W

sd/-  
**Champak K. Dedhia**  
Partner  
Membership No: 101769

Mumbai  
27th April, 2021  
UDIN: 21101769AAAAJE8071

# Annexure - B to the Auditors' Report

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

### Opinion

We have audited the internal financial controls over financial reporting of Sky Industries Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

Mumbai  
27th April, 2021  
UDIN: 21101769AAAAJE8071

For **CGCA & Associates**  
**Chartered Accountants**  
Firm Regn No.: 123393W

sd/-  
**Champak K. Dedhia**  
Partner  
Membership No: 101769

# BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant & Equipment	3	10,14,30,281	15,02,95,791
Capital Work - In - Progress	3	24,94,970	46,09,470
Other Intangible Assets	3	36,560	60,982
Right-of-use Assets	3	1,99,07,888	97,58,713
Financial Assets			
Investments	4	26,29,118	11,39,764
Others	5	42,91,984	44,18,124
Non Current Tax Assets (Net)	6	31,70,311	36,21,848
<b>Total Non - Current Assets</b>		<b>13,39,61,112</b>	<b>17,39,04,692</b>
<b>Current Assets</b>			
Inventories	7	11,86,53,951	15,49,79,747
<b>Financial Assets</b>			
Investments	8	5,22,50,748	37,70,900
Trade Receivables	9	12,66,76,801	11,24,77,353
Cash & Cash Equivalents	10	1,27,91,977	30,05,110
Bank Balance other than above	11	90,37,873	68,91,972
Other Current Assets	12	4,43,03,168	3,59,72,597
<b>Total Current Assets</b>		<b>36,37,14,518</b>	<b>31,70,97,679</b>
<b>TOTAL ASSETS</b>		<b>49,76,75,631</b>	<b>49,10,02,372</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	5,54,87,450	4,83,64,000
Other Equity	14	20,13,19,104	16,80,00,419
<b>Total Equity</b>		<b>25,68,06,554</b>	<b>21,63,64,419</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	1,82,75,948	20,10,420
Lease liabilities	16	1,62,30,063	5,73,840
Other	16	1,25,000	2,12,98,428
Provisions	17	15,76,009	13,81,177
Deferred Tax Liabilities (Net)	18	84,23,247	82,29,416
<b>Total Non - Current Liabilities</b>		<b>4,46,30,267</b>	<b>3,34,93,281</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	19	9,69,20,858	9,47,71,607
Trade Payables	20	6,65,55,397	11,43,82,924
Other Financial Liabilities	21	7,23,761	5,11,895
Lease liabilities	22	35,44,219	95,86,131
Other Current Liabilities	22	1,94,16,287	1,91,70,457
Provisions	23	90,78,286	27,21,659
<b>Total Current Liabilities</b>		<b>19,62,38,809</b>	<b>24,11,44,672</b>
<b>Total Liabilities</b>		<b>24,08,69,076</b>	<b>27,46,37,953</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>49,76,75,631</b>	<b>49,10,02,372</b>

As per our report attached  
For **CGCA & Associates**

Chartered Accountants  
Firm Reg. No. :123393W

sd/-  
**Champak K Dedhia**  
Partner  
Membership No.101769  
Mumbai, Dated: 27/04/2021

For and on behalf of the Board of Directors of  
**Sky Industries Limited**

sd/-  
**Shailesh Shah**  
Managing Director  
DIN: 00006154

sd/-  
**Maikal Roarani**  
Director & CFO  
DIN: 00037831

sd/-  
**Sharad Shah**  
Director  
DIN: 00006114

sd/-  
**Swapnil Soni**  
Company Secretary  
M. No. 64139



# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note. No.	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Revenue from Operations	24	53,40,37,502	59,33,68,887
Other Income	25	42,68,582	2,07,827
<b>Total Income</b>		<b>53,83,06,084</b>	<b>59,35,76,714</b>
<b>Expenses</b>			
Cost of Material Consumed	26	30,02,47,878	31,69,06,323
Purchase of Stock In Trade	27	3,95,40,877	10,80,43,801
Changes in Inventories of Finished Goods and Stock in Trade	28	2,62,41,144	(8,87,856)
Employee Benefit Expenses	29	4,24,34,639	4,74,79,852
Finance Cost	30	1,15,20,315	1,15,82,542
Depreciation and Amortization	31	2,05,95,394	2,09,90,217
Other Expenses	32	7,44,90,626	7,76,75,268
<b>Total Expenses</b>		<b>51,50,70,872</b>	<b>58,17,90,147</b>
<b>Profit Before Tax and Exceptional Item</b>		<b>2,32,35,211</b>	<b>1,17,86,567</b>
<b>Exceptional Gain / (Loss)</b>	<b>33</b>	<b>(92,04,929)</b>	<b>(85,89,274)</b>
<b>Profit Before Tax</b>		<b>1,40,30,282</b>	<b>31,97,293</b>
<b>Tax Expenses</b>			
Current Tax		60,54,000	17,00,000
Adjustments/ (Credit) related to previous years - (net)		(2,08,776)	3,23,111
Deferred Tax		1,93,831	(17,01,971)
<b>Profit After Tax</b>		<b>79,91,227</b>	<b>28,76,153</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not to be reclassified to Profit &amp; Loss</b>			
- Remeasurment of define benefit liability/(asset) (net of tax)		8,04,724	7,41,133
- Change in Fair Value of FVOCI equity instruments (net of tax)		-	-
<b>Total Other Comprehensive Income for the year</b>		<b>8,04,724</b>	<b>7,41,133</b>
<b>Total Comprehensive Income for the year</b>		<b>87,95,951</b>	<b>36,17,286</b>
Earnings Per Share - Basic	34	1.61	0.62
- Diluted	34	1.56	0.61

As per our report attached  
For **CGCA & Associates**

Chartered Accountants  
Firm Reg. No. :123393W

sd/-  
**Champak K Dedhia**  
Partner  
Membership No.101769  
Mumbai, Dated: 27/04/2021

For and on behalf of the Board of Directors of  
**Sky Industries Limited**

sd/-  
**Shailesh Shah**  
Managing Director  
DIN: 00006154

sd/-  
**Maikal Roarani**  
Director & CFO  
DIN: 00037831

sd/-  
**Sharad Shah**  
Director  
DIN: 00006114

sd/-  
**Swapnil Soni**  
Company Secretary  
M. No. 64139

# STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH, 2021

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax		1,40,30,282		31,97,293
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:				
Depreciation and Amortization	2,05,95,394		2,09,90,217	
Finance Cost	1,04,17,466		98,69,714	
Interest Income	(2,48,495)		(2,97,495)	
Unrealised Profit on Investments classified through Fair Value through Profit and Loss	(33,71,502)		10,03,609	
Financial Income - IndAS	(2,94,175)		(2,73,884)	
Loss on sale of Assets/ Assets written off	96,02,178		10,98,729	
Finance Cost - IndAS	7,11,973		13,21,952	
Processing fees - IndAS	3,90,876		3,90,876	
Profit on cancellation of lease - IndAS	(29,626)		-	
Remeasurment of defined benefit liability/(asset)	8,04,724		-	
ESOP Expenses	10,91,717	3,96,70,530	20,45,937	3,61,49,655
<b>Operating Profit Before Changes in Working Capital</b>		<b>5,37,00,812</b>		<b>3,93,46,949</b>
<b>Adjustment for Changes in Working Capital</b>				
(Increase) / Decrease in Trade Receivables	(1,41,99,448)		(1,38,83,527)	
(Increase) / Decrease in Inventories	3,63,25,796		(2,48,36,946)	
(Increase) / Decrease in Loans & Advances	-		28,859	
(Increase) / Decrease in Right to Use Assets	(1,01,49,175)		(97,58,713)	
(Increase) / Decrease in Other Non - Current Financial Assets	1,26,140		1,99,316	
(Increase) / Decrease in Other Non - Current Assets	-		43,84,086	
(Increase) / Decrease in Other Current Assets	(83,30,571)		(1,15,41,528)	
Increase / (Decrease) in Trade Payables	(4,78,27,527)		3,84,67,079	
Increase / (Decrease) in Other Current Financial Liabilities	2,11,867		3,21,950	
Increase / (Decrease) in Other Current Liabilities	(57,96,082)		62,07,973	
Increase / (Decrease) of Non current Financial liabilities	(55,17,205)		70,75,099	
Increase / (Decrease) in Non Current Provisions	1,94,832		(6,01,825)	
Increase / (Decrease) in Current Provisions	57,39,996	(4,92,21,377)	7,41,599	(31,96,579)
<b>Cash Generated from Operations</b>		<b>44,79,435</b>		<b>3,61,50,370</b>
Less: Taxes Paid (Net of refund received)		<b>(47,45,703)</b>		<b>(43,38,500)</b>
Less: Dividend & Dividend Distribution Tax Paid		(24,33,984)		(55,53,283)
<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>		<b>(27,00,253)</b>		<b>2,62,58,587</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment & Intangible Assets	(1,43,06,718)		(1,57,56,669)	
Sale of Property, Plant & Equipment & Intangible Assets	4,43,61,898		4,50,000	
Investments during the year	(4,65,97,790)		(23,75,000)	
Interest Received	2,48,495		2,97,495	
Movement in other bank balances	(21,45,902)		(32,19,673)	
<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>		<b>(1,84,40,017)</b>		<b>(2,06,03,847)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITY</b>				
Increase/(Decrease) of Term Loan/Vehicle Loans	1,62,65,528		18,72,088	
Repayment of Lease Liability	(1,00,58,628)		(98,35,074)	
Increase/ (Decrease) in Working Capital facility (net)	21,49,251		42,56,244	
Proceeds from issue of shares and share warrants	3,29,88,450		1,03,10,625	
Finance Cost	(1,04,17,466)		(98,69,714)	
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>		<b>3,09,27,135</b>		<b>(32,65,832)</b>
<b>NET CASH FLOW FOR THE YEAR (A + B + C)</b>		<b>97,86,866</b>		<b>23,88,908</b>
Add: Opening Balance of Cash & Cash Equivalents		30,05,110		6,16,202
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>		<b>1,27,91,977</b>		<b>30,05,110</b>

