

SKY INDUSTRIES LIMITED



CIN No.: L17120MH1989PLC052645

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

SIL/OUT/2020-21/28

August 4, 2020

To

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001.

Scrip Code: 526479

Sub: Annual Report for FY 2019-20, Notice of 31st Annual General Meeting ("AGM") and Intimation of Record Date

Dear Sir/Madam,

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Notice of 31st AGM and the Annual Report of the Company for the financial year 2019-20.

Further, in compliance with relevant circulars issued by Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), the Notice convening 31st AGM and the Annual Report of the Company for the financial year 2019-20 has been sent to all the members of the Company whose email addresses are registered. The AGM of the Company will be held on Friday, August 28, 2020, at 2.00 p.m. through Video Conferencing/ Other Audio Visual Means in accordance with the aforesaid circulars. The Notice of AGM along with the Annual Report for the financial year 2019-20 is also being made available on the website of the Company at <https://skycorp.in/investor-relations/annual-reports/>.

Further to our letter no. SIL/OUT/2020-21/18, dated July 8, 2020, wherein we had intimated details related to Book Closure. In this regard please note that the Company has fixed, Friday, August 21, 2020, as the Record Date for determining entitlement of members to final dividend for the financial year ended March 31, 2020, subject to approval of Members at the ensuing AGM. The dividend, if approved, shall be paid on or before Saturday, September 26, 2020.

This is for your information and record.

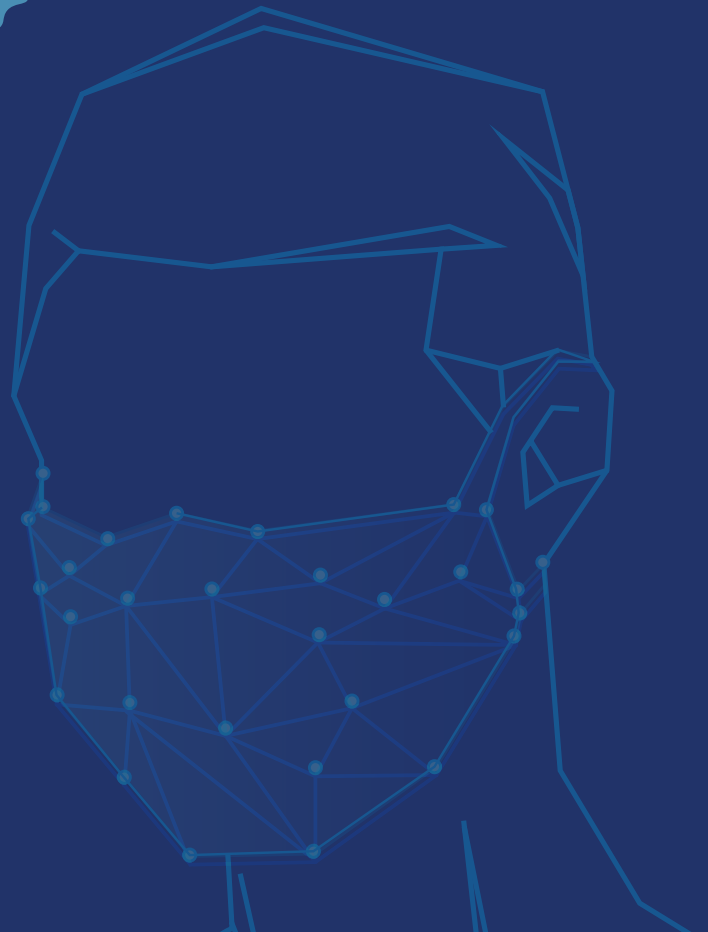
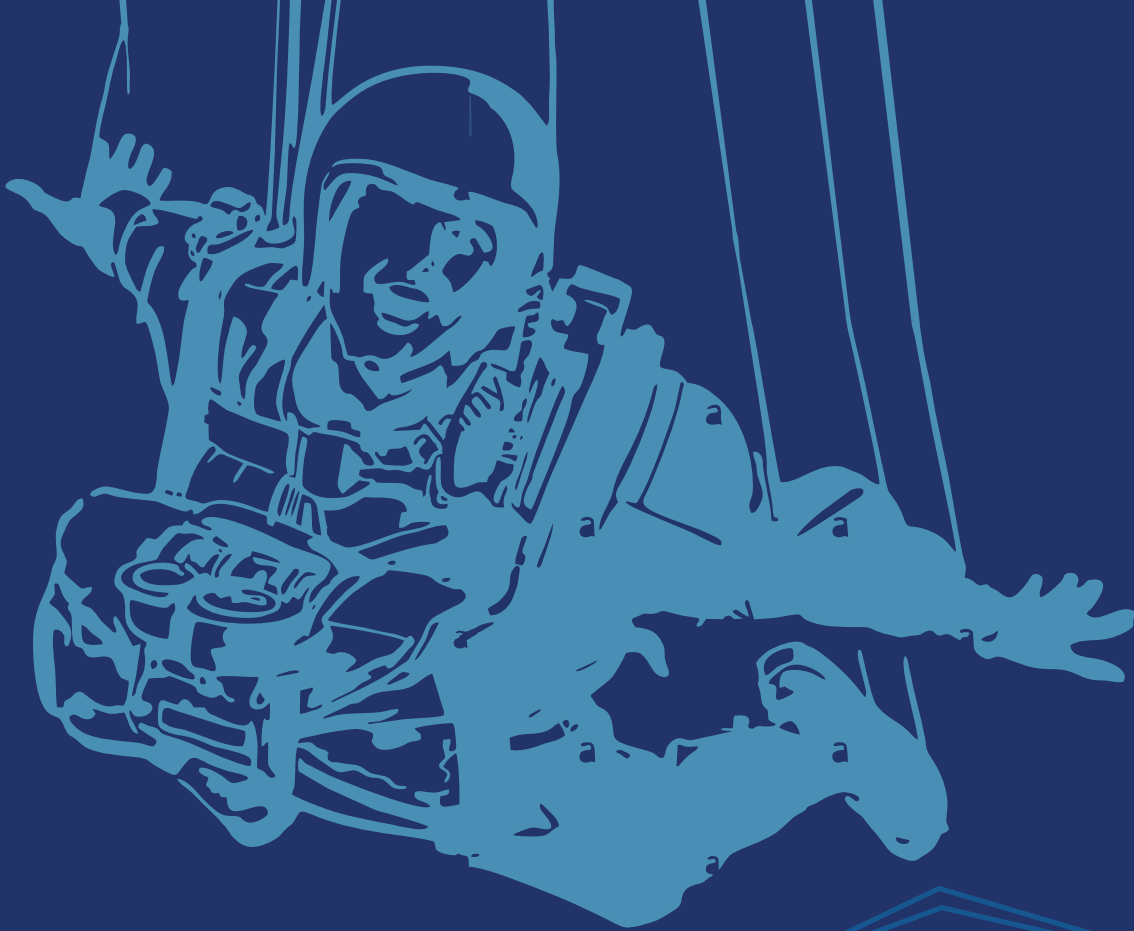
Thanking You,

For **SKY INDUSTRIES LIMITED**



MAIKAL RAORANI
WHOLE TIME DIRECTOR & CFO
DIN : 00037831

Encl.: a/a



31st
ANNUAL REPORT
2020

SKY
SKY INDUSTRIES LIMITED

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ABOUT US

Established in the year 1989, Sky Industries Limited, is one of India's leading player in Narrow Woven Fabrics.

We have grown to become one of India's leading suppliers and dominant players in Narrow Woven Fabrics, especially Hook and Loop tape fasteners, and continue to grow steadily year after year.

OUR VALUES

Trust
Reliability
Quality
Innovation
Customer Satisfaction

OUR KEY PRODUCTS AND OFFERINGS

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

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

CORPORATE INFORMATION

CIN : L17120MH1989PLC052645

BOARD OF DIRECTORS

Managing Director

Mr. Shailesh Shah

Whole Time Directors

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

Independent Directors (Non-Executive)

Ms. Aditi Bhatt*
Mr. Amarendra Mohapatra
Mr. Sanghamitra Sarangi**
Mr. Lokanath Mishra ***

*ceased to be a Director w.e.f. March 29, 2020

**Appointed as Director w.e.f. August 14, 2019

***Appointed as Additional Director w.e.f. July 8, 2020

CHIEF FINANCIAL OFFICER

Mr. Maikal Raorani

COMPANY SECRETARY

Ms. Arushi Singhal (Resigned w.e.f. February 24, 2020)
Ms. Gauri J. Rane (Appointed w.e.f. March 13, 2020)

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Lokanath Mishra (Chairman)
Mr. Amarendra Mohapatra
Mr. Maikal Raorani
Ms. Sanghamitra Sarangi

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Lokanath Mishra (Chairman)
Mr. Amarendra Mohapatra
Mr. Maikal Raorani
Ms. Sanghamitra Sarangi

NOMINATION AND REMUNERATION COMMITTEE

Mr. Lokanath Mishra (Chairman)
Mr. Amarendra Mohapatra
Mr. Maikal Raorani
Ms. Sanghamitra Sarangi

AUDITORS

STATUTORY AUDITOR

M/s UKG & Associates, Chartered Accountants

(Firm Registration No. 123393W)
B-11, West View, 2nd Floor,
Opp. Swami Narayan Temple,
L.N. Road, Dadar (East),
Mumbai – 400 014.

SECRETARIAL AUDITOR

M/s Ramesh Chandra Mishra & Associates

(FCS : 5477 ; C.P. No. : 3987)
129-B, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai – 400 072.

INTERNAL AUDITOR

M/s Sitendu Sharma & Co. Chartered Accountant

(Firm Registration No. 117011W)
103 – A, Keshar Upavan C. H. Soc. Ltd.,
Gavand Baug, 2nd Pokhran Road,
Thane – 400 610.

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

C-58, TTC Industrial Area,
Thane Belapur Road, Pawane, Navi Mumbai – 400705.
Email : corporate@skycorp.in
Website : www.skycorp.in

CORPORATE OFFICE

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

BANKERS

Kotak Mahindra Bank Limited

SKY INDUSTRIES LIMITED

CIN: L17120MH1989PLC052645

Regd. Office : C-58 TTC Indl Area, Thane Belapur Road, Pawane, Navi Mumbai 400705.

Corporate Office : 1101, Universal Majestic, Ghatkopar Mankhurd Link Road, Chembur(West) Mumbai 400043

E-mail: corporate@skycorp.in • **Website:** www.skycorp.in • **Tel:** 91 22 67137900

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the Members of **SKY INDUSTRIES LIMITED** will be held on **Friday, the 28th day of August, 2020 at 2.00 p.m.** through Video Conferencing (VC) / Other Audio Visual Means (OAVM) Facility, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Reports of the Directors and Auditors thereon.
2. To declare the final dividend of Rs. 0.50/- per share for the financial year ended March 31, 2020.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s), Appointment of Mr. Lokanath Suryanarayan Mishra (DIN: 03364948) as an Independent (Non-Executive) Director of the Company, as an **Ordinary Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the Act and applicable Regulation(s) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Lokanath Suryanarayan Mishra (DIN : 03364948), who was appointed as an Additional (Independent & Non-Executive) Director of the Company with effect from July 8, 2020, by the Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee and who in terms of Section 161 of the Act and Articles of Association of the Company and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations and who holds office upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Non-Executive, Independent Director of the Company to hold office for a term of upto 5 (five) consecutive years with effect from July 8, 2020 to July 7, 2025 not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. To consider and if thought fit, to pass, with or without modification(s), Re-appointment of Mr. Vaibhav Desai (DIN: 06673723) as a Whole Time Director of the Company, as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable laws (including any statutory modification(s) or re-enactment thereof, for the time being in force) and on the recommendations of the Nomination and Remuneration Committee, and that of the Board and any other approval as may be required, consent of the Members be and is hereby accorded for re-appointment of Mr. Vaibhav Desai (DIN: 06673723) as a Whole Time Director of the Company for a period of 3(three) years effective from October 1, 2020, on the terms and conditions including remuneration approved by the Board and set out in the Explanatory Statement annexed to this Notice convening this Meeting.”

“**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company, the remuneration and perquisites set out in the aforesaid agreement be paid to Mr. Vaibhav Desai, Whole Time Director as minimum remuneration, provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the ceiling provided in Section II of Part II of Schedule V of the Act, as may be provided from time to time.”

“**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorised to alter and vary the terms and conditions of the said appointment including remuneration, from time to time and to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company for the purpose of giving effect to this resolution.”

**By & on Behalf of the Board of Directors
of Sky Industries Limited**

Place: Mumbai
Date: July 8, 2020

Sd/-
Shailesh Shah
Managing Director
DIN : 00006154

Regd. Office:

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

Corporate Office :

1101, Universal Majestic, Ghatkopar Mankhurd Link Road, Chembur (West)

CIN: L17120MH1989PLC052645

Tel: 91 22 67137900

E-mail: corporate@skycorp.in

Website: www.skycorp.in

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular number 20/20 dated May 5, 2020 read with circular numbers 14/20 and 17/20 dated April 8, 2020 and April 13, 2020 respectively (collectively referred to as “MCA 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 provisions of the Companies Act, 2013 (hereinafter referred as the “Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “LODR Regulations”), SEBI circular number SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79 dated May 12, 2020 (“SEBI Circular”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. The proceedings of the AGM shall be deemed to be conducted at the Corporate Office of the Company, which shall be the deemed venue of AGM.
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 and SEBI Circular 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. The Board of Directors at its meeting held on July 8, 2020 has recommended a final dividend of Rs. 0.50/- per share for the financial year ended March 31, 2020.

5. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the LODR Regulations, the Company has extended e-voting facility for its members to enable them to cast their votes electronically on the resolutions set forth in this notice. The instructions for e-voting are provided in this notice. The e-voting commences on Monday, August 24, 2020 at 9.00 AM IST and ends on Thursday, August 27, 2020 at 5.00 PM IST. The voting rights of the Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, i.e., Friday, August 21, 2020.
6. Any person who is not a member post cut-off date should treat this notice for information purposes only.
7. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
8. Any person, who acquires shares and becomes a Member of the Company after sending the notice and holding shares as of the cut-off date, i.e., Friday, August 21, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Registrar and Share Transfer Agent (RTA) rnt.helpdesk@linkintime.co.in. However, if he/she is already registered with National Securities Depository Limited (NSDL) for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
9. CS Ramesh Mishra, Practising Company Secretary (Membership No. FCS 5477 CP No. 3987) from M/s Ramesh Chandra Mishra & Associates, vide Board Resolution dated July 8, 2020 has been appointed as the Scrutinizer to scrutinize the voting and e-voting process in a fair and transparent manner.
10. The Scrutinizer shall within a period not exceeding 2 (Two) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (Two) witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him in writing.
11. The Results shall be declared after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website viz. <http://skycorp.in/investor-relations/> and on the website of NSDL within 2 (Two) working days of passing of the resolutions at the AGM of the Company and the same will also be communicated to the Stock Exchanges.
12. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participants (DPs) in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ RTA/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website <http://skycorp.in/investor-relations/>, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of NSDL at <https://www.evoting.nsdl.com>. The Company will also be publishing an advertisement in newspaper containing the details about the AGM i.e. the conduct of AGM through VC/ OAVM, date and time of AGM, availability of notice of AGM at the Company's website, manner of registering the email IDs of those shareholders who have not registered their email addresses with the Company/ RTA, manner of providing mandate for dividends, and other matters as may be required.
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

16. Pursuant to Section 91 of the Act, the Register of Members of the Company will remain closed from Saturday, August 22, 2020 to Friday, August 28, 2020 (both the days inclusive).
17. Subject to provision of Section 123 of the Act, the final dividend, as recommended by the Board of Directors, if declared and approved at the 31st AGM, will be paid within 30 days of the AGM:
 - a) To those Members whose names appear on the Register of Members of the Company on Friday, August 21, 2020.
 - b) In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on closing hours of business on Friday, August 21, 2020, as per the list of beneficiaries furnished by NSDL and Central Depository Services (India) Ltd. (CDSL), the Depositories, for this purpose.

The final dividend, once approved by the shareholders in the ensuing AGM will be paid electronically through various online transfer modes to those shareholders who have updated their bank account details. For shareholders who have not updated their bank account details, dividend warrants/ demand drafts/ cheques will be sent to their registered addresses once the postal facility is available. To avoid delay in receiving the dividend, shareholders are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Share Transfer Agent (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.

18. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

For Resident Shareholders-

taxes shall be deducted at source under Section 194 of the IT Act as follows-

Members having valid PAN	7.5% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

However, TDS shall not be deducted in cases where a Member provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. In order to provide exemption from withholding of tax, the following organizations must provide a self-declaration as listed below:

- a) Insurance companies: A declaration that they are beneficial owners of shares held;
- b) Mutual Funds: A declaration that they are governed by the provisions of section 10(23D) of the Act along with copy of registration documents (self-attested);
- c) Alternative Investment Fund (AIF) established in India: A declaration that its income is exempt under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. Copy of registration documents (self-attested) should be provided.

Form 15G and 15H can be downloaded from the following link <https://www.linkintime.co.in/client-downloads.html>. Members are requested to click on General Tab, wherein all the forms are available in under the head "Form 15G/15H/10F".

For Non-Resident Shareholders-

taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- a) Self-attested copy of PAN card, if any, allotted by the Indian Income Tax authorities;
- b) Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the Member is resident (valid for financial year 2020-21);
- c) Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;
- d) Self-declaration by the Non-resident Member of having no permanent establishment in India in accordance with the applicable Tax Treaty;
- e) Self-declaration of beneficial ownership by the Non-Resident Member;
- f) Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

The documents referred to in point nos. (c) to (e) can be downloaded from the following link <https://www.linkintime.co.in/client-downloads.html>. Members are requested to click on General Tab, wherein all the forms are available in under the head "Form 15G/15H/10F"

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non- Resident Members.

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

19. Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents as mentioned above not later than 5.00 pm IST, Friday, August 21, 2020.
20. Kindly note that the aforesaid documents, duly completed and signed are required to be uploaded on the following link – <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> - On this page the user shall be prompted to select / share the following information to register their request.
 1. Select the company (Dropdown)
 2. Folio / DP-Client ID
 3. PAN
 4. Financial year (Dropdown)
 5. Form selection
 6. Document attachment – 1 (PAN)
 7. Document attachment – 2 (Forms)
 8. Document attachment – 3 (Any other supporting document)

Please note that the upload of documents (duly completed and signed) on the website of Link Intime India Private Ltd should be done on or before 5.00 pm IST, Friday, August 21, 2020, for the dividend in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. Any communication on the tax determination/ deduction received post 5.00 pm IST on Friday, August 21, 2020 and thereafter shall not be considered.

Shareholders may note that in case the tax on said final dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, option is available to shareholder to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

All communications/ queries in this respect should be addressed to our RTA, Link Intime India Private Limited to its email address skyintaxexemption@linkintime.co.in.

21. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") along with details pursuant to Securities and Exchange Board of India ("SEBI") Regulations and other applicable laws are annexed hereto, which sets out details relating to Special Business at the meeting, is annexed hereto.
22. The Registers maintained under Section 170 & 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection till the conclusion of AGM by the members based on the request being sent on corporate@skycorp.in.
23. The Company is obliged to print such bank's details on the dividend warrants/ demand drafts as furnished by the DPs and the Company cannot entertain any request for deletion/ change of bank details already printed on the dividend warrant(s) / demand draft(s) based on the information received from the concerned DPs, without confirmation from them. In this regard, Members are advised to contact their DPs and furnish them the particulars of any change desired, if not already provided.
24. Member(s) must quote their Folio Number/ DP ID & Client ID and contact details such as email address, contact no. etc. in all correspondences with the Company/ RTA.
25. As per Regulation 40 of LODR Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 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 RTA for assistance in this regard.
26. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
27. Pursuant to the provisions of Section 72 of the Act the Member(s) holding shares in physical form may nominate, in the prescribed manner, any person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. A nomination form for this purpose is available with the Company or its RTA. Member(s) holding shares in demat form may contact their respective DPs for availing this facility.
28. Member(s) holding shares in physical form is/ are requested to notify immediately any change of their respective addresses and bank account details. Please note that request for change of address, if found incomplete in any respect shall be rejected. Members holding shares in demat form are requested to notify any change in their addresses, e-mails and/or bank account mandates to their respective DPs only and not to the Company/ RTA for effecting such changes. The Company uses addresses, e-mails and bank account mandates furnished by the Depositories for updating its records of the Shareholders holding shares in electronic/demat form.
29. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.
30. The details of the process and manner for remote e-voting are explained herein below:

The remote e-voting commences on Monday, August 24, 2020 at 9.00 AM IST and ends on Thursday, August 27, 2020 at 5.00 PM IST. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below: How to Log-in to NSDL e-Voting website?

- a) 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.
- b) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- c) A new screen will open. You will have to enter your User ID, your Password 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.

d) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
i) 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*****.
ii) 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*****.
iii) 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***

- e) Your password details are given below:
 - i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - ii) 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.
 - iii) How to retrieve your ‘initial password’?
 - 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’.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

- f) If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - i) 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.
 - ii) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - iii) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- iv) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- g) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- h) Now, you will have to click on “Login” button.
- i) After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is mentioned below: How to cast your vote electronically on NSDL e-Voting system?

- a) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- b) After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- c) Select “EVEN” of company for which you wish to cast your vote.
- d) Now you are ready for e-Voting as the Voting page opens.
- e) 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.
- f) Upon confirmation, the message “Vote cast successfully” will be displayed.
- g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

- a) 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 fcsrcom@gmail.com with a copy marked to evoting@nsdl.co.in.
- b) 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 to reset the password.

- c) 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 or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in.
- d) In case of any grievances connected with facility for e-voting, please contact, Mr. Amit Vishal, Senior Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.
Email: evoting@nsdl.co.in/ AmitV@nsdl.co.in , Tel: +91-22-24994360.

Process for registration of email id for obtaining Annual Report and user id/password for e-voting and updation of bank account mandate for receipt of dividend:

- Registration of Email IDs for shareholders holding Physical Shares:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt Ltd, by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN , mobile number and e mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB) .

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

- For Permanent Registration for Demat shareholders:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

- For Temporary Registration for Demat shareholders:

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt Ltd by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id. (This will only help us in getting with touch with them in case of reminders emails for unclaimed dividend if any further the data will be only use as referral data and will not be updated in the system)

- Registration of Bank Details for physical shareholders:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Link Intime India Pvt Ltd, by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the Email/ Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e – mail id along with the copy of the cheque leaf with the first named shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. It is very important that the shareholder to submit the request letter duly signed.

Link intime will verify the documents upload and will only take on records for all valid cases.

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON 31ST AGM ARE AS UNDER:

- a) Members may follow the same procedure for e-Voting during the 31st AGM as mentioned above for remote e-Voting.
- b) Only those Members/ shareholders, who will be present in the 31st 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.
- c) Members who have voted through Remote e-Voting will be eligible to attend the 31st AGM. However, they will not be eligible to vote at the 31st AGM.
- d) The Helpline details of the person who may be contacted by the Member needing assistance with the use of technology, before or during the AGM shall be the same persons mentioned for remote e-Voting and reproduced hereunder for convenience:
 - Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: evoting@nsdl.co.in or AmitV@nsdl.co.in or at telephone number : +91-22-24994360/ 1800-222-990.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING 31ST AGM THROUGH VC/OAVM ARE AS UNDER:

- a) Members who have not cast their vote on the resolutions through remote e-voting shall be eligible to vote through the e-voting system during the AGM by clicking the link, <https://www.evoting.nsdl.com/>
- b) Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 31st AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address corporate@skycorp.in atleast 48 hours in advance before the start of the meeting i.e. by August 28, 2020 by 2:00 p.m. IST. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
- c) 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 email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at corporate@skycorp.in on or before, 5.00 p.m. (IST), Saturday, August 22, 2020. Those Members who have registered themselves as a speaker will 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.
- d) Facility of joining the AGM through VC/ OAVM shall open 30 minutes before the time scheduled for the AGM for the members to join. The Shareholders can join the AGM in the VC/ OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the necessary procedure mentioned in the Notice of this AGM.
- e) Members can participate in the AGM through their desktops / smartphones / laptops etc. However, for better experience and smooth participation, it is advisable to join the meeting through desktops / laptops with high-speed internet connectivity.
- f) Members will be able to attend the AGM through VC/OAVM Facility through the NSDL e-Voting system at <https://www.evoting.nsdl.com> under shareholders login by using the remote e-Voting credentials and selecting the EVEN for the Company's AGM. Please note that the 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 of the AGM to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.
- g) Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.

- h) Please note that Members connecting from mobile devices or tablets or through laptops etc 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.

For any other queries relating to the shares of the Company, you may contact the Registrar and Share Transfer Agent at the following address:

Link Intime India Private Limited
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083
Tel.: 91 22 49186270 Fax: 91 22 49186060
E-mail: rnt.helpdesk@linkintime.co.in

**By & on Behalf of the Board of Directors
of Sky Industries Limited**

Place: Mumbai
Date: July 8, 2020

Sd/-
Shailesh Shah
Managing Director
DIN : 00006154

Regd. Office:

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

Corporate Office :

1101, Universal Majestic, Ghatkopar Mankhurd Link Road, Chembur(West)

CIN: L17120MH1989PLC052645

Tel: 91 22 67137900

E-mail: corporate@skycorp.in

Website: www.skycorp.in

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS FOR APPOINTMENT OF DIRECTORS**Item No. 3**

The Nomination and Remuneration Committee and the Board of Directors at its Meeting held on July 8, 2020, have recommended appointment of Mr. Lokanath Suryanarayan Mishra, as a Non-Executive, Independent Directors of the Company, subject to the approval of the Members, for a term of 5 (Five) consecutive years effective from July 8, 2020 upto July 7, 2025.

The Company has received the consents from Mr. Lokanath Suryanarayan Mishra and also the declarations confirming that he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 as well as Regulation 16(1)(b) of the Listing Regulations.

Mr. Lokanath Suryanarayan Mishra is independent of the management of the Company and does not hold any equity shares of the Company and in the opinion of the Board of Directors of the Company, he fulfil the conditions specified in the Companies Act, 2013 and the Rules framed thereunder for appointment as the Independent Directors of the Company.

Brief profile along with other details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given at Annexure A to this Notice.

Other than Mr. Lokanath Suryanarayan Mishra, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Resolution as set out in Item No. 3 of this Notice, except to the extent of their equity holdings in the Company, if any.

The Board recommends Ordinary Resolution as set out at Item No. 3 for the approval by the Members.

Item No. 4

The Members at the 28th Annual General Meeting held on August 10, 2017, approved the re-appointment of Mr. Vaibhav Desai as the Whole Time Director of the Company with effect from October 1, 2017 for a period of 3(three) years. Mr. Desai will complete his present term on September 30, 2020.