As per our report attached  
For **CGCA & Associates**

Chartered Accountants  
Firm Reg. No. :123393W

sd/-  
**Champak K Dedhia**

Partner  
Membership No.101769  
Mumbai, Dated: 27/04/2021

For and on behalf of the Board of Directors  
**Sky Industries Limited**

sd/-  
**Shailesh Shah**  
Managing Director  
DIN: 00006154

sd/-  
**Maikal Roarani**  
Director & CFO  
DIN: 00037831

sd/-  
**Sharad Shah**  
Director  
DIN: 00006114

sd/-  
**Swapnil Soni**  
Company Secretary  
M. No. 64139

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

## 1 CORPORATE INFORMATION

Sky Industries Limited is a Public limited incorporated and domiciled in India, under the Indian Companies Act, 1956. Its Equity shares are listed on BSE Limited. Its registered office is situated at C-58, TTC Industrial Area, Thane Belapur Road, Pawne, Navi Mumbai - 400 705.

The Company is engaged in manufacturing of "Narrow Woven Fabrics". The Company is engaged in manufacturing and marketing in various products like Hook and Loop Tape Fasteners, Value added items, Velvet tapes etc.

## 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1) BASIS FOR PREPARATION OF ACCOUNTS

#### (a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

#### (b) Basis of Measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

### 2.2) Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations
- (b) Measurement and likelihood of occurrence of provisions and contingencies
- (c) Recognition of deferred tax assets
- (d) Measurement of Lease liabilities and Right of Use Asset (ROUA)

**SIGNIFICANT ACCOUNTING POLICIES****2.3 REVENUE RECOGNITION**

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

**a) Sale of Goods**

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

**b) Rendering of services**

Revenue of services are recognized when the services are rendered.

**c) Dividend**

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

**d) Interest Income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

**e) Export Incentives**

Export incentives under various schemes are accounted in the year of Exports.

**2.4 FOREIGN CURRENCY TRANSACTIONS****a) Functional and Presentation Currency**

The financial statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

**b) Initial Recognition**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the dates of the transactions. Exchange difference arising on foreign exchange transaction settled during the year are recognized in the Statement of profit and loss of the year.

**c) Measurement of foreign currency items at the Balance sheet date**

Monetary assets and liabilities denominated in foreign currencies are re-translated into functional currency at the exchange rate prevailing at the end of the reporting period. Non monetary assets and liabilities that are measured

based on historical cost in a foreign currency are not re-translated. Exchange differences arising out of these transaction are charged to the profit and loss.

## 2.5 PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

### a) Property, plant and equipment (PPE)

#### i) Recognition and measurement

Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to the acquisition of the assets. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

#### ii) Subsequent expenditure

Expenditure incurred on substantial expansion upto the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

### b) Capital Work-In-Progress And Pre-Operative Expenses During Construction Period

Capital work-in progress includes expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective Property, Plant and Equipment on their completion / commencement of commercial production.

### c) Intangible assets

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment loss if any.

## 2.6 IMPAIRMENT OF NON- FINANCIAL ASSETS

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal

is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## **2.7 DEPRECIATION AND AMORTISATION**

Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013. Lease hold land is amortised over the period of lease.

Useful lives of the items of Property, Plant and Equipment are as follows:

<b>Asset</b>	<b>Estimated Useful Life</b>
Building	30 Years
Plant & Machinery	15 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Other equipment	6 Years

Intangible Assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the Company for its intended use. The useful life so determined is as follows:

<b>Assets</b>	<b>Amortisation period</b>
Software Licenses	3 Years

The management believes that the useful life as given above the best represent the period over which the management expects to use these assets.

The assets; residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation and amortization on property, plant and equipment added/discharged during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

## **2.8 FINANCIAL INSTRUMENTS**

### **I. Financial Assets**

#### **a) Classification of financial assets**

The Company classifies financial assets as subsequently measures at amortised cost, fair value through other comprehensive income or fair value through profit & loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

##### **i) Debt instrument at amortised cost:**

A 'debt Instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flow and
- Contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of the EIR. Amortisation is included in finance income in the statement

of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. The category generally applies to trade and other receivable.

ii) Debt instrument at fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flow and selling the financial assets, where the assets' cash flow represents solely payments of principal and interest are measuring at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue or foreign exchange gains and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the EIR method. The Company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

iii) Debt instrument measured at fair value through profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iv) Equity investments:

Investment in associates are accounted using equity method.

All other equity investments which are in scope of Ind-AS 109 are measured at fair value. Equity instrument which are held for trading are classified as at FVTPL. For all other equity investments, the Company has decided to classify the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity investments classified as FVOCI, all fair value changes on the instruments, excluding dividend, are recognized in other comprehensive income (OCI).

There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of such investment.

Equity investments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

## **b) Initial recognition and measurement**

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction cost that are attributable to the acquisition of the financial assets.

Trade receivables are carried at original invoice price as the sales arrangements do not contain any significant financial component. Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the assets.



**c) Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has neither transferred nor retained substantially all the risks and rewards of all the assets, but has transferred control of the assets.

When the Company has transferred its rights to receive cash flow from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. When it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In the case, the Company recognises and associated liability. The transferred asset and the associated liability are measured on a basis that reflect the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and maximum amount of consideration that the Company could be required to repay.

**d) Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loan, debt security, deposits, and bank balance.
- Trade Receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application simplified approach does not require the Company to track change in risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivable. The provision matrix based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historically observed default rate updated and change in the forward looking estimates are analysed.

**II. Financial Liabilities and equity instruments**

Debt and equity instruments issued by an entity are classified as either financial liability or as equity in accordance with substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

**a) Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

**b) Financial liabilities :- Classification**

Financial liabilities classified as FVTPL or other financial liabilities consists of derivative financial instruments, wherein the gain/losses arising from remeasurement of these Instruments of recognized in the statements of

profit and loss. Other financial liability (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

**c) Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction cost that are attributable to issue of these instruments.

**d) Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and Loss.

### III. Fair Value

The Company determines the fair value of its financial instruments on the basis of the following hierarchy

- a) Level 1 : The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange traded commodity derivatives and other financial instruments in equity and debt securities which are listed in a recognised stock exchange.
- b) Level 2 : The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate.
- b) Level 3 : The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

## 2.9 INVENTORIES

Inventories are stated at the lower of cost and net realizable value.

Cost of Raw Material is determined on a First In First Out (FIFO) basis.

Packing materials are valued at cost.

Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises direct materials and where applicable, direct labour costs, those overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition. Cost is arrived on weighted average cost basis.

Work in Progress is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs, manufacturing overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition.

## 2.10 BORROWING COSTS

Borrowing Costs that are interest and other costs that the Company incurs in connection with the borrowings of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest cost measured at EIR and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. Such capitalisation is done only when it is probable that the asset will result in future economic benefits and the costs can be measured reliably. Capitalisation of borrowing cost is suspended and charged to statement when active development is interrupted.

Capitalisation of borrowing costs commences when all the following conditions are satisfied:

- i. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;
- ii. Borrowing costs are being incurred; and
- iii. Activities that are necessary to prepare the asset for its intended use are in progress.

A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account.

## 2.11 EMPLOYEE BENEFITS

### a) Short term employee benefit obligations

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### b) Other long term employee benefit obligations

- i) Compensated absences

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which employees render the related service. Therefore they are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of reporting period that have terms approximating to the terms of related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income.

### c) Post-employment obligations

The Company operates the following post-employment schemes:

- A. Defined benefit plans such as Gratuity
- B. Defined contribution plan such as Provident Fund

#### Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognised immediately in profit or loss as past service cost.

### Defined Contribution Plans

The Company pays provident fund contributions to publicly administered funds as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

### Share Based Payments

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses.

## 2.12 ACCOUNTING FOR TAXES ON INCOME

### a) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Current tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## b) Deferred Taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only if it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax Asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity."

## 2.13 PROVISIONS AND CONTINGENT LIABILITIES

### a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## **b) Contingent Liability**

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent Liability is disclosed in the case of:

- i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. A present obligation arising from the past events, when no reliable estimate is possible;
- iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

## **2.14 EARNING PER SHARE**

### **a) Basic Earnings Per Share**

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

## **2.15 CASH AND CASH EQUIVALENTS**

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

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Company's cash management.

## **2.16 DIVIDEND**

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## **2.17 ROUNDING OFF**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees, unless otherwise stated.

## **2.18 EVENTS OCCURING AFTER THE REPORTING DATE**

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

## **2.19 EXCEPTIONAL ITEMS**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

## 2.20 OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

## 2.21 SEGMENT REPORTING

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

## 2.22 LEASES

As a lessee:

The Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the useful life of the asset or the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset shall be separately presented in the Balance Sheet and lease payments shall be classified as financing cash flows.

## 2.23 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



## NOTE 3: PROPERTY, PLANT &amp; EQUIPMENT, RIGHT-OF-USE ASSETS, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT



(A)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION				NET BLOCK As At March 31, 2021
	As At April 01, 2020	Additions / Transfers	Deductions	As At March 31, 2021	As At April 01, 2020	For The Year	On Deductions	As At March 31, 2021
<b>(A) PROPERTY, PLANT &amp; EQUIPMENT</b>								
Own Assets								
Land - Leasehold	5,23,17,727	40,20,388	5,22,04,929	41,33,186	2,46,069	52,233	-	2,98,302
Factory Buildings	2,36,04,590	-	-	2,36,04,590	24,66,849	12,31,739	-	36,98,588
Plant & Machinery	7,88,15,355	79,34,593	-	8,67,49,948	1,36,55,049	71,76,392	-	2,08,31,441
Furniture & Fixture	47,52,212	1,95,250	-	49,47,462	12,66,567	5,20,972	-	17,87,539
Vehicles	98,11,685	41,92,386	35,15,385	1,04,88,686	26,21,079	15,37,688	17,89,783	23,68,984
Office Equipments	32,00,980	26,101	-	32,27,081	22,16,060	5,97,518	-	28,13,578
Computers	13,93,357	52,500	50,570	13,95,287	11,28,442	2,06,110	17,025	13,17,527
<b>Total - Property, Plant &amp; Equipment</b>	<b>17,38,95,906</b>	<b>1,64,21,218</b>	<b>5,57,70,884</b>	<b>13,45,46,240</b>	<b>2,36,00,115</b>	<b>1,13,22,652</b>	<b>18,06,808</b>	<b>3,31,15,959</b>
<b>(B) RIGHT-OF-USE ASSETS</b>								
Buildings	1,91,36,971	1,96,67,081	2,69,586	3,85,34,466	93,78,258	92,48,320	-	1,86,26,578
<b>Total - Right-of-Use Assets</b>	<b>1,91,36,971</b>	<b>1,96,67,081</b>	<b>2,69,586</b>	<b>3,85,34,466</b>	<b>93,78,258</b>	<b>92,48,320</b>	-	<b>1,86,26,578</b>
<b>(C) CAPITAL WORK IN PROGRESS</b>								
Factory Buildings	37,90,505	-	21,14,500	16,76,005	-	-	-	-
Plant & Machinery	8,18,965	-	-	8,18,965	-	-	-	-
<b>Total - Capital Work In Progress</b>	<b>46,09,470</b>	-	<b>21,14,500</b>	<b>24,94,970</b>	-	-	-	-
<b>(D) INTANGIBLE ASSETS</b>								
Software Licences	1,51,989	-	-	1,51,989	91,007	24,422	-	1,15,429
<b>Total - Intangible Assets</b>	<b>1,51,989</b>	-	-	<b>1,51,989</b>	<b>91,007</b>	<b>24,422</b>	-	<b>1,15,429</b>
<b>TOTAL(A)+(B)+(C)+(D)</b>	<b>19,77,94,336</b>	<b>3,60,88,299</b>	<b>5,81,54,970</b>	<b>17,57,27,665</b>	<b>3,30,69,380</b>	<b>2,05,95,394</b>	<b>18,06,808</b>	<b>5,18,57,966</b>
								<b>12,38,69,699</b>

Notes

- 1) Lease hold land under varying lease arrangement for period ranging from 75 - 99 years.
- 2) During the year, the Company has capitalised borrowing cost of Rs. 19,05,888/- in land.

## B)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION				NET BLOCK
	As At April 01, 2019	Additions / Transfers	Deductions	As At March 31, 2020	As At April 01, 2019	For The Year	On Deductions	As At March 31, 2020
(A) PROPERTY, PLANT & EQUIPMENT								
Own Assets								
Land - Leasehold	4,92,59,844	30,57,883	-	5,23,17,727	1,93,692	52,377	-	2,46,069
Factory Buildings	2,42,64,108	-	6,59,518	2,36,04,590	12,56,826	12,35,110	25,087	24,66,849
Plant & Machinery	7,23,81,453	85,06,344	20,72,442	7,88,15,355	71,80,531	67,57,231	2,82,713	1,36,55,049
Furniture & Fixture	47,40,812	11,400	-	47,52,212	7,48,446	5,18,121	-	12,66,567
Vehicles	59,10,504	39,01,181	-	98,11,685	12,80,942	13,40,137	-	26,21,079
Office Equipments	31,41,559	80,391	20,970	32,00,980	16,23,643	6,01,212	8,795	22,16,060
Computers	12,50,787	1,42,570	-	13,93,357	7,14,004	4,14,438	-	11,28,442
Total - Property, Plant & Equipment	16,09,49,067	1,56,99,769	27,52,930	17,38,95,906	1,29,98,084	1,09,18,626	3,16,595	2,36,00,115
(B) RIGHT-OF-USE ASSETS								
Buildings	1,91,36,971	-	-	1,91,36,971	-	93,78,258	-	93,78,258
Total - Right-of-Use Assets	1,91,36,971	-	-	1,91,36,971	-	93,78,258	-	93,78,258
(C) CAPITAL WORK IN PROGRESS								
Factory Buildings	37,90,505	-	-	37,90,505	-	-	-	37,90,505
Plant & Machinery	8,18,965	-	-	8,18,965	-	-	-	8,18,965
Total - Capital Work In Progress	46,09,470	-	-	46,09,470	-	-	-	46,09,470
(D) INTANGIBLE ASSETS								
Software Licences	95,089	56,900	-	1,51,989	44,283	46,724	-	91,007
Total - Intangible Assets	95,089	56,900	-	1,51,989	44,283	46,724	-	91,007
TOTAL (A)+(B)+(C)+(D)	18,47,90,597	1,57,56,669	27,52,930	19,77,94,336	1,30,42,367	2,03,43,608	3,16,595	3,30,69,380
								16,47,24,956

#### NOTE 4 FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Units	Amount	No. of Units	Amount
Investment Mandatorily measured at Fair Value through Profit and Loss				
Investment in Mutual Funds	35,329	26,29,118	25,194	11,39,764
<b>TOTAL</b>		<b>26,29,118</b>		<b>11,39,764</b>
Aggregate Amount of Quoted Investment and Market Value thereof		-		-
Aggregate amount of Unquoted Investments		26,29,118		11,39,764
Aggregate amount of impairment in value of Investments		-		-

Note : Details of investments in Mutual Fund

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Units	Amount	No. of Units	Amount
IDFC Focused Equity Fund - Growth (Regular Plan)	26,745	12,26,792	18,970	5,46,724
Kotak Equity Opportunities Fund - Growth (Regular Plan)	8,584	14,02,326	6,224	5,93,040
<b>Total</b>	<b>35,329</b>	<b>26,29,118</b>	<b>25,194</b>	<b>11,39,764</b>

#### NOTE 5 FINANCIAL ASSETS - OTHERS (NON-CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	42,91,984	44,18,124
<b>TOTAL</b>	<b>42,91,984</b>	<b>44,18,124</b>

#### NOTE 6 NON CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax Asset [Net of Provision]	31,70,311	36,21,848
	<b>31,70,311</b>	<b>36,21,848</b>

#### NOTE 7 INVENTORIES

Particulars	As at March 31, 2021	As at March 31, 2020
Valued at Lower of Cost or Net Realisable Value		
Raw Materials	2,77,22,353	2,54,36,835
Raw Materials - Goods in Transit	2,03,47,279	3,31,45,886
Work in Progress	84,37,441	1,22,57,015
Finished Goods	6,00,75,079	8,24,96,649
Others (Packing Material, etc.)	20,71,799	16,43,362
<b>TOTAL</b>	<b>11,86,53,951</b>	<b>15,49,79,747</b>

Note :

Refer Note No. 2.9 for method of valuation of inventories

**NOTE 8 FINANCIAL ASSETS - INVESTMENTS (CURRENT)**

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Units	Amount	No. of Units	Amount
Investment Mandatorily measured at Fair Value through Profit and Loss				
Investment in Mutual Funds	22,59,542	5,22,50,748	1,96,413	37,70,900
<b>TOTAL</b>	<b>22,59,542</b>	<b>5,22,50,748</b>	<b>1,96,413</b>	<b>37,70,900</b>
Aggregate Amount of Quoted Investment and Market Value thereof		-		-
Aggregate amount of Unquoted Investments		5,22,50,748		37,70,900
Aggregate amount of impairment in value of Investments		-		-