On the recommendation of the Nomination & Remuneration Committee ('the Committee') and subject to the approval of the Members, the Board at the meeting held on July 8, 2020, re-appointed Mr. Desai as the Whole Time Director of the Company with effect from October 1, 2020 for a period of 3(three) years.

The Board at the aforesaid meeting, on the recommendation of the Committee, also recommended for the approval of the Members, the re-appointment of Mr. Desai as a Director, the Whole Time Director of the Company, as set out in the Resolution relating to his re-appointment, on the following terms & conditions:-

- i) Basic Salary of Rs. 3, 68,700/- per annum w.e.f. October 1, 2020, which may be reviewed by the Board.
- ii) The Whole time Director shall be entitled to the perquisites of not exceeding Rs. 6,47,844/- per annum.
- iii) The Whole time Director shall be entitled for House Rent Allowance, whether self-occupied or not, of Rs. 1, 84,356/- per annum.
- iv) Leave Travel Allowance & Medical Expenses:

Leave Travel Expenses incurred for the appointee and his family shall be reimbursed subject to a ceiling of Rs. 3,00,000/- per annum.

Expenses incurred for the appointee towards Medical reimbursement for him & his family shall be subject to a ceiling of Rs. 3,00,000/- per annum.

Explanation: For the purposes of a “family”, family means the spouse, dependent children and dependent parents of the appointee.

- v) Special Allowances: Rs. 3,00,000/- per annum
- vi) Provision of Car for use in Company's business and telephone (includes cell phone) at residence will not be considered as Perquisites. Telephone at residence reimbursed for rental and business calls.
- vii) Reimbursement of actual expenses for books and periodicals purchased and for expenses for the purposes of carrying-on his dues and reimbursement of entertainment expenses actually and properly incurred in the course of the Company's business.
- viii) The Director shall not be paid any sitting fees for attending the meetings of the Board or any committee thereof.
- ix) Encashment of leave, if any, will be paid as per the company's policy and will be included in the computation of ceiling of perquisites.
- x) Provident Fund: Payable in accordance with as per applicable law. The Membership of the Employees' Provident Fund of the company to which the company will contribute at such percentage of salary as may be applicable, from me to me, to the employees. The appointee will be governed by the provident fund rules.

Brief profile along with other details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given at Annexure A to this Notice.

Other than Mr. Vaibhav Desai, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Resolution as set out in Item No. 4 of this Notice, except to the extent of their equity holdings in the Company, if any.

The Board recommends Ordinary Resolution as set out at Item No. 4 for the approval by the Members.

**By & on Behalf of the Board of Directors
of Sky Industries Limited**

Place: Mumbai
Date: July 8, 2020

Sd/-
Shailesh Shah
Managing Director
DIN : 00006154

Regd. Office:

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

Corporate Office :

1101, Universal Majestic, Ghatkopar Mankhurd Link Road, Chembur(West)

CIN: L17120MH1989PLC052645

Tel: 91 22 67137900

E-mail: corporate@skycorp.in

Website: www.skycorp.in

Annexure-A

Details of Directors seeking Appointment/Re-appointment at the 31st Annual General Meeting to be held on August 28, 2020.

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Particulars	Name of Director(s)	
	Mr. Lokanath Mishra	Mr. Vaibhav Desai
Purpose	Appointment as Independent Non-Executive Director	Re-Appointment as Whole Time Director
DIN	03364948	06673723
Date of Birth	May 17, 1972	December 22, 1971
Age	48 years	48 years
Brief Profile	Mr. Lokanath Suryanarayan Mishra is an Advocate, Bombay High Court having experience of 10 years. In the legal field, he is having educational qualification of B.Com, LLB. He has handled matters related to SEBI, SAT, BSE for various Listed Companies.	Mr. Vaibhav Desai is an Engineer by qualification. He has more than 25 years of experience in the manufacturing and production operations of the Company.
Relationship with Directors and Key Managerial Personnel	None	None
Expertise in specific functional area*	Legal	Manufacturing & Production Operations
Qualification(s)	B.A., LLB	Bachelors' of Engineering
Board Membership of other listed Companies as on March 31, 2020	Saboo Brothers Limited	-
Details of Shareholding the Company as on March 31, 2020	Nil	Nil
Date of first Appointment on the Board	-	September 27, 2013
No. of Board Meetings attended as on March 31, 2020	NA	9
Chairmanships/Memberships of the Committees of other public limited companies as on March 31, 2020		
a) Audit Committee	Member	-
b) Nomination & Remuneration Committee	Chairman	-
c) Stakeholders Relationship Committee	Member	-
d) CSR Committee		-
e) Other Committee(s)		
- Share Transfer Committee	Member	-

Note:

The Directorship, Committee Memberships and Chairmanships do not include positions in foreign companies, unlisted companies and private companies, position as an advisory board member and position in companies under Section 8 of the Companies Act, 2013.

**By & on Behalf of the Board of Directors
of Sky Industries Limited**

Sd/-
Shailesh Shah
Managing Director
DIN : 00006154

Place: Mumbai
Date: July 8, 2020

Regd. Office:
C-58 TTC Indl Area, Thane Belapur Road, Pawane, Navi Mumbai 400705
Corporate Office :
1101, Universal Majestic, Ghatkopar Mankhurd Link Road, Chembur(West)
CIN: L17120MH1989PLC052645
Tel: 91 22 67137900
E-mail: corporate@skycorp.in Website: www.skycorp.in

DIRECTORS' REPORT

To
The Members,

Your Directors present their 31st Annual Report together with Audited Financial Statements of your Company for the Financial Year ended March 31, 2020.

FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	Standalone Results For the year ended as at	
	March 31, 2020	March 31, 2019
Total Revenue	5945.80	5849.57
Total Expenses	5827.93	5543.29
Profit/(Loss) Before Tax and Exceptional Item	117.87	306.28
Exceptional Item	(85.89)	(49.76)
Profit/(Loss) Before Tax	31.98	256.52
Tax Expense (Net)	(3.21)	(65.02)
Profit /(Loss) After Tax	28.76	191.50
Other Comprehensive Income	7.41	(2.75)
Net Profit /(Loss) After Tax	36.17	188.75
Earnings Per Share (Rs.)	0.62	4.17

PERFORMANCE OF THE COMPANY

Your Company's revenue from operations and other income were Rs. 5945.80 Lakhs as against Rs. 5849.57 Lakhs for the previous financial year registering an increase of Rs. 96.23 Lakhs mainly due Company's Hook and Loop Tape fasteners as a major division now which contributes to approximately 84% of the overall revenue. The profit before tax was Rs. 31.98 Lakhs and the profit after tax is Rs. 36.17 Lakhs for the financial year under review as against Rs. 256.52 Lakhs and Rs. 188.75 Lakhs respectively, for the previous financial year.

IMPACT OF COVID-19

The country witnessed lockdown being implemented in India in the second fortnight of March 2020. There were also restrictions of varying extent across larger part of the world, due to the COVID-19 pandemic. This impacted the business operations of the Company significantly. Since May 2020, the Company started resuming operations in its manufacturing plants and warehouses after taking requisite permissions from Government authorities. By staying true to its purpose and its values, the top-most priority for the Company was to ensure the safety of its employees. The Company has taken several measures to ensure their well-being including leveraging the power of technology to enable them to work from home. Standing by its core commitment, the Company is navigating through these unprecedented times by building stronger and deeper relationships with consumers and its partners.

DIVIDEND

Your Company at their Board meeting held on July 8, 2020 have also recommended, a final dividend of Rs. 0.50/- per equity share of face value of Rs. 10/- each for the financial year ended March 31, 2020, which is payable on obtaining the Shareholders' approval at the 31st Annual General Meeting (AGM). The final dividend, if approved, will be paid within 30 days of AGM.

The dividend payout amount for the current year inclusive of tax on dividend will be approximately Rs. 24.34 Lakhs.

In view of the changes made under the Income-Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source. For more clarity on deduction of tax, please refer para on 'TDS on Dividend' as mentioned in the notes to the Notice of the AGM.

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to Reserve.

DEPOSITS

During the financial year under review, your Company has neither invited nor accepted any deposits from the public within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

During the financial year under review, there has been no change in the Authorized Capital of the Company.

Preferential Allotment-

Your Company has issued 720000 (Seven Lakhs & Twenty Thousand) convertible warrants on a preferential basis to Mr. Shailesh Shah (Promoter) by passing a special resolution on September 14, 2019. During the financial year under review, your Company at its Board Meeting held on February 21, 2020, had issued and allotted 230000 equity shares to Mr. Shailesh Shah (Promoter) at a price of Rs. 29.25/- on preferential basis in accordance with and in terms of the provisions of Sections 42 and 62(1)(c) of the Companies Act, 2013 read with rules framed there under, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time and other applicable laws. Therefore, the paid-up share capital of the Company increased from Rs. 4,60,64,000 (31st March, 2019) to Rs. 4,83,64,000 as on 31st March, 2020.

ESOPs:

Your Company at its Board at its meeting held on July 8, 2020, have allotted 31569 Equity Shares to its employees under Sky Industries Employee Stock Option Plan 2018. Accordingly, the paid-up share capital as on the date of the report has increased to Rs. 4,86,79,690.

Your Company has neither issued any Equity Shares with Differential rights as to dividend, voting or otherwise nor has issued any Sweat Equity Shares to the employees or Directors of the Company, under any scheme. Your Company has not issued any debentures, bonds or any non-convertible securities during the financial year under review.

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:

Sr. No.	Instruments	Ratings
1	Long Term Rating	CRISIL BB+/Stable
2	Short Term Rating	CRISIL A4+

INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY

The Financial Statements of the Company comply with the Ind AS specified under Section 133 of the Act.

Your Company has put in place adequate internal controls with reference to accuracy and completeness of the accounting records and timely preparation of reliable financial information, commensurate with the size, scale and complexity of operations and ensures compliance with various policies and statutes in keeping with the organization's pace of growth, increasing complexity of operations, prevention and detection of frauds and errors. The design and effectiveness of key controls were tested and no material weaknesses were observed. The Audit Committee reviews and evaluates the adequacy of internal financial control and risk management systems, periodically. Efficacy of Internal control systems are tested periodically by Internal Auditors with and Internal Control over financial reporting is tested and certified by Statutory Auditors. The internal financial control system of the Company is supplemented with internal audits, regular reviews by the management and checks by external auditors. During the year under review, no material or serious observation has been highlighted for inefficiency or inadequacy of such controls.

SUBSIDIARY ENTITIES

Pursuant to sub-section (3) of section 129 of the Act, your company does not have any subsidiary as on 31st March, 2020. Hence, AOC -1 is not required to be attached to the said report.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

During the financial year under review, pursuant to the provisions of Section 149, 150 and 152 of the Companies Act, 2013 ("the Act") and based on the recommendation of the Nomination and Remuneration Committee, Ms. Sanghamitra Sarangi (DIN : 08536750) was appointed as an Additional (Non-Executive Independent) Director of the Company with effect from August 14, 2019 by the Board. Further, Members of the Company at the 30th Annual General Meeting of the Company held on September 14, 2019 approved her appointment as a Non-Executive Independent Director, not liable to retire by rotation, for a term of 5 (Five) years with effect from August 14, 2019 to August 13, 2024.

Ms. Aditi Bhatt (DIN : 07144131), whose first term of 5 years as a Non-Executive Independent Director of the Company came to an end on March 29, 2020, has informed the Company that due to her personal reasons and other commitments will not be able to continue on the Board. Hence, Ms. Bhatt has ceased to be a Non-Executive Independent Director on the Board of the Company with effect from March 29, 2020. The Board, places on record its appreciation for the valuable contribution and services rendered by Ms. Aditi Bhatt during her tenure as an Independent Director. The Board, places on record its appreciation for the valuable contribution and services rendered by Ms. Aditi Bhatt during his tenure as an Independent Director.

Pursuant to the provisions of Sections 149, 152 and 161 read with Schedule IV, and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and based on the recommendation of the Nomination and Remuneration Committee, the Board had appointed Mr. Lokanath Suryanarayan Mishra (DIN : 03364948) as a Non Executive, Independent (Additional) Director of the Company with effect from July 8, 2020 to July 7, 2025, for a period of 5(Five) years, subject to approval of the members in the ensuing AGM of the Company. An appropriate resolution seeking your approval to his appointment as a Non Executive, Independent Director is included in the Notice.

The term of Mr. Vaibhav Desai (DIN: 06673723) as the Whole Time Director of the Company will end on September 30, 2020. Accordingly, on the recommendation of the Nomination & Remuneration Committee, the Board at its meeting held on July 8, 2020, approved re-appointment of Mr. Vaibhav Desai as the Whole Time Director for a period of 3(three) years with effect from October 1, 2020, subject to approval of shareholders at the ensuing AGM. An appropriate resolution seeking your approval to his re-appointment as Whole Time Director is included in the Notice.

All the Directors of the Company have confirmed that they are not disqualified to act as Director in terms of Section 164 of the Act.

Key Managerial Personnel

In compliance of Section 203 of the Act, Ms. Gauri Rane was appointed as Company Secretary and Compliance Officer of the Company w.e.f. March 13, 2020 in place of Ms. Arushi Singhal who has resigned as a Company Secretary & Compliance Officer of the Company at the close of business hours on February 24, 2020.

The Board places on record its appreciation for the valuable contribution made by Ms. Arushi Singhal during her tenure with the Company.