Note : Details of investments in Mutual Fund

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Units	Amount	No. of Units	Amount
Axis Banking & PSU Debt Fund - Regular Growth	1,715	35,31,513	-	-
DSP Equity and Bond Fund - Regular Plan - Growth	10,663	21,59,327	7,773	10,35,652
Edelweiss Arbitrage Fund - Regular Plan Growth	6,64,061	1,00,40,605	-	-
ICICI Prudential Floating Interest Fund - Growth	15,400	49,94,426	-	-
IDFC Floating Rate Fund Regular Plan-Growth	4,99,975	50,16,149	-	-
IDFC Corporate Bond Fund Regular Plan-Growth	2,67,952	40,25,443	-	-
Kotak Floating Rate Fund Regular Plan-Growth	4,364	50,17,673	-	-
SBI Short Term Debt Fund - Regular Plan - Growth	1,40,336	35,11,515	-	-
Nippon India Arbitrage Fund - Growth Plan	3,95,258	82,32,598	-	-
Mirae Asset Hybrid - Equity Fund - Regular Plan Growth	1,97,284	37,09,533	1,43,974	17,79,516
L&T Hybrid - Equity Fund - Growth	62,534	20,11,965	44,667	9,55,731
<b>Total</b>	<b>22,59,542</b>	<b>5,22,50,748</b>	<b>1,96,413</b>	<b>37,70,899</b>

**NOTE 9 FINANCIAL ASSETS - TRADE RECEIVABLES**

Particulars	As at March 31, 2021		As at March 31, 2020	
Trade Receivables				
Unsecured - Considered Good	12,71,29,474		11,25,88,755	
Trade receivables - Credit Impaired	-	12,71,29,474		11,25,88,755
Less: Allowances for expected credit losses		(4,52,673)		(1,11,402)
<b>NET TRADE RECEIVABLES</b>		<b>12,66,76,801</b>		<b>11,24,77,353</b>

**Notes -**

i. Trade Receivables includes (also refer note 40)

Particulars	As at March 31, 2021	As at March 31, 2020
Dues from Private Companies in which any director is a director or member	1,35,51,060	41,23,083

ii. Refer Note No. 37 for information about impairment, credit risk and market risk of trade receivables.

#### NOTE 10 FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks in Current Accounts	1,26,16,532	28,72,365
Cash on Hand	1,75,445	1,32,745
<b>TOTAL</b>	<b>1,27,91,977</b>	<b>30,05,110</b>

#### NOTE 11 FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid Dividend Account (Refer note i. Below)	7,23,761	5,11,895
Margin Money Pledged with Banks	83,14,112	63,80,077
<b>TOTAL</b>	<b>90,37,873</b>	<b>68,91,972</b>

**Note:**

- Unpaid dividend account includes amount which has been kept in separate earmarked accounts and no transactions except for stated purpose are done through such accounts.
- Margin Money Deposit of Rs.83,14,112/- as at 31st March 2021 (Rs. 63,80,077/- as at 31st March 2020) are lien marked against borrowings from Kotak Mahindra Bank.

#### NOTE 12 OTHER CURRENT ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Advances other than capital advances</b>		
Advance to Employees	78,502	2,39,679
Loan to Employees	15,000	9,141
Advance to Suppliers / Expenses *	1,03,09,881	51,37,909
<b>Others</b>		
Prepaid Expenses	19,32,726	21,64,937
Export Incentive Receivable	3,26,982	3,02,067
Balances with Revenue Authorities	3,16,40,077	2,81,18,864
<b>TOTAL</b>	<b>4,43,03,168</b>	<b>3,59,72,597</b>

\* Includes related party balances of Rs 1,556/-.

#### NOTE 13 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
1,50,00,000 Equity Shares (Previous year 1,50,00,000) of Rs. 10/- each	15,00,00,000	15,00,00,000
500,000 Redeemable Preference Shares (Previous year 500,000) of Rs. 100/- each	5,00,00,000	5,00,00,000
<b>TOTAL AUTHORIZED SHARE CAPITAL</b>	<b>20,00,00,000</b>	<b>20,00,00,000</b>
<b>Issued, Subscribed &amp; Paid Up Equity Shares</b>		
55,48,745 (48,36,400) Equity Shares of Rs 10/- each fully paid up	5,54,87,450	4,83,64,000
<b>TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>5,54,87,450</b>	<b>4,83,64,000</b>

**a) During the year**

- i) the Company had allotted 4,00,000 equity shares by way of Preferential issue to the following persons at a price of Rs.30/- each:-

<b>Name</b>	<b>No of Shares</b>	<b>Amount (Rs/-)</b>
Ramnik Sangoi	2,00,000	60,00,000
Nirav Sangoi	2,00,000	60,00,000

- ii) the Company had allotted to its employees 72,345 equity shares on account of exercise of Employee stock options.
- iii) the Company had allotted 2,40,000 fully paid equity shares of face value Rs 10/- each to a promoter against 2,40,000 convertible warrants (issued last year) after receiving the balance amount.
- iv) the Company had allotted 20,00,000 convertible warrants to the following persons on preferential basis; each carrying a right exercisable by the warrant holder to subscribe to one equity share having face value of Rs 10/- (Rupees Ten only) per warrant at a price of Rs 30/- (Rupees Thirty only) each aggregating to Rs. 6,00,00,000 (Rupees Six Crores only):-

<b>Name</b>	<b>Category</b>	<b>No of Shares</b>	<b>Amount per share</b>	<b>Amount (Rs/-)</b>
Shailesh S. Shah	Promoter	700000	Rs 30 each	Rs 2,10,00,000
Sharad S. Shah	Promoter	300000	Rs 30 each	Rs 90,00,000
Saloni Dedhia	Promoter	470000	Rs 30 each	Rs 1,41,00,000
Harini Dedhia	Non Promoter	530000	Rs 30 each	Rs 1,59,00,000

For the above said issue, the Company has received a sum of Rs 150.00 lakhs during the year being 25% of the warrants issue price. Balance 75% is payable by the warrant holder at the time of allotment of the equity share which may be exercised at any time before expiry of 18 months from the date of allotment of warrants, failing which the warrants shall lapse and the amount paid shall stand forfeited by the Company.

**b) Reconciliation of the number of shares outstanding :**

<b>Particulars</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>No. of Shares</b>	<b>Amount</b>	<b>No. of Shares</b>	<b>Amount</b>
Shares at the beginning	48,36,400	4,83,64,000	46,06,400	4,60,64,000
Add: Fresh Issue of Equity Share made during the year	7,12,345	71,23,450	2,30,000	23,00,000
Less: Shares bought back during the year	-	-	-	-
<b>Shares at the end</b>	<b>55,48,745</b>	<b>5,54,87,450</b>	<b>48,36,400</b>	<b>4,83,64,000</b>

**c) Rights, Preferences and restrictions attached to shares**

The Company has one class of equity shares having a par value Re 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**d) Details of Shareholders holding more than 5% equity shares**

<b>Name of the Shareholder</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Shailesh Shah	18,30,623	32.99%	15,90,623	32.89%
Sharad Shah	8,62,043	15.54%	8,62,043	17.82%
Skay Finvest Pvt Ltd *	1,63,500	2.95%	1,63,500	3.38%
<b>TOTAL</b>	<b>28,56,166</b>	<b>51.47%</b>	<b>26,16,166</b>	<b>54.09%</b>

\* Beneficial ownership is of Shailesh Shah

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

### A. Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance as the beginning of the reporting period	48,36,400	4,83,64,000	46,06,400	4,60,64,000
Add: Changes in Equity Capital during the year	7,12,345	71,23,450	2,30,000	23,00,000
<b>Balance at the end of the reporting period</b>	<b>55,48,745</b>	<b>5,54,87,450</b>	<b>48,36,400</b>	<b>4,83,64,000</b>

### NOTE 14 OTHER EQUITY

Particulars	Securities Premium	General Reserve	Retained Earnings	Share Warrants	ESOP outstanding amount	Total
Balance as on April 01, 2020	1,26,17,500	80,80,000	14,14,18,435	35,83,125	23,01,358	16,80,00,418
Dividend paid for the year 2019-20	-	-	(24,33,984)	-	-	(24,33,984)
Profit for the period	-	-	79,91,227	-	-	79,91,227
Other comprehensive income						
- Remeasurement gains / (loss) on defined benefit plans	-	-	8,04,724	-	-	8,04,724
- Fair value Profit on FVOCI financial asset	-	-	-	-	-	-
Total comprehensive income for the year	-	-	87,95,951	-	-	87,95,951
Issue of equity shares under Preferential allotment	1,26,20,000	-	-	(17,55,000)	-	1,08,65,000
Issue of share warrants	-	-	-	1,50,00,000	-	1,50,00,000
Issue of equity shares on exercise of Employee Stock Options	9,25,450	-	-	-	(9,25,450)	-
ESOP outstanding amount	-	-	-	-	10,91,717	10,91,717
<b>As at March 31, 2021</b>	<b>2,61,62,950.17</b>	<b>80,80,000</b>	<b>14,77,80,402</b>	<b>1,68,28,125</b>	<b>24,67,625</b>	<b>20,13,19,102</b>

### Nature and Purpose of the Reserves

#### Securities Premium

Security premium account is created when shares are issued at premium. A company may utilise the security premium reserve account as per the provision of Companies Act, 2013.

During the year, the Company has issued 7,12,345 equity shares in total on account of preferential allotment and exercise of employee stock option as mentioned in Note 13(a). The securities premium collected on account of the said issue amounts to Rs 1,35,45,450/-.