As on the date of this Report, Mr. Shailesh Shah, Managing Director, Mr. Maikal Roarani, Whole Time Director & Chief Financial Officer and Ms. Gauri Rane, Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) read with Section 203 of the Act.

Declaration of Independence by Independent Directors & adherence to the Company’s Code of Conduct for Independent Directors

All the Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Act and that they qualify to be independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have also confirmed that they meet the requirements of ‘Independent Director’ as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”).

Further, all the Independent Directors have affirmed that they have adhered and complied with the Company’s Code of Conduct for Independent Directors which is framed in accordance with Schedule IV of the Act.

It may be noted that all the Independent Directors on the Board of the Company as on March 31, 2020 have been registered in the data bank of Independent Directors as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The online proficiency self-assessment test, as applicable, by such Independent Directors shall be undertaken in accordance with the timeline as per aforesaid Rule.

Board Meetings

During the year, 9 (Nine) meetings of the Board of Directors were held, details of which are given below.

The intervening gap between the Meetings was within the period prescribed under the Act.

Sr. No.	Date of Board Meetings	No. of Directors Entitled to Attend	No. of Directors Present
1	April 30, 2019	6	6
2	August 1, 2019	6	6
3	August 14, 2019	7	7
4	October 5, 2019	7	7
5	November 13, 2019	7	7
6	November 30, 2019	7	7
7	February 4, 2020	7	7
8	February 21, 2020	7	7
9	March 13, 2020	7	7

Compliance With Secretarial Standard

Your Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings and Dividends.

Constitution of Various Committees

The Board of Directors of the Company has constituted following Committees:

1) Audit Committee

An Audit Committee, duly constituted by the Board of Directors has a well-defined composition of members and terms of reference are in accordance with Section 177 of the Act and applicable Rules thereto and in accordance with Regulation 18 of the SEBI LODR Regulations. Audit Committee was re-constituted on August 14, 2019 & July 8, 2020.

The Audit Committee Comprises of-

Sr. No.	Name of Director	Position on the Committee	Nature of Directorship	No. of Audit Committee Meetings during the financial year under review	
				Held	Attended
1	Ms. Aditi Bhatt*	Chairperson	Independent Director	4	4
2	Mr. Amarendra Mohapatra	Member	Independent Director	4	4
3	Ms. Sanghamitra Sarangi@	Member	Independent Director	4	3@
4	Mr. Maikal Raorani	Member	Whole Time Director & CFO	4	4
5	Mr. Lokanath Mishra^	Chairman	Independent Director	NA	NA

*Ms. Aditi Bhatt ceased to be an Independent Director and Chairman of the Audit Committee meeting w.e.f. March 29, 2020.

@Ms. Sanghamitra Sarangi has been appointed as a member of the Audit committee w.e.f. August 14, 2019.

^Appointed as an Independent Additional Director and Chairman of Audit Committee w.e.f. July 8, 2020.

2) Nomination & Remuneration Committee

The Nomination and Remuneration (NRC) 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 SEBI LODR Regulations. The NRC Committee was re-constituted on August 14, 2019 & July 8, 2020.

The Nomination & Remuneration Committee Comprises of-

Sr. No.	Name of Director	Position on the Committee	Nature of Directorship	No. of NRC Committee Meetings during the financial year under review	
				Held	Attended
1	Ms. Aditi Bhatt*	Chairman	Independent Director	4	4
2	Mr. Amarendra Mohapatra	Member	Independent Director	4	4
3	Ms. Sanghamitra Sarangi@	Member	Independent Director	4	1@
4	Mr. Maikal Raorani#	Member	Whole Time Director & CFO	4	3#
5	Mr. Lokanath Mishra^	Chairman	Independent Director	NA	NA

Ms. Aditi Bhatt ceased to be an Independent Director and Chairman of the NRC Committee meeting w.e.f. March 29, 2020.

@Ms. Sanghamitra Sarangi has been appointed as a member of the NRC committee w.e.f. August 14, 2019.

#Mr. Maikal Raorani ceased to be member of the NRC Committee w.e.f. August 14, 2019.

^Appointed as an Independent Additional Director and Chairman of NRC w.e.f. July 8, 2020.

3) Stakeholders’ Relationship Committee

The Stakeholders Relationship (SRC) 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 20 of the SEBI LODR Regulations. The SRC Committee was re-constituted on July 8, 2020.

The Stakeholders Relationship Committee Comprises of-

Sr. No.	Name of Director	Position on the Committee	Nature of Directorship	No. of SRC Committee Meetings during the financial year under review	
				Held	Attended
1	Mr. Amarendra Mohapatra	Chairman	Independent Director	1	1
2	Ms. Aditi Bhatt*	Member	Independent Director	1	1
3	Mr. Maikal Raorani	Member	Whole Time Director & CFO	1	1
4	Mr. Lokanath Mishra^	Chairman	Independent Director	NA	NA
5	Ms. Sanghamitra Sarangi@	Member	Independent Director	NA	NA

**Ms. Aditi Bhatt ceased to be an Independent Director and Member of the SRC Committee meeting w.e.f. March 29, 2020.*

^Appointed as an Independent Additional Director and Chairman of SRC w.e.f. July 8, 2020.

@Ms. Sanghamitra Sarangi has been appointed as a member of the SRC w.e.f. July 8, 2020.

Policies on Appointment of Directors and their Remuneration

In compliance with the provisions of the Act and the SEBI LODR Regulations, the Board, on the recommendation of the Nomination and Remuneration Committee (“NRC”), approved the Policy for Selection, Appointment and of Directors.

The aforesaid Policy provides a framework to ensure that suitable and efficient succession plans are in place for appointment of Directors on the Board so as to maintain an appropriate balance of skills and experience within the Board. The Policy also provides for selection criteria for appointment of Directors, viz. educational and professional background, general understanding of the Company’s business dynamics, global business and social perspective, personal achievements and Board diversity.

The relevant Policy(ies) have been uploaded on the website of the Company and can be accessed through the link <https://www.skycorp.in>

Annual Evaluation of Board, its Committees, and Individual Directors

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to the provisions of the Sections 134, 178 and Schedule IV of the Act and Regulation 17 of the SEBI LODR Regulations.

The performances of the Independent Directors were evaluated by the Board after seeking inputs from all the directors on the effectiveness and contribution of the Independent Directors.

The performance of the Committees were evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors.

Familiarisation Program for Independent Directors

Familiarisation Programme for Independent Directors is designed with an aim to make the Independent Directors aware about their roles, responsibilities and liabilities as per the Act, the SEBI LODR Regulations and other applicable laws and to get better understanding about the Company, nature of industry in which it operates and environment in which it functions, business model, long term/short term/strategic plans, important changes in regulatory framework etc. As a part of familiarisation programme, the Company makes presentations to the Board Members, inter alia, business strategies, management structure, HR Policy, and policies applicable as per the SEBI LODR Regulations.

At the time of appointing an Independent Director, a formal letter of appointment is given to him, which inter-alia explains the roles, rights and responsibilities expected of him as an Independent Director of the Company. The relevant policies of the Company including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to regulate, monitor and report trading by Insiders etc. are circulated to the Directors.

The familiarisation programme and necessary disclosures to be made in accordance with the SEBI LODR Regulations are available on the website of the Company at <https://www.skycorp.in>.

Policies

The Board of Directors of your Company, from time to time, has framed and revised various Policies as per the applicable Acts, Rules, Regulations and Standards for better governance and administration of your Company. The Policies are made available on the website of the Company at <https://www.skycorp.in>.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act with respect to Directors' Responsibility Statement, the Directors hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure has been made in following the same;
- b) appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Act have been taken for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) internal financial controls to be followed by the Company had been laid down and such internal financial controls are adequate and are operating effectively; and
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS**1) Statutory Auditor**

Pursuant to the provisions of Section 139 of the Act and the rules frame thereunder M/s UKG & Associates, Chartered Accountants (Firm Registration No. 123393W) were appointed as Statutory Auditors of the Company at the 29th Annual General Meeting held on September 7, 2018 to hold office from the conclusion of the 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting ("AGM").

However, as per Companies (Amendment) Act, 2017 effective from May 07, 2018, the provisions relating to ratification of the appointment of Statutory Auditors at every AGM is not required.

Auditors' Report

There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors, in their Audit Report for the financial year 2019-20.

2) Internal Auditor

Internal Audit for the year ended March 31, 2020 was done by M/s Sitendu Sharma & Co., Chartered Accountant and Internal Audit report at periodic intervals were placed before the Audit Committee.

3) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board has appointed M/s Ramesh Chandra Mishra & Associates, Practicing Company Secretary as its Secretarial Auditors, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure-I and forms an integral part of this report. There is no secretarial audit qualification, reservation or adverse remark for the financial year under review.

Secretarial Compliance Report

Your Company's paid-up equity share capital and Networth, on last day of the previous year, i.e., on March 31, 2019, was Rs. 4,60,64,000 and Rs. 20,48,47,886 respectively, which are below the threshold limits mentioned in the Regulation 15(2) of the SEBI LODR Regulations. Hence, the compliance w.r.t. to Regulation 24A, i.e., Secretarial Compliance Report is not applicable to the Company for the financial year under review.

4) Cost Auditors

During the financial year under review, provisions of Section 148 of the Act, readwith Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, relating to the Cost Audit are not applicable to the Company.

5) Details of Fraud reported by Auditors

During the financial year under review, neither the Statutory Auditors nor the secretarial auditors have reported to the Board or Audit Committee under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

The production activity of the Company is not energy intensive. However, all measures are being taken for optimizing energy usage.

b) Technology absorption

The Company plans to introduce various measures to help the production improvement as well as reduce the wastage further.

c) Foreign exchange earnings and Outgo

Details of Foreign exchange earnings and outgo for the financial year under review are as follows:

Foreign Exchange Earning : Rs. 464 Lakhs

Foreign Exchange Outgo : Rs. 3230 Lakhs

CORPORATE SOCIAL RESPONSIBILITY

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.

RELATED PARTY TRANSACTIONS

During the financial year under review, all related party transactions were on arm's length basis and not in conflict with the interest of the Company. Hence, AOC -2 is not required to be attached to the said report. The particulars of the said transactions along with other contracts/arrangements are also briefed in the Note/Schedule 41 to the financial statement which sets out related party disclosures.

CORPORATE GOVERNANCE

As stipulated under regulation 15(2) of the SEBI LODR Regulations, the requirement of furnishing report on Corporate Governance is not applicable to the Company during the financial year under review, as it's paid up equity share capital and networth is below the threshold limit of Rs.10.00 Crores and Rs.25.00 crores respectively, on the last day of the previous financial year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the SEBI LODR Regulations, Management Discussion and Analysis Report forms part of this Report.

EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and subsection (3) of Section 92 of the Act, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at 31st March, 2020 in Form No. MGT-9 is appended as **Annexure II** and forms part of this Report and can be accessed on the Company's website at <https://www.skycorp.in>.

EMPLOYEE STOCK OPTION PLAN (ESOP)

During the financial year under review, your Company has SKY Industries Employee Stock Option Plan 2018 ("SKY ESOP 2018").

Your Company at its Board Meeting held on July 8, 2020, has issued and allotted 31569 Equity Shares of the Company to its employees against exercise of equal number of stock options pursuant to SKY ESOP 2018. This resulted in increase in the Company's Paid up Share Capital to Rs. 48679690 as on July 8, 2020. A certificate from the statutory auditors certifying that the scheme viz. SKY 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 disclosures with respect to SKY ESOP 2018 as required by the Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits) Regulations, 2014, have been annexed as **Annexure – III** to the Boards' Report.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules, are appended to this Report as **Annexure IV**.

The Statement containing number of employees pursuant to Section 197(2) of the Act and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of the Annual Report. As per the provisions of Section 136 of the Act, the reports and financial statements are being sent to Shareholders of the Company and other Stakeholders entitled thereto, excluding statement containing particulars of employees. The copy of said statements is available at the registered office of the Company during the business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any Shareholder interested in obtaining such details may write to the Company Secretary of the Company and the same will be furnished on such request.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year under review, your Company has not given any loans or provided any guarantees or securities or the investments, as required under the provisions of Section 186 of the Act.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Your Company has established a Vigil Mechanism Policy/Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. Staying true to our core values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and Stakeholders Responsibility. The said Policy ensures that strict confidentiality is maintained in respect of whistle blowers whilst dealing with concerns and also specified that no discrimination will be meted out to any person for a genuinely raised concern. The Policy on Vigil Mechanism/Whistle Blower Mechanism may be accessed through website of the Company viz. <https://www.skycorp.in>.

During the financial year under review, no complaint pertaining to the Company was received under the Whistle Blower mechanism.

DISCLOSURE UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Pursuant to the requirements of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with the Rules thereunder, your Company had formulated and adopted a Policy on Prevention of Sexual Harassment at Workplace.

Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment.

During the financial year under review, no complaints were received from any of the employees.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY OPERATIONS IN FUTURE

During the Financial Year 2019-20 under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

LISTING

Equity Shares of your Company are listed on BSE Limited. Your Company has paid the required listing fees to Stock Exchange.

MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

In terms of the SEBI LODR Regulations, the certificate, as prescribed in Part B of Schedule II of the said Regulations, has been obtained from Mr. Shailesh Shah, Managing Director and Mr. Maikal Raorani, Whole Time Director & Chief Financial Officer, for the Financial Year 2019-20 with regard to the Financial Statements and other matters. The said Certificate forms part of this Report.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company furnished a statement / information through Form IEPF-2 to the Ministry of Corporate Affairs, of the unclaimed dividends amounting to Rs. 1.90 Lakh as on date of holding of Annual General Meeting i.e. September 14, 2019. The Company has uploaded the details of unclaimed dividend on the Company's website at www.skycorp.in under the Investor Relations section.