#### General Reserve

The Company has transferred a portion of Net Profits of the Company before declaring Dividends to General Reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013.

#### Employee Stock Option Plan

The Members of the Company had approved the Stock Option Scheme titled "ESOP 2018" at the Annual General Meeting held on 14th February, 2019. This Scheme provided for conditional grant of shares at nominal value to eligible employees as determined by the Board of Directors from time to time, at the end of the vesting period.



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH, 2020-21

The Company has granted 1,72,462 (One Lakh Seventy Two Thousand Four Hundred and Sixty Two) Options entitling to Equity Shares of Rs.10/- (Ten Rupees) under the ESOP 2018 at an exercise price of Rs.10/- (Ten Rupees).

The vesting period shall be as given below or such other and further period as the Board/Committee may determine from the Grant date:

30% of the Options granted	One year from the date of grant
30% of the Options granted	Two years from the date of grant
40% of the Options granted	Three years from the date of grant

The exercise period shall commence from each date of Vesting and expire at the end of three years from the date of vesting. The options shall lapse if not exercised within the Exercise period.

Further the Status of the Options is as follows:

Particulars	No. of options
Outstanding at the beginning of the period	1,70,120
Add: Granted during the year	-
Less: Forfeited during the year	-
Less: Exercised during the year	72,345
Less: Expired during the year	-
Outstanding at the end of the period	97,775
Exercisable at the end of the period	29,727

The Guidance Note on "Accounting for Employee Share Based Payments" issued by ICAI ("Guidance Note") establishes financial accounting and reporting principles for share based payment plans for employees. The Guidance Note applies to employee share based payments, the grant date in respect of which falls on or after 1st April, 2005.

As per the Guidance Note, the Company follows the intrinsic method to account for compensation expense arising from issuance of stock options to the employees. Since all stock options are granted at a value lower than the intrinsic value, accordingly compensation cost has been recorded in respect of these options.

The diluted effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### b. Dividends Paid / Proposed during the year

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Corporate Dividend Paid During the year		
Dividend Paid	24,33,984	46,06,400
Dividend Per Fully Paid Up Share	0.50	1.00
Corporate Dividend Proposed for the year		
Dividend Proposed	55,48,745	24,33,984
Dividend Proposed Per Fully Paid Up Share	1.00 Rs.	0.50 Rs.

## NOTE 15 FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>SECURED :</b>		
Term Loans - Banks		
Vehicle Loans	23,53,774	-
MSME Loan	1,45,00,000	-
Term Loans - Non-Banking Financial Companies		
Vehicle Loans	14,22,174	20,10,420
<b>TOTAL</b>	<b>1,82,75,948</b>	<b>20,10,420</b>

Notes :-

### A Term Loans :

- Term loan from HDFC Bank Ltd. aggregating to Rs. 14,11,641/- (Previous year Rs. Nil-) carries interest rate @ 8.35 % p.a. repayable in 60 equated monthly installments of Rs. 31,450 /- .
- Term loan from HDFC Bank Ltd. aggregating to Rs. 14,33,117/- (Previous year Rs. Nil-) carries interest rate @ 8.35 % p.a. repayable in 60 equated monthly installments of Rs. 31,450 /- .
- The Company has during the year availed a loan of Rs. 1,80,00,000/- from Kotak Mahindra Bank Ltd. under the Emergency Credit Line Guarantee Scheme (ECLGS) of National Credit Guarantee Trustee Company Ltd (NCGTC) in order to meet its working capital requirements. The tenure of the loan is 48 months (including the 12 month moratorium period) carrying an interest rate of 8% p.a. repayable in 36 equated monthly installments. The said loan is secured by way of first and exclusive hypothecation charge on all existing and future current assets of the borrower, first and exclusive moveable fixed assets of the borrower and first and exclusive Equitable/ Registered mortgage charge on immoveable properties mentioned below belonging to the borrower.

#### Full property address

Equitable mortgage on Property located at C 58, TTC Industrial area, Thane, Belapur Road, Pawane Navi Mumbai Owned by Sky Industries Ltd

Equitable mortgage of Property located at C 57/1 and 57/2, TTC Industrial area, Thane, Belapur Road, Pawane Navi Mumbai Owned by Sky Industries Ltd.

- Term loan from Kotak Mahindra Prime Ltd. aggregating to Rs 6,70,140/- (Previous year Rs. 8,48,322/-) carries interest rate @ 9.5 % p.a. repayable in 60 equated monthly installments of Rs. 21,000 /- .
- Term loan from Kotak Mahindra Prime Ltd. aggregating to Rs 6,70,140/- (Previous year Rs. 8,48,322/-) carries interest rate @ 9.5 % p.a. repayable in 60 equated monthly installments of Rs. 21,000 /- .
- Term loan from Kotak Mahindra Prime aggregating to Rs 6,70,140/- (Previous year Rs. 8,48,322/-) carries interest rate @ 9.5 % p.a. repayable in 60 equated monthly installments of Rs. 21,000 /- .

## NOTE 16 FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities	1,62,30,063	5,73,840
Creditors for Capital Expenditure	-	2,12,48,428
Deposit from Customers	1,25,000	50,000
<b>TOTAL</b>	<b>1,63,55,063</b>	<b>2,18,72,268</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH, 2020-21

Movement and Contractual maturities of Lease Liabilities as of 31st March, 2021

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Less than one year	5,73,840	71,74,241
One to five years	1,92,00,442	29,85,730
More than five years	-	-

### NOTE 17 PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity (Refer Note 2.11)	14,42,651	13,06,621
Compensated Expenses	1,33,358	74,556
<b>TOTAL</b>	<b>15,76,009</b>	<b>13,81,177</b>

### NOTE 18 INCOME TAX

#### A. COMPONENTS OF INCOME TAX EXPENSE

Particulars	As at March 31, 2021	As at March 31, 2020
<b>I. Tax expense recognised in Statement of Profit &amp; Loss</b>		
<b>Current Tax</b>		
Current year	60,54,000	17,00,000
Adjustments/ (Credit) related to pervious years - (net)	(2,08,776)	3,23,111
Sub-Total	58,45,224	20,23,111
<b>Deferred tax charge/ (credit)</b>		
Origination and reversal of temporary difference	1,93,831	(17,01,971)
<b>Sub-Total</b>	<b>1,93,831</b>	<b>(17,01,971)</b>
<b>Total</b>	<b>60,39,055</b>	<b>3,21,140</b>
<b>II. Tax on other comprehensive income</b>		
<b>Items that will not be reclassified to Profit and Loss</b>		
Remeasurement of the Defined Benefit Plans	8,04,724	7,41,133
(Gain) / Loss on financial instruments through other comprehensive income	-	-
<b>Total</b>	<b>8,04,724</b>	<b>7,41,133</b>

## B. RECONCILIATION OF EFFECTIVE TAX RATES

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Profit Before Tax</b>	<b>1,40,30,282</b>	<b>31,97,293</b>
Applicable Tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	35,31,422	8,04,759
Effect of Expenses that are not deductible in determining Taxable Profit	2,06,614	1,06,858
Effect of Income that is exempt from tax	(81,501)	(68,937)
Rate Difference	(2,01,660)	1,02,772
Excess provision for current year	2,38,055	(32,139)
Tax difference on Depreciation	23,30,028	(11,95,123)
Effect of Expenses that are allowed at lower rate	1,57,778	3,40,101
Effect for allowances for Income Tax purpose	(1,83,922)	-
Other Difference	2,51,016	(60,262)
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>62,47,831</b>	<b>-1,971</b>

## C. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

Particular	Net deferred tax asset / (liabilities) as on 1st April, 2020	Recognised in Profit and Loss Account	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2021
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(1,04,93,701)	7,30,839	-	(97,62,862)
Employee benefits	7,54,339	75,893	-	8,30,232
Deferred income / expenses	12,82,040	(3,04,892)	-	9,77,148
Provision for doubtful debts	28,037	85,892	-	1,13,929
Other items	1,99,869	(7,81,562)	-	(5,81,693)
Deferred tax assets/ (liabilities)	(82,29,416)	(1,93,830)	-	(84,23,246)

## D. DEFERRED TAX ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Liabilities</b>		
Accelerated depreciation for tax purposes	97,62,862	1,04,93,701
Mutual Funds	5,48,067	-
ROU Assets and ROU Liability	33,626	-
	<b>1,03,44,555</b>	<b>1,04,93,701</b>
<b>Deferred Tax Assets</b>		
Provision for Gratuity	7,75,163	7,20,538
Provision for Leave encashment	55,069	33,801
Expenditure covered by sec. 43B of Income Tax Act, 1961	9,77,147	12,82,039
Provision for loss allowances for doubtful debts	1,13,929	-
Mutual Funds	-	98,880
ROU Assets and ROU Liability	-	1,00,989
	<b>19,21,308</b>	<b>22,36,247</b>
<b>NET DEFERRED TAX LIABILITIES</b>	<b>84,23,247</b>	<b>82,57,454</b>

**NOTE 19 FINANCIAL LIABILITIES - SHORT TERM BORROWINGS**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>SECURED:</b>		
Loans repayable on demand		
From Banks (Refer Note below)	83,866,736	64,162,673
Buyers Credit	8,432,089	29,926,681
Term Loans - Bank		
Vehicle Loans	533,787	138,332
MSME Loan	3,500,000	-
Term Loans - Non-Banking Financial Companies		
Vehicle Loans	588,246	534,546
<b>UNSECURED:</b>		
Directors	-	9,375
<b>TOTAL</b>	<b>96,920,858</b>	<b>94,771,607</b>

**Note :** The Bank overdraft facility is secured by way of first and exclusive hypothecation charge on all existing and future current assets of the borrower, first and exclusive moveable fixed assets of the borrower and first and exclusive Equitable/ Registered mortgage charge on immovable properties mentioned below belonging to the borrower.

**Property address**

Equitable mortgage on Property located at C 58, TTC Industrial area, Thane, Belapur Road, Pawane Navi Mumbai Owned by Sky Industries Ltd.

Equitable mortgage of Property located at C 57/1 and 57/2, TTC Industrial area, Thane, Belapur Road, Pawane Navi Mumbai Owned by Sky Industries Ltd.

The Letter of credit / Buyer's credit facility is secured by Margin Money deposit.

**NOTE 20 FINANCIAL LIABILITIES - TRADE PAYABLES**

Particulars	As at March 31, 2021	As at March 31, 2020
Due to Micro, Small and Medium Enterprises	670,090	-
Due to Others	65,885,307	114,382,924
<b>TOTAL</b>	<b>66,555,397</b>	<b>114,382,924</b>

**NOTE 21 FINANCIAL LIABILITIES - OTHERS (CURRENT)**

Particulars	As at March 31, 2021	As at March 31, 2020
Unclaimed Dividend*	723,761	511,895
<b>TOTAL</b>	<b>723,761</b>	<b>511,895</b>

\* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

## NOTE 22 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities	3,544,219	9,586,131
Advance received from Customers	12,453,162	5,833,328
Advance received against sale of property	-	5,100,000
Statutory Dues	3,770,501	3,843,576
Other Payables *	3,192,624	4,393,553
<b>TOTAL</b>	<b>22,960,506</b>	<b>28,756,588</b>

\* Includes related party balances of Rs 4,85,555/-.

## NOTE 23 PROVISIONS (CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits</b>		
Gratuity	1,637,305	1,556,294
Compensated absences	85,449	59,746
<b>Others Provision</b>		
Provision for Tax (Net of Taxes Paid)	616,632	-
Provision for expenses	6,738,901	1,105,619
<b>TOTAL</b>	<b>9,078,286</b>	<b>2,721,659</b>

Refer Note 2.11 for further reference on Employee benefits

## NOTE 24 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Products	521,897,523	588,984,990
Sale of Services	4,726,725	2,666,481
<b>Other Operating Revenue:</b>		
Scrap Sales	1,235,057	1,162,237
Export Incentives	1,294,463	555,179
Foreign exchange gain	4,883,734	-
<b>TOTAL</b>	<b>534,037,502</b>	<b>593,368,887</b>

## NOTE 24B REVENUE FROM CONTRACTS WITH CUSTOMERS

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Revenue from contracts with customers disaggregated based on geography</b>		
Domestic Market	465,038,969	542,582,576
Exports	56,858,554	46,402,414
<b>TOTAL</b>	<b>521,897,523</b>	<b>588,984,990</b>

**NOTE 25 OTHER INCOME**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income under the effective interest rate method	294,175	273,884
Interest Income on Margin deposits with Bank	248,495	297,495
Interest on Advance given to related parties (refer Note 40)	148,711	-
Interest on tax refunds received	13,175	-
Net Fair Value Gain on Mutual Fund Investments	3,371,502	(1,003,609)
Liabilities no longer required written back	153,360	596,082
Miscellaneous income	39,163	43,976
<b>TOTAL</b>	<b>4,268,582</b>	<b>207,827</b>

**NOTE 26 COST OF MATERIALS CONSUMED**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year	60,226,082	40,159,244
Add: Purchases during the year	290,163,227	336,973,162
	350,389,309	377,132,406
Less: Inventories at the end of the year	50,141,431	60,226,083
Cost of Materials Consumed	300,247,878	316,906,323
<b>TOTAL</b>	<b>300,247,878</b>	<b>316,906,323</b>

**NOTE 27 PURCHASE OF STOCK IN TRADE**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of Stock in Trade	39,540,877	108,043,801
<b>TOTAL</b>	<b>39,540,877</b>	<b>108,043,801</b>

**NOTE 28 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Opening Stocks :</b>		
Finished Goods	55,869,304	65,144,274
Work in Progress	12,257,015	14,526,059
Stock In Trade	26,627,345	14,195,475
<b>Less : Closing Stocks :</b>		
Finished Goods	51,341,560	55,869,304
Work in Progress	8,437,441	12,257,015
Stock In Trade	8,733,519	26,627,345
<b>NET CHANGES IN INVENTORIES</b>	<b>26,241,144</b>	<b>(887,856)</b>



## NOTE 29 EMPLOYEE BENEFIT EXPENSES (Also refer Note 40)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages and Bonus	28,902,673	33,847,261
Directors Remuneration	9,264,085	9,863,437
Contribution to Provident and Other Funds	239,048	253,374
Gratuity (Also Refer Note 38)	780,895	135,462
Staff Welfare Expenses	2,156,221	1,334,381
Expense on Employee Stock Option Scheme	1,091,717	2,045,937
<b>TOTAL</b>	<b>42,434,639</b>	<b>47,479,852</b>

## NOTE 30 FINANCE COST

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expense		
On Borrowings	7,497,971	7,691,962
Others (Including interest on delay / deferred payment)	612,458	321,781
Other Borrowing Costs	3,409,886	3,568,799
<b>TOTAL</b>	<b>11,520,315</b>	<b>11,582,542</b>

## NOTE 31 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property plant and equipment (Refer Note 3)	11,322,652	11,565,235
Depreciation on Right of use of Assets (Refer Note 3)	9,248,320	9,378,258
Amortisation of intangible assets (Refer Note 3)	24,422	46,724
<b>TOTAL</b>	<b>20,595,394</b>	<b>20,990,217</b>

## NOTE 32 OTHER EXPENSES

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power, Fuel and Utilities	10,748,534	12,697,688
Processing Charges	23,536,864	23,981,570
Lease Rent	42,400	33,727
<b>Repairs &amp; Maintenance on :</b>		
Building	777,952	961,972
Plant and Machinery	1,260,520	1,600,811
Other Repairs	1,181,964	1,745,234
Advertisement, Publicity & Sales Promotion	527,697	1,024,653
Insurance	1,388,516	1,367,939
Rates and Taxes	4,099,719	2,908,818
Net Loss on foreign exchange	-	1,908,995
Legal and Professional Fees	8,247,073	6,421,729
Commission	1,494,451	1,059,302

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH, 2020-21**

<b>Particulars</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Freight Forwarding Charges	6,098,791	7,378,565
Travelling and Conveyance	3,701,503	5,615,207
<b>Payment to Auditors</b>		
Audit Fees	600,000	631,250
Other Services	14,250	10,260
Donations	1,180,850	1,700,000
Bad Debts Written off	3,409,551	-
Impairment Allowance for doubtful debts	341,271	100,148
Net Loss on sale of Assets	397,249	1,098,729
Postage, Telephone & Courier	1,617,168	1,546,204
Printing & Stationery	890,862	793,056
Miscellaneous expenses	2,933,440	3,089,412
<b>TOTAL</b>	<b>74,490,626</b>	<b>77,675,268</b>

**NOTE 33 CONTINGENT LIABILITIES AND COMMITMENTS**

**1 Disputed Liabilities on account of Property Tax as at March 31, 2021**

<b>Statute</b>	<b>Financial Year to which matter pertains</b>	<b>Forum where matter is pending</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Property Tax	Various years	Navi Mumbai Municipal Corporation	30,535,635	25,932,960
<b>TOTAL</b>			<b>30,535,635</b>	<b>25,932,960</b>

Notes :-

- (i) It is not practical for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) The Company's pending litigation comprise of proceeding pending related to Property tax. The Management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Management does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

**NOTE 34 EXCEPTIONAL ITEMS**

<b>Particulars</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Loss on sale of Assets	9,204,929	-
Property Tax dues of earlier years	-	8,589,274
<b>TOTAL</b>	<b>9,204,929</b>	<b>8,589,274</b>

During the current year, the company has sold land admeasuring 20,000 square metres situated at Sayka Industrial Estate on which it has incurred a net loss of Rs. 92,04,929/-.

## NOTE 35 EARNINGS PER SHARE

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit after tax available for equity shareholders as per Statement of Profit & Loss	7,991,227	2,876,153
Weighted Average No. of Equity Shares of Face Value Rs. 10 each -Basic	4,967,540	4,631,540
Weighted Average No. of Equity Shares of Face Value Rs. 10 each -Diluted	5,118,771	4,818,921
Earnings Per Share - Basic	1.61	0.62
Earnings Per Share - Diluted	1.56	0.61

## NOTE 36 CAPITAL MANAGEMENT

The Company's objective for Capital Management is to maximise shareholder value, safeguard business continuity, and support the growth of the Company. Capital includes, Equity Capital, Securities Premium and other reserves and surplus attributable to the equity shareholders of the Company. The Company determines the capital requirement based on annual operating plans and long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of the Company regularly monitors its key gearing ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total interest bearing financial liabilities	115,196,807	96,782,027
Less : Cash and Cash Equivalents	12,791,977	3,005,110
<b>Adjusted Net Debt</b>	<b>102,404,830</b>	<b>93,776,916</b>
Total Equity	256,806,554	216,364,419
<b>Adjusted Equity</b>	<b>256,806,554</b>	<b>216,364,419</b>
Adjusted Net Debt to adjusted Equity Ratio	0.40	0.43

## NOTE 37 FINANCIAL RISK MANAGEMENT AND POLICIES

The Company 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 details of different types of risk and management policy to address these risks are listed below:

### (a) Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

#### (a)(i) Market Risk - Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates primarily to the Company's borrowings, both short term and long term obligations with floating interest rates.