In accordance with the applicable provisions of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as the "IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of 7 (Seven) years. Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis 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 changes in the government regulations, developments in the infrastructure segment, tax regimes and economic developments within India.

ACKNOWLEDGEMENT

Your Directors acknowledge the support extended by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Registrar of Companies and all other governmental and regulatory authorities for the guidance and support received from them including officials there at from time to time.

The Directors place on record the gratitude for the guidance and support extended by BSE Limited, National Securities Depository Limited and Central Depository Services (India) Limited. Your Directors also places on record its appreciation for the support and co-operation your Company has been receiving from its customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the Company.

Your Directors places on record their appreciation of the contribution made by the employees of your Company at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, cooperation and support.

**By & On Behalf of the Board of Directors
For Sky Industries Limited**

sd/-

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

sd/-

Maikal Raorani**Whole Time Director & CFO****DIN : 00037831**

Place: Mumbai

Date: July 8, 2020

ANNEXED TO THIS REPORT

1	ANNEXURE-I	SECRETARIAL AUDIT REPORT IN FORM MR-3
2	ANNEXURE-II	EXTRACTS OF ANNUAL RETURN IN FORM MGT-9
3	ANNEXURE-III	DETAILS OF ESOP
4	ANNEXURE-IV	STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF RULE 5 (1) AND 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014

ANNEXURE I**Form No. MR-3****SECRETARIAL AUDIT REPORT****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

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

To,
The Members,
Sky Industries Limited,
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, 2020 (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, 2020 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, 2009 ,subject to amendment Act, 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;

10. Other laws applicable specifically to the Company namely:

- Information Technology Act, 2000 and the rules made thereunder;
- The Payment of Gratuity Act, 1972.

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

11. Secretarial Standard issued by The Institute of Company Secretaries of India.
12. 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.

For **Ramesh Chandra Mishra & Associates**

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

Date: July 8, 2020

Place: Mumbai

UDIN NO.: F005477B000475265

ANNEXURE A**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

Date: July 8, 2020
Place: Mumbai
UDIN NO.: F005477B000475265

ANNEXURE II

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March, 2020**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1.	CIN	L17120MH1989PLC052645
2.	Registration Date	29/07/1991
3.	Name of the Company	SKY INDUSTRIES LIMITED
4.	Category / Sub-Category of the Company	Indian Non-Government Company (Company Limited by Shares)
5.	Address of the Registered office and contact details	C-58, TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai- 400705. Phone: 022 67137900
6.	Whether listed company Yes / No	Yes Listed On BSE – Scrip Code : 526479
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083 Tel: 91 22 49186270 Fax: 91 22 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Hook and Loop Tapes	13999	84%
2.	Others	13999	16%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
NIL					

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

(i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Shareholding of Promoter and Promoter Group									
[1]	Indian									
a.	Individuals / Hindu Undivided Family	2231416	-	2231416	48.44	2461416	-	2461416	50.89	2.45
b.	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
c.	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
d.	Any Other (Specify) - Bodies Corporate	163500	-	163500	3.55	163500	-	163500	3.38	(0.17)
	Sub Total (A)(1)	2394916	-	2394916	51.99	2624916	-	2624916	54.27	2.28
[2]	Foreign									
a.	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
b.	Government	-	-	-	-	-	-	-	-	-
c.	Institutions	-	-	-	-	-	-	-	-	-
d.	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
e.	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+ (A)(2)	2394916	-	2394916	51.99	2624916	-	2624916	54.27	2.28
B	Public Shareholding									
[1]	Institutions									
a.	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
c.	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d.	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e.	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
f.	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
g.	Insurance Companies	-	-	-	-	-	-	-	-	-
h.	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
i.	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	-	-	-	-	-	-	-	-	-

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
[3]	Non-Institutions									
a	Individuals									
i	Individual shareholders holding nominal share capital upto Rs. 2 lakh.	912398	215276	1127674	24.48	883137	210576	1093713	22.61	(1.87)
ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	659153	-	659153	14.31	704025	-	704025	14.56	0.25
b	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
c	Employee Trust	-	-	-	-	-	-	-	-	-
d	Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
e	Any Other (Specify)									
	Hindu Undivided Family	92040	-	92040	2.00	100176	-	100176	2.07	0.07
	Non Resident Indians (Non Repat)	26772	-	26772	0.58	26812	-	26812	0.55	(0.03)
	Non Resident Indians (Repat)	78502	48120	126622	2.75	76403	48120	124523	2.57	(0.18)
	Clearing Member	12198	-	12198	0.26	500	-	500	0.01	(0.25)
	Bodies Corporate	162225	4800	167025	3.63	156935	4800	161735	3.34	(0.29)
	Sub Total (B)(3)	1943288	268196	2211484	48.01	1947988	263496	2211484	45.71	(2.28)
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	1943288	268196	2211484	48.01	1947988	263496	2211484	45.73	(2.28)
	Total (A)+(B)	4338204	268196	4606400	100	4572904	263496	4836400	100	-
C	Non Promoter - Non Public									
	(C1) Shares Underlying DRs									
	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
	(C2) Shares Held By Employee Trust									
	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	4338204	268196	4606400	100	4572904	263496	4836400	100	-

(ii) Shareholding of Promoters (including Promoter Group)

S No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shailesh Shah	1360623	29.54	0.00	1590623	32.89	0.00	3.35
2	Sharad Shah	862043	18.71	0.00	862043	17.82	0.00	(0.89)
3	Sangita Shah	4350	0.09	0.00	4350	0.09	0.00	Negligible
4	Saloni Dedhia	4400	0.10	0.00	4400	0.09	0.00	Negligible
5	Skay Finvest Private Limited*	163500*	3.55	3.55	163500*	3.38	3.55	(0.17)
	Total	2394916	51.99	3.55	2624916	54.27	3.55	2.28

* Beneficial Ownership is with Mr. Shailesh Shah pursuant to inter-se transfer dated February 26, 2016.

(iii) Change in Promoters' Shareholding (including Promoter Group)

S. No.	Name of Shareholder	Shareholding at the beginning of the year (2019)		Date wise Increase / (Decrease) in Shareholding during the year		Reason for Increase / (decrease) in Shareholding (e.g. allotment / transfer / bonus / sweat equity etc.)	Cumulative Shareholding at the end of the year (2020)	
		No. of shares	% of total shares of the company	Date	Increase/ (Decrease)		No. of shares	% of total shares of the company
1.	Shailesh Shah	1360623	29.54	31/03/2020	230000	Preferential Allotment	1590623	32.89
2.	Sharad Shah	862043	18.71	-	-	-	862043	17.82
3.	Sangita Shah	4350	0.09	-	-	-	4350	0.09
4.	Saloni Dedhia	4400	0.10	-	-	-	4400	0.09
5.	Skay Finvest Pvt Ltd	163500*	3.55	-	-	-	163500*	3.38

* Beneficial Ownership is with Mr. Shailesh Shah pursuant to inter-se transfer dated February 26, 2016.

Notes :

- 1) Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year ,i.e., on March 31, 2020 is 4836400 Shares.
- 2) The details of holding has been clubbed based on PAN.
- 3) % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(iv) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of Shareholder	Shareholding at the beginning of the year (as at 01/04/2019)		Increase / (Decrease) in Shareholding during the year		Reason	Cumulative Shareholding at the end of the year (as at 31.03.2020)	
		No. of shares	% of total shares of the Company	No. of shares			No. of shares	% of total shares of the Company
1.	Bimal Kumar Choraria	105731	2.19	-	-	-	105731	2.19
2.	Dheeraj Kumar Lohia	86364	1.79	-	-	-	86364	1.79
3.	Kailashben Ashokkumar Patel	58700	1.21	800	02/08/2019	Transfer	59500	1.23
				1475	20/08/2019	Transfer	60975	1.26
				250	18/10/2019	Transfer	61225	1.27
				500	08/11/2019	Transfer	61725	1.28
				25	17/01/2020	Transfer	61750	1.28
4.	Pankaj Khimji Naram	59500	1.23	-	-	-	59500	1.23
5.	Anilkumar Janardan Gokhale	53688	1.11	1	24/05/2019	Transfer	53699	1.11
				11	07/06/2019	Transfer	53700	1.11
				(21)	05/07/2019	Transfer	53679	1.11
				(5)	06/09/2019	Transfer	53674	1.11
				(44)	08/11/2019	Transfer	53630	1.11
				1	29/11/2019	Transfer	53631	1.11
				(36370)	24/01/2020	Transfer	17261	0.36
36370	21/02/2020	Transfer	53631	1.11				
6.	Kunal Dilipbhai Mehta	46290	0.96	100	12/04/2019	Transfer	46390	0.96
				150	31/03/2020	Transfer	46540	0.96
7.	E Ally Consulting India Private Limited	45900	0.95	-	-	-	45900	0.95
8.	Archana Navin Saxena	40996	0.85	-	-	-	40996	0.85
9.	Vijay Babulal Shah	43842	0.91	(4447)	26/04/2019	Transfer	39395	0.81
				(37)	03/05/2019	Transfer	39358	0.81
				(834)	10/05/2019	Transfer	38524	0.80
				(25)	11/10/2019	Transfer	38499	0.80
10.	Rajesh H Shah	33800	0.73	700	08/11/2019	Transfer	34500	0.71
				700	06/12/2019	Transfer	35200	0.73

Notes :

- 1) Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year ,i.e., on March 31, 2020 is 4836400 Shares.
- 2) The details of holding has been clubbed based on PAN.
- 3) % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(v) *Shareholding of Directors and Key Managerial Personnel:*

S. No.	Name of Shareholder	Shareholding at the beginning of the year (as at 01.04.2019)		Date wise Increase / (Decrease) in Shareholding during the year		Reason for Increase / (decrease) in Shareholding (e.g. allotment / transfer / bonus / sweat equity etc)	Cumulative Shareholding at the end of the year (as at 31.03.2020)	
		No. of shares	% of total shares of the company	Date	Increase/ (Decrease)		No. of shares	% of total shares of the company
1.	Shailesh Shah	1360623	29.54	31/03/2020	230000	Preferential Allotment	1590623	32.89
2.	Sharad Shah	862043	18.71	-	-	-	862043	17.82
3.	Vaibhav Desai	Nil	Nil	-	-	-	-	-
4.	Maikal Raorani	Nil	Nil	-	-	-	-	-
5.	Arushi Singhal*	Nil	Nil	-	-	-	-	-
6.	Gauri Rane@	Nil	Nil	-	-	-	-	-

*Resigned a Company Secretary of the Company w.e.f February 24, 2020.

@ Appointed as Company Secretary of the Company w.e.f. March 13, 2020.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	905.15	-	-	905.15
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due		-	-	
Total (i+ii+iii)	905.15	-	-	905.15
Change in Indebtedness during the financial year				
• Addition		-	-	
• Reduction		-	-	
Net Change		-	-	
Indebtedness at the end of the financial year				
i) Principal Amount	947.72	-	-	947.72
ii) Interest accrued but not paid		-	-	
iii) Interest accrued but not due		-	-	
Total (i+ii+iii)	947.72	-	-	947.72

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Shailesh Shah	Sharad Shah	Maikal Raorani	Vaibhav Desai	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42.00	24.00	15.32	9.61	90.93
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--	--
3.	Sweat Equity	--	--	--	--	--
4.	Commission					
	- as % of profit					
	- others, specify...	--	--	--	--	--
5.	Others	--	--	2.68	2.62	5.30
	Total (A)	42.00	24.00	18.00	12.23	96.23
	Ceiling as per the Act	Remuneration as per Schedule V of the Companies Act, 2013				

B. REMUNERATION TO OTHER DIRECTORS:

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Aditi Bhatt*	Amarendra Mohapatra	Sanghamitra Sarangi@	Total
1	Independent Directors				
	• Fee for attending board / committee meeting	0.90	0.90	0.70	2.50
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	0.90	0.90	0.70	2.50
2	Other Non-Executive Directors				
	• Fee for attending board / committee meeting	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.90	0.90	0.70	2.50

* Ceased to be an Independent Director of the Company w.e.f. March 29, 2020.

@ Appointed as an Additional (Non-Executive Independent) Director on August 14, 2019 and regularized as Independent (Non-Executive) Director in 30th AGM held on September 14, 2019.

C. (REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	CFO	Company Secretary		Total Amount
		Maikal Raorani	Arushi Singhal*	Gauri Rane#	
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.32	5.67	0.59	21.58
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission				
	- as % of profit				
	- others, specify...	--	--	--	--
5.	Others, please specify	2.68	--	--	2.68
	Total	18.00	5.67	0.59	24.26

* Resigned as Company Secretary of the Company w.e.f. February 24, 2020.

Appointed as Company Secretary of the Company w.e.f. March 13, 2020.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2020.