The Company is also exposed to interest rate risk on its financial assets that include fixed deposits (which are part of cash and cash equivalents) since all these are generally for short durations, there is no significant interest rate risks pertaining to these deposits

**Exposure to interest rate risk**

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed-rate instruments		
Financial Liabilities - Borrowings	22,897,982	2,683,298
	22,897,982	2,683,298
<b>Total</b>	<b>22,897,982</b>	<b>2,683,298</b>

**Sensitivity analysis to interest rate risk**

The Company doesn't account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**(a)(ii) Market Risk - Price Risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price.

**Exposure to Currency risk**

The Company is mainly exposed to the price risk due to its investment in equity based mutual funds. At 31st March 2021, the investments in mutual fund (at market value) amounts to Rs. 26,29,118/- (31st March, 2020 : Rs. 11,39,764/- ). These are exposed to price risk.

The Company does make deposit with the banks as margin money against the borrowing facility provided by the banks. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

**Sensitivity analysis to price risk**

A 10% movement in prices would have led to the following pre-tax impact in the statement of profit and loss.

Financial Instrument	Increase / (Decrease) in Profit			
	As at March 31, 2021		As at March 31, 2020	
	10% increase	10% decrease	3% increase	3% decrease
Investment in Mutual Funds	262,912	(262,912)	147,320	(147,320)
<b>Total</b>	<b>262,912</b>	<b>(262,912)</b>	<b>147,320</b>	<b>(147,320)</b>

**(a)(iii) Market Risk - Currency Risk**

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The Company is exposed to currency risk on account of its trade payables in foreign currency. The functional currency of the Company is Indian Rupees. The Company follows a natural hedge driven currency risk mitigation policy to the extent possible

**Exposure to Currency risk**

The summary quantitative data about the Company's exposure to currency risk are reported to management of the Company are as follows:

*in foreign currency*

Particulars	Foreign Currency	As at March 31, 2021	As at March 31, 2020
<b>Financial Assets</b>			
Trade receivables	USD	59,568	51,700
	EURO	1,697	1,535
<b>Financial Liabilities</b>			
Trade payables	USD	391,420	1,551,045
	EURO	-	10,999

### Sensitivity analysis to currency risk

A reasonable possible strengthening / (weakening) of the foreign currency at March 31 would have affected the measurement of above mentioned financial assets and financial liabilities denominated in foreign currencies and affected the equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast of sales and purchases.

*in Indian Rupees*

Foreign Currency	Increase / (Decrease) in Profit			
	As at March 31, 2021		As at March 31, 2020	
	5% increase	5% Decrease	3% increase	3% Decrease
USD	(1,214,083)	1,214,083	(3,390,170)	3,390,170
EURO	7,290	(7,290)	(23,588)	23,588
<b>Total</b>	<b>(1,206,793)</b>	<b>1,206,793</b>	<b>(3,413,758)</b>	<b>3,413,758</b>

### (b) Credit Risk

“Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers. The carrying amount of Financial Assets represents the maximum credit exposure.”

#### Trade Receivables

The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the payment and delivery terms and conditions are offered. The Company’s review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured ,except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers’ financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

#### Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Company are as under:

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Opening balance of expected loss provision	111,402	11,254
Add : Provisions made / (reversed)	341,271	100,148
Less : Utilisation for impairment / de-recognition	-	-
Closing balance	452,673	111,402

#### **Other Financial Assets**

The Company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

#### **Expected credit loss on financial assets other than trade receivable:**

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet

The Company's maximum exposure to credit risk as at 31st March, 2021 and 31st March 2020 is the carrying value of each class of financial assets.

#### **(c) Liquidity Risk**

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

#### **Exposure to Liquidity Risk**

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

<b>Particulars</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>Less than 12 months</b>	<b>More than 12 months</b>	<b>Less than 12 months</b>	<b>More than 12 months</b>
Long Term Borrowings	4,622,033	18,275,948	672,878	2,010,420
Working Capital Loans from Banks	92,298,825	-	94,098,729	-
Trade Payables	66,555,397	-	114,382,924	-
Other Financial Liabilities	723,761	125,000	511,895	21,298,428
<b>TOTAL</b>	<b>164,200,016</b>	<b>18,400,948</b>	<b>209,666,426</b>	<b>23,308,848</b>

## NOTE 38 FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

### (a) Financial Assets and Liabilities

i) The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total Fair value
<b>Assets :</b>					
Investments (Other than in Subsidiary)	-	54,879,866	-	54,879,866	54,879,866
Loans	-	-	-	-	-
Trade Receivables	126,676,801	-	-	126,676,801	126,676,801
Cash & Cash Equivalents	12,791,977	-	-	12,791,977	12,791,977
Other Bank Balances	9,037,873	-	-	9,037,873	9,037,873
Other Financial Assets	4,291,984	-	-	4,291,984	4,291,984
<b>Liabilities :</b>					
Borrowings	115,196,807	-	-	115,196,807	115,196,807
Trade Payable	66,555,397	-	-	66,555,397	66,555,397
Other Financial Liabilities	848,761	-	-	848,761	848,761

ii) The carrying value of financial instruments by categories as at March 31, 2020 is as follows:

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total Fair value
<b>Assets :</b>					
Investments (Other than in Subsidiary)	-	4,910,664	-	4,910,664	4,910,664
Loans	9,141	-	-	9,141	9,141
Trade Receivables	112,477,353	-	-	112,477,353	112,477,353
Cash & Cash Equivalents	3,005,110	-	-	3,005,110	3,005,110
Other Bank Balances	6,891,972	-	-	6,891,972	6,891,972
Other Financial Assets	4,418,124	-	-	4,418,124	4,418,124
<b>Liabilities :</b>					
Borrowings	96,782,027	-	-	96,782,027	96,782,027
Trade Payable	114,382,924	-	-	114,382,924	114,382,924
Other Financial Liabilities	21,810,323	-	-	21,810,323	21,810,323

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.



**(b) Fair Value Hierarchy**

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 - Inputs are not based on observable market data (unobservable inputs).

The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

The financial instruments included in Level 3 of Fair Value Hierarchy have been valued using whole or in part using a valuation model based on assumptions as described below:

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

For Assets and Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Financial Assets</b>		
Level 1		
Investment in Mutual Fund Units	54,879,866	4,910,664
Level 2		
Security Deposits	4,291,984	4,418,124
<b>Total</b>	<b>59,171,850.08</b>	<b>9,328,788.00</b>

**Measurement of Fair Values:**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of investment in mutual fund is the N.A.V as on the reporting date of balance sheet.
- The fair values of loans given and security deposit given is estimated by discounting cash flows using rates currently available for instruments with similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

**NOTE 39 EMPLOYEE BENEFITS****(a) Retirement Benefits**

As per Ind AS 19 the Company has recognized "Employees Benefits" ,in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2021

**(A) Details of defined benefit obligation and plan assets****(a) Retiring Gratuity**

## I Components of Employer Expenses

Particulars	31st March 2021	31st March 2020
Current Service Cost	641,216	483,937
Interest Cost	139,679	147,675
Actuarial (Gain)/Loss	(510,200)	(109,670)
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>270,695</b>	<b>521,942</b>

## II Net Asset/ (Liability) recognized in Balance Sheet

Particulars	31st March 2021	31st March 2020
Present value of Funded Obligation	3,079,956	2,862,915
Fair Value of Plan Assets	-	-
Assets/(Liability) recognized in the Balance Sheet	3,079,956	2,862,915

## III Change in Defined Benefit Obligations (DBO)

Particulars	31st March 2021	31st March 2020
Opening Balance of Present Value of Obligation	2,862,915	2,340,973
Current Service Cost	641,216	483,937
Interest Cost	139,679	147,675
Actuarial (Gain)/Loss	(510,200)	(109,670)
Benefit Paid	(53,654)	-
Closing Balance of Present Value of Obligation	3,079,956	2,862,915

## IV Changes in the Fair Value of Plan Assets

Particulars	31st March 2021	31st March 2020
Opening Balance of Fair Value of Plan assets of Obligation	-	-
Expected Return on Plan Assets	-	-
Interest Income	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	-	-
Benefit Paid	(53,654)	-
Fair Value of Plan Assets as at 31st March	(53,654)	-

## V Actuarial Assumption

Particulars	31st March 2021	31st March 2020
Discount Rate (Per Annum)	6.68%	6.70%
Annual Increase in Salary Costs Per Annum	5.00%	5.00%
Attrition Rate	3.00%	3.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**VI Major Categories of plan assets as a percentage of total plan assets**

Particulars	31st March 2021	31st March 2020
Government of India Securities	0%	0%
High Quality Corporate Bonds	0%	0%
Equity Shares of listed companies	0%	0%
Gratuity Fund (LIC)	100%	100%
Insurance Company	0%	0%

**VII Movement in net liability recognized in Balance Sheet**

Particulars	31st March 2021	31st March 2020
Net Opening Liability	2,862,915	2,340,973
P & L Charges / (Income)	217,041	521,942
Closing Net Liability	3,079,956	2,862,915

**VIII Gratuity - Sensitivity Analysis**

Particulars	31st March 2021		31st March 2020	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	3,223,831	2,953,831	3,006,352	2,738,131
Discount Rate (1% movement)	2,954,440	3,225,438	2,738,917	3,007,853

**Defined Contribution Plans**

- (B) Amount recognised as expenses on account of “Contribution / Provision to and for Provident and other Funds” of Statement of Profit and Loss - Rs. 2,39,048/- (Previous year Rs. 2,53,734/-)

**NOTE 40 RELATED PARTY****List of related parties****A Enterprise in which Key Managerial Personnel and their relatives have significant Influence :**

S. K. Ultratech Machines Private Limited  
Cricketnco Apparels Private Limited

**B Key Managerial Personnel / persons exercising significant influence & their relatives****i. Executive Directors :**

Mr. Shailesh Shah  
Mr. Sharad Shah  
Mr. Vaibhav Desai  
Mr. Maikal Raorani

**ii. Independent Directors :**

Mr. Amarendra Mohapatra  
Mrs. Sanghamitra Sarangi  
Mr. Lokanath Mishra  
(w.e.f. 08.07.2020)

**iii. Company Secretary:**

Ms. Gauri Rane  
(date of cessation : 11.09.2020)  
Mr. Swapnil Soni  
(w.e.f. 12.02.2021)

**iv. Relatives of Key Managerial Personnel :**

Mrs. Saloni Dedhia

Particulars	Key Managerial Personnel / persons exercising significant influence & their relatives		Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Total	Total
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>PURCHASES</b>						
S. K. Ultratech Machines Private Limited	-	-	767,735	40,120	767,735	40,120
<b>Total</b>	-	-	<b>767,735</b>	<b>40,120</b>	<b>767,735</b>	<b>40,120</b>
<b>SALES</b>						
Cricketnco Apparels Private Limited	-	-	-	3,087,158	-	3,087,158
<b>Total</b>	-	-	-	<b>3,087,158</b>	-	<b>3,087,158</b>
<b>OTHER INCOME</b>						
Cricketnco Apparels Private Limited	-	-	3,081,038	952,626	3,081,038	952,626
<b>Total</b>	-	-	<b>3,081,038</b>	<b>952,626</b>	<b>3,081,038</b>	<b>952,626</b>
<b>INTEREST RECEIVED</b>						
Cricketnco Apparels Private Limited	-	-	148,711	-	148,711	-
<b>Total</b>	-	-	<b>148,711</b>	-	<b>148,711</b>	-
<b>SERVICE CHARGES PAID</b>						
S. K. Ultratech Machines Private Limited	-	-	15,500	68,794	15,500	68,794
<b>Total</b>	-	-	<b>15,500</b>	<b>68,794</b>	<b>15,500</b>	<b>68,794</b>
<b>REMUNERATION*</b>						
Shailesh Shah	4,875,000	4,200,000	-	-	4,875,000	4,200,000
Sharad Shah	2,000,000	2,400,000	-	-	2,000,000	2,400,000
Vaibhav Desai	1,039,085	1,191,900	-	-	1,039,085	1,191,900
Maikal Raorani	1,200,000	1,800,000	-	-	1,200,000	1,800,000
<b>REMUNERATION TO COMPANY SECRETARY*</b>						
Arushi Singhal	-	566,766	-	-	-	566,766
Gauri Rane	225,000	59,020	-	-	225,000	59,020
Swapnil Soni	198,284	-	-	-	198,284	-
<b>Total</b>	<b>9,537,369</b>	<b>10,217,686</b>	-	-	<b>9,537,369</b>	<b>10,217,686</b>
<b>NUMBER OF OPTIONS GRANTED (ESOP)</b>						
Vaibhav Desai (Nos)	5,101	5,101	-	-	-	-
Maikal Raorani (Nos)	11,250	11,250	-	-	-	-
<b>Total</b>	<b>16,351</b>	<b>16,351</b>	-	-	-	-
<b>SITTING FEES</b>						
Aditi Bhat	-	100,000	-	-	-	100,000
Amarendra Mohapatra	50,000	100,000	-	-	50,000	100,000
Sanghamitra Sarangi	50,000	70,000	-	-	50,000	70,000

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH, 2020-21**

Particulars	Key Managerial Personnel / persons exercising significant influence & their relatives		Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Total	Total
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Lokanath Mishara	50,000	-	-	-	50,000	-
<b>Total</b>	<b>150,000</b>	<b>270,000</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>270,000</b>
<b>SALARY</b>						
Saloni Shah	1,096,261	1,323,312	-	-	1,096,261	1,323,312
<b>Total</b>	<b>1,096,261</b>	<b>1,323,312</b>	<b>-</b>	<b>-</b>	<b>1,096,261</b>	<b>1,323,312</b>
<b>LOAN RECEIVED</b>						
Shailesh Shah	-	9,375	-	-	-	9,375
<b>Total</b>	<b>-</b>	<b>9,375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,375</b>
<b>ADVANCE PAID</b>						
S. K. Ultratech Machines Private Limited	-	-	-	300,000	-	300,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>300,000</b>

Particulars	Key Managerial Personnel / persons exercising significant influence & their relatives		Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Total	Total
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>OUTSTANDING BALANCES</b>						
<b>PAYABLES/ (RECEIVABLES)</b>						
S. K. Ultratech Machines Private Limited	-	-	(1,556)	9,635	(1,556)	9,635
Cricketnco Apparels Private Limited	-	-	(13,671,382)	(9,854,849)	(13,671,382)	(9,854,849)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(13,672,938)</b>	<b>(9,845,214)</b>	<b>(13,672,938)</b>	<b>(9,845,214)</b>
<b>REMUNERATION PAYABLE</b>						
Shailesh Shah	179,800	344,800	-	-	179,800	344,800
Sharad Shah	155,180	179,800	-	-	155,180	179,800
Vaibhav Desai	42,410	94,325	-	-	42,410	94,325
Maikal Raorani	101,797	188,300	-	-	101,797	188,300
Swapnil Soni	44,550	-	-	-	44,550	-
Gauri Rane	-	58,107	-	-	-	58,107
<b>Total</b>	<b>523,737</b>	<b>865,332</b>	<b>-</b>	<b>-</b>	<b>523,737</b>	<b>865,332</b>
<b>SITTING FEES PAYABLE</b>						
Sanghamitra Sarangi	-	36,000	-	-	-	36,000
Aditi Bhat	-	36,000	-	-	-	36,000
Amarendra Mohapatra	-	36,000	-	-	-	36,000
Lokanath Mishara	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>108,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108,000</b>
<b>SALARY PAYABLE</b>						
Saloni Dedhia	36,150	104,313	-	-	36,150	104,313
<b>Total</b>	<b>36,150</b>	<b>104,313</b>	<b>-</b>	<b>-</b>	<b>36,150</b>	<b>104,313</b>

Related Parties has been identified by the management and relied upon by the auditors.

\* Provision for contribution to gratuity fund which are made based on actuarial valuation on overall company basis are not included in remuneration to Key Management Personnel.

#### 41 SEGMENT REPORTING :

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

42 Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.

43 Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation

44 Figures in brackets indicate previous year's figures.

#### 45 Impact of COVID-19

The impact of Covid -19 pandemic was felt across the economy and business segments. Consequent to significant opening up of the economic activity in the country, the demand for the Company's products has improved compared to that during the initial phases of Covid-19 including the lock down period. All the business segments of the Company have substantially recovered as at year end. In preparation of these financial statements, the Company has taken into account both the current situation and likely future developments.

#### 46 Note on "Code on Security, 2020"

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified 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.

As per our report attached  
For **CGCA & Associates**

Chartered Accountants  
Firm Reg. No. :123393W

sd/-  
**Champak K Dedhia**  
Partner  
Membership No.101769  
Mumbai, Dated: 27/04/2021

For and on behalf of the Board of Directors of  
**Sky Industries Limited**

sd/-  
**Shailesh Shah**  
Managing Director  
DIN: 00006154

sd/-  
**Maikal Roarani**  
Director & CFO  
DIN: 00037831

sd/-  
**Sharad Shah**  
Director  
DIN: 00006114

sd/-  
**Swapnil Soni**  
Company Secretary  
M. No. 64139







**CORPORATE OFFICE:**

**SKY INDUSTRIES LTD.**

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

Tel No.: Board : 022-67137900  
Email: [corporate@skycorp.in](mailto:corporate@skycorp.in)  
Website - [www.skycorp.in](http://www.skycorp.in).



**REGISTERED OFFICE:**

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



**REGISTRAR & SHARE TRANSFER AGENT**

**Link Intime India Private Limited.**

C 101, 247 Park, L B S Marg, Vikhroli (West),  
Mumbai- 400083,  
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