ANNEXURE III

DISCLOSURE PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 FOR THE FINANCIAL YEAR 2019-20

Sr. No.	Details of ESOP	Sky Industries Employee Stock Option Plan 2018 (SKY ESOP 2018)
1	Date of Shareholders Approval	September 7, 2018 & ratified on September 14, 2019
2	Total No. of Options approved under ESOP	500000
3	Vesting Requirements	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
4	Maximum Term of Options Granted	Within 3 years from the date of grant of options
5	Exercise Price or Pricing Formula	Rs. 10/- (Rupees Ten)
6	Source of Shares	Primary
7	Variation in Terms of Options	No Variation
8	Method of Option Valuation	Black Scholes Merton Model
9	Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options (<i>if method is Intrinsic Value Method</i>)	NA
10	Option movement during the Year	
	Number of Options outstanding at the beginning of the period	172462 options granted on February 14, 2019
	Number of Options granted during the year	-
	Number of Options forfeited/lapsed during the year	-
	Number of Options vested during the year	172462 options
	Number of Options exercised during the year	-
	Number of Shares arising as a result of exercise of options	-
	Money realized by exercise of options (Amount in Rs.)	-
	Loan repaid by the Trust during the year from exercise price received	-
	Number of Options outstanding as at March 31, 2020	172462 options
	Number of Options exercisable as at March 31, 2020	172462 options
11	Weighted average exercise price of Options granted whose	
	(a) Exercise Price equals market price	-
	(b) Exercise Price is greater than market price	-
	(c) Exercise Price is less than market price	Rs. 10/-
	Weighted average fair value of Options granted during the year whose	
	(a) Exercise Price equals market price	-
	(b) Exercise Price is greater than market price	-
	(c) Exercise Price is less than market price	Rs. 23.01/-

Weighted Average Information:			
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		
Price of underlying shares in market at the time of option grant	Rs. 30.90		
Exercise price	Rs. 10.00		
Expected volatility ¹	74.83%		
Expected life ²	2.50 years		
Expected dividends ³	1.82%		
Risk-free interest rate ⁴	6.79%		
<i>Notes:</i>			
1. <i>Expected volatility is calculated considering the volatility of shares between the listing date and grant date. 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>			
3. <i>Expected Dividend is calculated considering last three years average dividend Yield.</i>			
4. <i>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	Employee Wise details of-		
i) Options granted to Key Managerial Personnel during the FY 2019-20			
	Name	Designation	Option Granted during the Year
	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			
	Name	Designation	Option Granted during the Year
	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 conversions) of the Company at the time of grant			
	Name	Designation	Option Granted during the Year
	NIL		

**By & On Behalf of the Board of Directors
For Sky Industries Limited**

sd/-
Shailesh Shah
Managing Director
DIN: 00006154

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

Place : Mumbai
Date : July 8, 2020

ANNEXURE IV

Details pertaining to remuneration as required under Section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2019-20 along with percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in the FY 2019-20

The median remuneration of employees of the Company during 2019-20 was Rs. 407880/- and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year is provided in the table below:

Sr. No.	Name of Director	Designation	Remuneration of Director for 2019-20 (in Lakhs)	Ratio of Remuneration of each Director to Median Remuneration of employees for 2019-20	% increase in Remuneration in 2019-20
1	Mr. Shailesh Shah (DIN : 00006154)	Managing Director [#]	42 Lakhs	10.30	1.75%
2	Mr. Sharad Shah (DIN : 00006114)	Executive Director	24 Lakhs	5.88	-
3	Mr. Maikal Raorani (DIN : 00037831)	Executive Director & CFO	18 Lakhs	4.41	-
4	Mr. Vaibhav Desai (DIN : 06673723)	Executive Director	12.23 Lakhs	3.00	-
5	Ms. Aditi Bhatt ^{\$} (DIN : 07144131)	Independent Director [^]	1 Lakh	0.25	NA
6	Mr. Amarendra Mohapatra (DIN : 03609521)	Independent Director [^]	1 Lakh	0.25	NA
7	Ms. Sanghamitra Sarangi [%] (DIN : 08536750)	Independent Director [^]	0.7 Lakhs	0.17	NA
8	Ms. Arushi Singhal [*]	Former Company Secretary	5.67 Lakhs	1.39	NA
9	Ms. Gauri Rane [@]	Present Company Secretary	0.59 Lakhs	0.14	Nil

[#] The remuneration to MD includes fixed pay, variable pay and retiral benefits.

[^]The remuneration of Independent Directors represents only sitting fee.

^{\$} Ceased to be an Independent Director of the Company w.e.f. March 29, 2020.

[%] appointed as an Additional (Non-Executive Independent) Director on August 14, 2019 and regularized as Independent (Non-Executive) Director in 30th AGM held on September 14, 2019.

^{*} Resigned as Company Secretary of the Company w.e.f. February 24, 2020.

[@] Appointed as Company Secretary of the Company w.e.f. March 13, 2020.

Note : The median remuneration has been worked out on the basis of CTC of the employees who were on the payroll for the entire financial year.

2) The percentage increase in the median remuneration of employees in the financial year:

During the Financial Year under review, there was an increase of 8.33% in the median remuneration of employees.

3) The number of permanent employees on the rolls of the Company:

There were 67 permanent employees on the rolls of the Company as on March 31, 2020.

4) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase in the salaries of employees other than the managerial personnel was 7%. The increments given to employees are based on their potential, performance and contribution, which is benchmarked against applicable Industry norms.

The comparison of the percentile increase made in the salaries of employees with the percentile increase in the managerial remuneration is not comparable owing to change in role/designation during the part of the financial year. The remuneration of Independent Directors consists of sitting fees. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees etc., were taken into consideration.

5) Affirmation that the remuneration is as per the remuneration policy of the company:

It is affirmed that the remuneration paid is as per the Remuneration Policy applicable for Directors, Key Managerial Personnel and other employees, adopted by the Company.

**By & On Behalf of the Board of Directors
For Sky Industries Limited**

sd/-
Shailesh Shah
Managing Director
DIN: 00006154

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

Place : Mumbai
Date : July 8, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENT

Sky Industries Limited, established in 1993, 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, Orthopedic, Aviation, Automobile, Defense etc. The industry has evolved from being import dependent to exporting one.

OPPORTUNITY AND THREATS

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.

Also the 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 application has 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.

RISKS AND CONCERNS

The Company faces various risks which are incidental to the Company's operations in the various product lines viz. Hook and Loop Tape Fasteners and Velvet tapes like new competitor setting up business or expanding of the existing players owing to the market available.

The key concerns for the Company, amongst others, are rising input costs, inability of the Company to pass on the increase in costs to its customers, and increase in foreign exchange rates.

RISK MANAGEMENT POLICY

In accordance with the requirements of the Act, the Company 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.

SEGMENT REPORTING

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.

OPERATIONS

The turnover during the financial year under review was about Rs. 5945.80 as compared to previous years' Rs. 5849.57, a flat growth over the last year, as Company lost some sales in the month of March 2020 as well as overall sluggishness in the economy.

RATIOS

- a) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, alongwith detailed explanations thereof, including:

Sr. no.	Particulars	F.Y.2018-19	F.Y. 2019-20	% Change
i)	Debtors Turnover	61.89 days	68.98 days	11.4%
ii)	Inventory Turnover	81.67 days	95 .01 days	16.3%
iii)	Interest Coverage Ratio	3.87	2.01	-92.5%
iv)	Current Ratio	1.38:1	1.28:1	-7.2%
v)	Debt Equity Ratio	0.44:1	0.44:1	-
vi)	Operating Profit Margin (%)	7.11%	5.5%	-22.6%
vii)	Net Profit Margin (%) or sector specific equivalent ratios, as applicable	3.11%	0.04%	-98.7%

- b) Details of any change in Return on Net Worth as compared to the immediately previous financial year alongwith a detailed explanation thereof.

2019-20	2018-19		%Change
7.93	8.81	Owing to higher exchange rates Overall increase in cost of Raw Material/ Inputs which we have not been able to pass on our customers	9.9%

EXPORTS

During the financial year under review, the Exports were at Rs. 475 lacs, a jump of nearly 87% as compared to the previous year. The Company further expects to consolidate the growth in export and is looking forward to grow manifold in export segment.

FINANCIAL LIQUIDITY

The Company's working capital management is based on a well-organized process of continuous monitoring and controls on Receivables, Inventories and other parameters.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has commensurate internal audit systems in relation to the size of the Company. The Company has also appointed Internal Auditors M/s Sitendu Sharma, who have been conducting internal audit of the systems that are being strengthened.

INDIAN ACCOUNTING STANDARDS (IND AS)

The Company has adopted Ind AS w.e.f. 1st April, 2017 with a transition date of April 1, 2016. Accordingly, results for the year ended March 31, 2020, 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.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

We strongly believe that engaged, enthusiastic, and loyal employees are pivotal drivers of growth and health in any organization, which is why we place a lot of emphasis on taking care of our employees, their dreams and aspirations.

Your Company has a team of able and experienced industry professionals in various ranks, who make us what we are today. As of March 31, 2020, the total number of permanent employees on the rolls of the Company was 67.

CAUTIONARY STATEMENT

The Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statements. Some important factors that could influence the Company's operations comprise economic developments, pricing and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

To
**The Members of
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 2019-20 has been obtained from all the Directors and Senior Managers.

**By & on Behalf of the Board of Directors of
Sky Industries Limited**

Place: Mumbai
Date: July 8, 2020

Sd/-
Shailesh Shah
Managing Director
DIN : 00006154

MANAGING DIRECTOR (MD) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To
The Board of Directors
Sky Industries Limited
Mumbai

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations & DR) Regulations, 2015, We, Shailesh Shah, MD & Maikal Raorani, Whole Time Director & CFO of Sky Industries Limited (“the Company”) certify that:

- 1) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) 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.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the Auditors and the Audit Committee:
 - a) significant changes in internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) 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.

**By & On Behalf of the Board of Directors
For Sky Industries Limited**

Place: Mumbai
Date: July 8, 2020

sd/-
Shailesh Shah
Managing Director
DIN : 00006154

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

**FINANCIAL STATEMENTS FORMING PART OF ANNUAL
REPORT OF SKY INDUSTRIES LIMITED FOR THE
FINANCIAL YEAR ENDED 31ST MARCH, 2020**

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 2020, 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, 2019, 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.

Emphasis of Matter

We draw attention to the following matter:

Note no 2.2 to the accompanying financial statements, which describes the economic and social disruption the Company is facing as a result of COVID -19 pandemic, and its possible consequential implications, on the Company's operations and financial metrics

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
<p>Revenue Recognition</p> <p>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.</p> <p>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.</p> <p>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 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.</p>	<p>Our audit procedures included :</p> <ul style="list-style-type: none"> • We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with applicable accounting standards • 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 • 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. • We tested the design, implementation and operating effectiveness of controls over the calculations of discounts and rebates • We assessed manual journals posted to revenue to identify unusual items.
<p>Provision for taxation and other significant provisions</p> <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>	<p>Our audit procedures included :</p> <ul style="list-style-type: none"> • We tested the effectiveness of controls around the recognition of provisions • 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. • 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. • We discussed the status in respect of significant provisions with the Company's internal tax team and consultant as well. • We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.

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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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, 2020 on its financial position in its standalone financial statements – Refer Note 34 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 UKG & Associates
Chartered Accountants
Firm Regn No : 123393W**

Sd/-

**Champak K. Dedhia
Partner
Membership No: 101769**

**Place: Mumbai
Date: 8th July, 2020
UDIN: 20101769AAAADC1780**

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 2020, we report that:

1. Fixed Assets

- The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed asset.
- 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.
- 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

According to the information and explanation given to us, the Company's has not granted any loans secured or unsecured during the period to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the clause 3(iii) (a)(b) & (c) of the order are not applicable.

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 & investment 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 records of the Company and information and explanations given to us, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Cess, Excise Duty, Service Tax, Value added tax, Goods & Service Tax and other material statutory dues have been deposited regularly during the period with the appropriate authorities, whenever applicable there are no such outstanding as at 31st March 2020, for a period of more than six months from the date they become payable except for the following undisputed statutory dues which were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable:

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates
Navi Mumbai Municipal Corporation	Property Tax	2,59,32,960/-	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) or term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

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 give 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 and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year under review. The requirements of Section 42 of Companies Act, 2013 have been complied with by the Company and the amount raised has been used for the purpose for which the funds were raised.

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 UKG & Associates
Chartered Accountants
Firm Regn No : 123393W**

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

**Place: Mumbai
Date: 8th July, 2020
UDIN: 20101769AAAADC1780**

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 2020 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 2020, 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 judgment, 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.

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

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

**Place: Mumbai
Date: 8th July, 2020
UDIN: 20101769AAAADC1780**

BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note No.	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	3	16,00,54,504	14,79,50,983
Capital Work - In - Progress	3	46,09,470	46,09,470
Other Intangible Assets	3	60,982	50,806
Financial Assets			
Loans	4	9,141	38,000
Others	5	44,18,124	46,17,440
Non - Current Assets Tax Assets (net)	6	36,21,848	13,06,459
Other Non - Current Assets	7	-	43,84,086
Total Non - Current Assets		17,27,74,069	16,29,57,244
Current Assets			
Inventories	8	15,49,79,747	13,01,42,801
Financial Assets			
Investments	9	49,10,664	35,39,273
Trade Receivables	10	11,24,77,354	9,85,93,826
Cash & Cash Equivalents	11	30,05,110	6,16,202
Bank Balance other than above	12	68,91,972	36,72,299
Other Current Assets	13	3,59,63,456	2,44,21,927
Total Current Assets		31,82,28,303	26,09,86,328
TOTAL ASSETS		49,10,02,372	42,39,43,572
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	4,83,64,000	4,60,64,000
Other Equity	15	16,80,00,419	15,98,79,853
Total Equity		21,63,64,419	20,59,43,853
Liabilities			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	16	20,10,420	1,38,332
Other	17	3,14,58,399	2,43,83,300
Provisions	18	13,81,177	19,83,002
Deferred Tax Liabilities/Assets (Net)	19	82,29,416	99,31,387
Total Non - Current Liabilities		4,30,79,412	3,64,36,021
Current Liabilities			
Financial Liabilities			
(i) Borrowings	20	9,47,71,607	9,05,15,363
(ii) Trade Payables	21	11,43,82,924	7,59,15,845
(iii) Other Financial Liabilities	22	5,11,895	1,89,945
Other Current Liabilities	23	1,91,70,457	1,29,62,485
Provisions	24	27,21,659	19,80,060
Total Current Liabilities		23,15,58,542	18,15,63,698
Total Liabilities		27,46,37,954	21,79,99,719
TOTAL EQUITY AND LIABILITIES		49,10,02,372	42,39,43,572
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	3-45		

As per our report attached of even date
UKG & ASSOCIATES
CHARTERED ACCOUNTANTS
 Firm Reg. No. :123393W

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

Sd/-
Champak K Dedhia
 Partner
 Membership No.101769
 Mumbai, Dated: 08/07/2020

Sd/-
Shailesh Shah
 Director
 DIN: 00006154

Sd/-
Sharad Shah
 Director
 DIN: 00006114

Sd/-
Maikal Raorani
 Director
 DIN: 00037831

Sd/-
Gauri Rane
 Company Secretary
 ACS: 55214

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Note. No.	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from Operations	25	59,32,45,704	58,31,52,168
Other Income	26	13,34,620	18,05,083
Total Income		59,45,80,324	58,49,57,251
Expenses			
Cost of Material Consumed	27	31,69,06,323	35,77,69,759
Purchase of Stock In Trade	28	10,80,43,801	5,57,25,601
Changes in Inventories of Finished Goods / Stock in Trade	29	(8,87,856)	(1,91,64,447)
Employee Benefit Expenses	30	4,74,79,852	3,90,58,856
Finance Cost	31	1,15,82,542	1,07,04,838
Depreciation and Amortization	3	2,09,90,217	1,29,56,056
Other Expenses	32	7,86,78,877	9,72,78,627
Total Expenses		58,27,93,756	55,43,29,290
Profit Before Tax and Exceptional Item		1,17,86,568	3,06,27,961
Exceptional Gain / (Loss)	34	(85,89,274)	(49,76,166)
Profit Before Tax		31,97,293	2,56,51,795
Tax Expenses			
Current Tax		17,00,000	57,05,877
Adjustments/ (Credit) related to pervious years - (net)		3,23,111	-
Deferred Tax		(17,01,971)	7,96,000
Profit After Tax		28,76,154	1,91,49,918
Other Comprehensive Income			
Items that will not to be reclassified to Profit & Loss			
- Remeasurment of define benefit liability/(asset) (net of tax)		7,41,133	2,74,700
- Change in Fair Value of FVOCI equity instruments (net of tax)		-	-
Total Other Comprehensive Income for the year		7,41,133	2,74,700
Total Comprehensive Income for the year		36,17,287	1,88,75,218
Earnings Per Share - Basic	35	0.62	4.17
- Diluted	35	0.61	4.17

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As per our report attached of even date
 UKG & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Reg. No. :123393W

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

Sd/-
 Champak K Dedhia
 Partner
 Membership No.101769
 Mumbai, Dated: 08/07/2020

Sd/-
 Shailesh Shah
 Director
 DIN: 00006154

Sd/-
 Sharad Shah
 Director
 DIN: 00006114

Sd/-
 Maikal Raorani
 Director
 DIN: 00037831

Sd/-
 Gauri Rane
 Company Secretary
 ACS: 55214

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	31,97,294	2,56,51,795
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
Depreciation & Amortization	2,09,90,217	1,29,56,056
Finance Cost	98,69,714	1,03,13,962
Interest Income	(2,97,495)	(1,78,745)
Advances written off	-	49,76,166
Unrealised Loss on Investments classified through FVTPL	10,03,609	-
Financial Income - IndAs	(2,73,884)	-
Loss on sale of Assets/ Assets written off	10,98,729	1,27,974
Finance Cost - IndAs	13,21,952	-
Processing fees - IndAs	3,90,876	-
ESOP Expenses	20,45,937	2,55,421
Operating Profit Before Changes in Working Capital	3,93,46,949	5,41,02,629
Adjustment for Changes in Working Capital		
(Increase) / Decrease in Trade Receivables	(1,38,83,527)	(1,17,62,399)
(Increase) / Decrease in Inventories	(2,48,36,946)	(96,19,948)
(Increase) / Decrease in Loans & Advances	28,859	(38,000)
(Increase) / Decrease in Right to Use Assets	(97,58,713)	-
(Increase) / Decrease in Other Non - Current Financial Assets	1,99,316	(11,38,861)
(Increase) / Decrease in Other Non - Current Assets	43,84,086	(13,88,883)
(Increase) / Decrease in Other Current Assets	(1,15,41,528)	10,66,235
Increase / (Decrease) in Trade Payables	3,84,67,079	(1,33,06,560)
Increase / (Decrease) in Other Current Financial Liabilities	3,21,950	1,89,945
Increase / (Decrease) in Other Current Liabilities	62,07,973	2,35,054
Increase / (Decrease) of Non current Financial liabilities	70,75,099	(7,91,854)
Increase / (Decrease) of Non current Financial liabilities	-	-
Increase / (Decrease) in Non Current Provisions	(6,01,825)	(3,58,196)
Increase / (Decrease) in Current Provisions	7,41,599	11,25,503
Cash Generated from Operations	3,61,50,370	1,83,14,663
Less: Taxes Paid (Net of refund received)	(43,38,500)	(69,25,522)
Less: Dividend & Dividend Distribution Tax Paid	(55,53,283)	(27,76,646)
NET CASH FLOW FROM OPERATING ACTIVITY (A)	2,62,58,587	86,12,495
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment & Intangible Assets	(1,57,56,669)	(1,46,59,646)
Sale of Property, Plant & Equipment & Intangible Assets	4,50,000	3,30,000
Sale of Investments	-	5,00,010
Investments during the year	(23,75,000)	(25,68,738)
Interest Received	2,97,495	1,78,745
Movement in other bank balances	(32,19,673)	(24,32,382)
NET CASH FLOW FROM INVESTING ACTIVITY (B)	(2,06,03,847)	(1,86,52,011)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
C CASH FLOW FROM FINANCING ACTIVITY		
Increase/(Decrease) of Term Loan/Vehicle Loans	18,72,088	(14,18,068)
Increase/(Decrease) of Unsecured Loans	-	-
Repayment of Lease Liability	(98,35,074)	-
Increase/ (Decrease)in Working Capital facility (net)	42,56,244	99,60,790
Receipt of Equity Share Capital (incl. Share Premium)	1,03,10,625	37,95,000
Finance Cost	(98,69,714)	(1,03,13,962)
NET CASH FLOW FROM FINANCING ACTIVITY (C)	(32,65,832)	20,23,760
NET CASH FLOW FOR THE YEAR (A + B + C)		
Add: Opening Balance of Cash & Cash Equivalents	23,88,908	(80,15,756)
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	6,16,202	86,31,957
	30,05,110	6,16,201
RECONCILIATION OF CASH AND CASH EQUIVALENT		
TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET		
CASH AND CASH EQUIVALENT COMPRISES AS UNDER:		
Balance with banks in current accounts		
Cash on Hand	28,72,365	5,05,106
CASH AND CASH EQUIVALENT	1,32,745	1,11,096
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	30,05,110	6,16,202
	30,05,110	6,16,201

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As per our report attached of even date
UKG & ASSOCIATES
CHARTERED ACCOUNTANTS
 Firm Reg. No. :123393W

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

Sd/- Champak K Dedhia Partner Membership No.101769 Mumbai, Dated: 08/07/2020	Sd/- Shailesh Shah Director DIN: 00006154	Sd/- Sharad Shah Director DIN: 00006114	Sd/- Maikal Raorani Director DIN: 00037831	Sd/- Gauri Rane Company Secretary ACS: 55214
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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 2019-20

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 and 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').

With effect from 1st April, 2019, Ind AS 116 - "Leases" (Ind AS 116) supersedes Ind AS 17 - "Leases". The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of "Right-of-Use" asset with a corresponding Lease Liability in the Balance Sheet.

(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)

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The COVID-19 pandemic is an evolving human tragedy declared as global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this the operations in Sky's manufacturing, distribution centres, warehouses and extended supply chain partner locations got temporarily disrupted.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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 a 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:

Asset	Estimated Useful Life
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:

Assets	Amortisation period
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/disposed off 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 objectives 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. 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 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 decide to classify the same either as at fair value through other comprehensive income (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 receivable 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 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 instruments is any contract the 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 are classified as either’s at 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 liability 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 valuations 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. They are therefore 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.

Any tax credit including MAT credit available is recognised as Deferred Tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the Statement of Profit and Loss and shown under the head deferred tax asset.

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 OCCURRING 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

On April 1, 2019, the Company has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings. The Company has made use of the following practical expedients available in its transition to Ind AS 116 -

- (a) The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2019.
- (b) The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.
- (c) The Company excluded the initial direct costs from measurement of the RoU asset.
- (d) The Company does not recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

The weighted average rate of discount applied to lease liabilities as at April 1, 2019 is 9.85%

Refer Note 4 for detailed impacts on the financial statements.

Appendix C to Ind AS 12 -

Uncertainty over income tax treatments Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the standalone financial statements of the Company.

Amendment to Ind AS 12 – Income Taxes

The Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any material impact on the standalone financial statements of the Company

Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the

remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the standalone financial statements of the Company

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 & EQUIPMENT, RIGHT-OF-USE ASSETS, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK	
	As At April 01, 2019	Additions / Transfers	Deductions	As At March 31, 2020	For The Year	On Deductions	As At March 31, 2020	As At March 31, 2019
(A) PROPERTY, PLANT & EQUIPMENT								
Own Assets								
Land - Leasehold	4,92,59,844	30,57,883	-	5,23,17,727	52,377	-	2,46,069	5,20,71,658
Factory Buildings	2,42,64,108	-	6,59,518	2,36,04,590	12,35,110	25,087	24,66,849	2,11,37,741
Plant & Machinery	7,23,81,453	85,06,344	20,72,442	7,88,15,355	67,57,231	2,82,713	1,36,55,049	6,51,60,306
Furniture & Fixture	47,40,812	11,400	-	47,52,212	5,18,121	-	12,66,567	34,85,645
Vehicles	59,10,504	39,01,181	-	98,11,685	13,40,137	-	26,21,079	71,90,606
Office Equipments	31,41,559	80,391	20,970	32,00,980	6,01,212	8,795	22,16,060	9,84,920
Computers	12,50,787	1,42,570	-	13,93,357	4,14,438	-	11,28,442	2,64,915
Total - Property, Plant & Equipment	16,09,49,067	1,56,99,769	27,52,930	17,38,95,906	1,09,18,626	3,16,595	2,36,00,115	15,02,95,791
(B) RIGHT-OF-USE ASSETS								
Buildings	1,91,36,971	-	-	1,91,36,971	93,78,258	-	93,78,258	97,58,713
Total - Right-of-Use Assets	1,91,36,971	-	-	1,91,36,971	93,78,258	-	93,78,258	97,58,713
(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	46,724	-	91,007	50,806
Total - Intangible Assets	95,089	56,900	-	1,51,989	46,724	-	91,007	50,806
TOTAL(A)+(B)+(C)+(D)	18,47,90,597	1,57,56,669	27,52,930	19,77,94,336	2,03,43,608	3,16,595	3,30,69,380	16,47,24,956
Previous Year's	16,62,64,536	1,48,79,646	1,69,16,561	16,56,53,626	1,29,56,056	1,62,38,588	1,30,42,367	15,11,85,254

Notes

- The Company has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.
This has resulted in recognising a right-of-use asset of 191.36 Lakhs. The ROU asset is measured at amount equal to the lease liability adjusted by the amount of any prepaid payments relating to that lease recognised in the balance sheet immediately before the date of initial application.
- Lease hold land under varying lease arrangement for period ranging from 75 - 99 years.
- The Company has capitalised borrowing cost of Rs. 30,57,883/- in land. (Previous year Rs. 32,08,172).
- Refer Note no. 21 for assets provided as security.

NOTE 4 FINANCIAL ASSETS - LOANS (NON-CURRENT)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Loans to Employees	9,141	38,000
TOTAL	9,141	38,000

NOTE 5 FINANCIAL ASSETS - OTHERS (NON-CURRENT)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	44,18,124	46,17,440
TOTAL	44,18,124	46,17,440

NOTE 6 FINANCIAL ASSETS - INCOME TAX ASSETS (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current Tax Asset [Net of Provision]	36,21,848	13,06,459
TOTAL	36,21,848	13,06,459

NOTE 7 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	-	5,01,835
Others		
Inventory**		
Finished goods	-	22,25,310
Stock in Trade	-	16,56,941
TOTAL	-	43,84,086

** Non and slow moving inventory as per the management policy at cost.

NOTE 8 INVENTORIES

Particulars	As at March 31, 2020	As at March 31, 2019
At Lower of Cost or Net Realisable Value		
Raw Materials	2,54,36,835	2,49,01,277
Raw Materials - Goods in Transit	3,31,45,886	1,33,04,188
Work in Progress	1,22,57,015	1,45,26,059
Finished Goods	8,24,96,649	7,54,57,498
Others (Packing Material, etc..)	16,43,362	19,53,779
TOTAL	15,49,79,747	13,01,42,801

Note :

The value of inventories above is stated after impairment of NIL (Previous year of Rs. 38,82,251/-) for write-down to the net realisable value and provision for slow moving obsolete items based on management inventory policy. The same has been recognised as an expenses during the year and included in “Change in Inventories” in statement of Profit and loss account.

Refer Note No. 2.9 for method of valuation of inventories

NOTE 9 FINANCIAL ASSETS - INVESTMENTS (CURRENT)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Units	Amount	No. of Units	Amount
Investment Mandatorily measured at FVTPL				
Investment in Mutual Funds	2,21,607.80	49,10,664	1,32,641.89	35,39,273
TOTAL	2,21,607.80	49,10,664	1,32,641.89	35,39,273
Aggregate Amount of Quoted Investment & Market Value thereof		-		-
Aggregate amount of Unquoted Investments		49,10,664		35,39,273
Aggregate amount of impairment in value of Investments		-		-

NOTE 10 FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	As at March 31, 2020		As at March 31, 2019	
Trade Receivables				
Unsecured - Considered Good	11,25,88,756		9,86,05,080	
Trade receivables which have significant increase in credit risk				
Less: Provision For Trade Receivables Credit Impaired	(1,11,402)	11,24,77,354	(11,254)	9,85,93,826
TOTAL		11,24,77,354		9,85,93,826

Notes -

- i. Refer Note No. 38 for information about impairment, credit risk and market risk of trade receivables.
- ii. There are no outstanding dues from directors or other officers of the Company.

NOTE 11 FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks in Current Accounts	28,72,365	5,05,106
Cash on Hand	1,32,745	1,11,096
TOTAL	30,05,110	6,16,202

NOTE 12 FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Unpaid Dividend Account	5,11,895	1,89,945
Margin Money Pledged with Banks	63,80,077	34,82,354
TOTAL	68,91,972	36,72,299

- i. Unpaid dividend account includes amount which is been kept in separate earmarked accounts and no transactions except for stated purpose are done through such accounts.
- ii. Margin Money Deposit of Rs.63,80,077/- as at 31st March 2020 (Rs. 34,82,354/- as at 31st March 2019) as lien against borrowing with Kotak Bank.

NOTE 13 OTHER CURRENT ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Advances other than capital advances		
Advance to Employees	2,39,679	1,98,531
Advance to Suppliers / Expenses	51,37,909	41,18,769
Others		
Prepaid Expenses	21,64,937	18,05,092
Export Incentive Receivable	3,02,067	1,90,320
Balances with Revenue Authorities	2,81,18,864	1,81,06,430
DEPB licences	-	2,785
TOTAL	3,59,63,456	2,44,21,927

Balance with revenue authorities including Drawback, VAT and GST

NOTE 14 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
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 of Rs. 100/-each	5,00,00,000	5,00,00,000
TOTAL AUTHORIZED SHARE CAPITAL	20,00,00,000	20,00,00,000
Issued, Subscribed & Paid Up Equity Shares		
48,36,400 (46,06,400) Equity Shares of Rs 10/- each fully paid up	4,83,64,000	4,60,64,000
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	4,83,64,000	4,60,64,000

a) Reconciliation of the number of shares outstanding :

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	46,06,400	4,60,64,000	43,86,400	4,38,64,000
Add: Fresh Issue of Equity Share made during the year	2,30,000	23,00,000	2,20,000	22,00,000
Shares at the end	48,36,400	4,83,64,000	46,06,400	4,60,64,000

b) 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

c) Details of Shareholders holding more than 5% equity shares

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	%	No. of Shares	%
Shailesh Shah	15,90,623	32.89%	13,60,623	29.54%
Sharad Shah	8,62,043	17.82%	8,62,043	18.71%
Skay Finvest Pvt Ltd *	1,63,500	3.38%	1,63,500	3.55%
TOTAL	26,16,166	54.09%	23,86,166	51.80%

* Beneficial ownership is of Shailesh Shah

A. Equity Share Capital

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance as the beginning of the reporting period	46,06,400	4,60,64,000	43,86,400	4,38,64,000
Add: Changes in Equity Capital during the year	2,30,000	23,00,000	2,20,000	22,00,000
Balance at the end of the reporting period	48,36,400	4,83,64,000	46,06,400	4,60,64,000

NOTE 15 OTHER EQUITY

Particulars	Securities Premium	General Reserve	Retained Earnings	Share Warrants	ESOP outstanding amount	Total
Balance as on April 01, 2018	53,30,000	80,80,000	12,72,55,892	12,65,000		14,19,30,892
Dividend paid for the year 2017-18			-23,03,200			(23,03,200)
Dividend distribution tax			-4,73,446			(4,73,446)
Profit for the period			1,91,49,918			1,91,49,918
Other comprehensive income						-
- Remeasurements gains / (loss) on defined benefit plans			-2,74,700			(2,74,700)
- Fair value loss on FVOCI financial asset						
Total comprehensive income for the year	-	-	1,88,75,218	-	1,77,79,218	3,66,54,436
Issue of equity shares on conversion of share warrants	28,60,000			-12,65,000		
ESOP outstanding amount					2,55,421	2,55,421
Balance as on April 01, 2019	81,90,000	80,80,000	14,33,54,432	-	2,55,421	15,98,79,853
Dividend paid for the year 2018-19			(46,06,400)			(46,06,400)
Dividend distribution tax			(9,46,883)			(9,46,883)

Particulars	Securities Premium	General Reserve	Retained Earnings	Share Warrants	ESOP outstanding amount	Total
Profit for the period			28,76,154			28,76,154
Other comprehensive income						-
- Remeasurements gains / (loss) on defined benefit plans			7,41,133			7,41,133
- Fair value Profit on FVOCI financial asset			-			-
Total comprehensive income for the year	-	-	36,17,287	-		36,17,287
Issue of equity shares on conversion of share warrants	44,27,500			35,83,125		80,10,625
ESOP outstanding amount					20,45,937	20,45,937
As at March 31, 2020	1,26,17,500	80,80,000	14,14,18,435	35,83,125	23,01,358	16,80,00,418

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

General Reserve

The Company has transferred a portion of Net Profits of the Company before declaring Dividends to General Reserve pursuant to the earlier provision 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 7th September, 2018 and ratified on 14th September, 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.

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	-
Add: Granted during the year	1,72,462
Less: Forfeited during the year	2,342
Less: Exercised during the year	-
Less: Expired during the year	-
Outstanding at the end of the period	1,70,120
Exercisable at the end of the period	-

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, 2020	Year ended March 31, 2019
Corporate Dividend Paid During the year		
Dividend Paid	46,06,400	-
Dividend Per Fully Paid Up Share	1.00	-
Corporate Dividend Proposed for the year		
Dividend Proposed	24,18,200	46,06,400
Dividend Proposed Per Fully Paid Up Share	0.50 Rs.	1.00 Rs.

NOTE 16 FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

Particulars	As at March 31, 2020	As at March 31, 2019
SECURED :		
Term Loans		
Banks	20,10,420	1,38,332
TOTAL	20,10,420	1,38,332

Notes :-
A Term Loans :

- i. Term loan from HDFC bank aggregating to Rs. NIL/- (Previous year Rs. 1,77,150/-) carries interest rate @ 10.00% p.a. repayable in 36 equated monthly installments of Rs. 36,379/- .
- ii. Term loan from HDFC bank aggregating to Rs. NIL/- (Previous year Rs. 1,47,603/-) carries interest rate @ 8.55% p.a. repayable in 36 equated monthly installments of Rs. 12,950/- .
- iii. Term loan from HDFC bank aggregating to Rs. 64,552/- (Previous year Rs. 4,29,121/-) carries interest rate @ 9.75% p.a. repayable in 60 equated monthly installments of Rs. 32,700/-
- iv. Term loan from HDFC bank aggregating to Rs. 17,559/- (Previous year Rs.2,17,633/-) carries interest rate @ 8.60 % p.a. repayable in 36 equated monthly installments of Rs. 17,700/- .
- v. Term loan from HDFC bank aggregating to Rs. 56,221/- (Previous year Rs. 3,73,742/-) carries interest rate @ 9.75 % p.a. repayable in 60 equated monthly installments of Rs. 28,480 /- .
- vi. Term loan from Kotak Mahindra Prime aggregating to Rs 8,48,322/- (Previous year Rs. NIL/-) carries interest rate @ 9.5 % p.a. repayable in 60 equated monthly installments of Rs. 21,000 /- .
- vii. Term loan from Kotak Mahindra Prime aggregating to Rs 8,48,322/- (Previous year Rs. NIL/-) carries interest rate @ 9.5 % p.a. repayable in 60 equated monthly installments of Rs. 21,000 /- .
- viii. Term loan from Kotak Mahindra Prime aggregating to Rs 8,48,322/- (Previous year Rs. NIL/-) carries interest rate @ 9.5 % p.a. repayable in 60 equated monthly installments of Rs. 21,000 /- .

NOTE 17 FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liabilities	1,01,59,971	-
Creditors for Capital Expenditure	2,12,48,428	2,43,33,300
Deposit from Customers	50,000	50,000
TOTAL	3,14,58,399	2,43,83,300

NOTE 18 PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity (Refer Note 2.11)	13,06,621	15,45,211
Compensated Expenses	74,556	4,37,791
TOTAL	13,81,177	19,83,002

NOTE 19 INCOME TAX

A. COMPONENTS OF INCOME TAX EXPENSE

Particulars	As at March 31, 2020	As at March 31, 2019
I. Tax expense recognised in statement of profit & loss		
Current Tax		
Current year	17,00,000	57,05,877
Adjustments/ (Credit) related to pervious years - (net)	3,23,111	-
Sub-Total	20,23,111	57,05,877
Deferred tax charge/ (credit)		
Origination and reversal of temporary difference	(17,01,971)	7,96,000
Sub-Total	(17,01,971)	7,96,000
Total	3,21,140	65,01,877
II. Tax on other comprehensive income		
Items that will not be reclassified to Profit and Loss		
Remeasurement of the Defined Benefit Plans	7,41,133	(1,05,877)
(Gain) / Loss on financial instruments through other comprehensve income	-	
Total	7,41,133	(1,05,877)

B. RECONCILIATION OF EFFECTIVE TAX RATES

Particulars	As at March 31, 2020	As at March 31, 2019
Profit Before Tax	39,38,427	2,56,51,795
Applicable Tax rate	25.17%	27.82%
Tax using the Company's domestic tax rate	9,91,302	71,36,329
Effect of Expenses that are not deductible in determining Taxable Profit	1,06,858	2,37,129
Effect of Income that is exempt from tax	(68,937)	(1,16,604)
Rate Difference	1,02,772	87,386

Particulars	As at March 31, 2020	As at March 31, 2019
Excess provision for current year	(32,139)	(9,474)
Tax difference on Depreciation	(11,95,123)	2,86,382
Expenditure allowed at lower rate	3,40,101	89,441
Other Difference	(2,46,805)	(12,08,683)
Tax Expenses recognised in Statement of Profit and Loss (A+B)	(1,971)	65,01,907
Effective tax rate for the year	-0.05%	25.35%

C. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

Particular	Net deferred tax asset / (liabilities) as on 1 st April, 2019	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31 st March, 2020
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(1,37,58,509)	32,64,808	-	(1,04,93,701)
Employee benefits	7,94,231	(39,892)	-	7,54,339
Deferred income / expenses	23,12,358	(10,30,318)	-	12,82,040
Provision for doubtful debts	3,130	24,907	-	28,037
Other items	(3,78,565)	5,78,434	-	1,99,869
Deferred tax assets/ (liabilities)	(1,10,27,355)	27,97,939	-	(82,29,416)

D. DEFERRED TAX ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities		
Accelerated depreciation for tax purposes	1,04,93,701	1,37,58,509
Other items giving rise to temporary differences	-	3,78,565
	1,04,93,701	1,41,37,074
Deferred Tax Assets		
Provision for Gratuity	7,20,538	6,51,203
Provision for Leave encashment	33,801	1,43,028
Expenditure covered by 43B of Income Tax Act, 1961	12,82,039	23,12,357
Provision for loss allowances for doubtful debts	28,038	3,130
Difference on account of Prior period Item	-	10,95,968
Mutual Funds	98,880	-
ROU Assets and ROU Liability	1,00,989	-
	22,64,285	42,05,687
NET DEFERRED TAX LIABILITIES	82,29,416	99,31,387

NOTE 20 FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

Particulars	As at March 31, 2020	As at March 31, 2019
SECURED:		
Loans repayable on demand		
From banks (Refer Note below)	6,41,62,673	8,39,60,507
Buyers Credit	2,99,26,681	53,47,939
Term Loans		
Bank	6,72,878	12,06,917
UNSECURED:		
Directors	9,375	-
TOTAL	9,47,71,607	9,05,15,363

Note : The Bank overdraft facility is secured by mortgage of Industrial Land, Building and Plant & Machinery at Pawne, Navi Mumbai and Personal guarantees by Promoter Directors.

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

NOTE 21 FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	As at March 31, 2020	As at March 31, 2019
Due to Micro, Small and Medium Enterprises	-	-
Due to Others (Refer Notes below)	11,43,82,924	7,59,15,845
TOTAL	11,43,82,924	7,59,15,845

- i. Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, no amount of dues outstanding as at 31st March 2020 have been identified as relating to Micro and Small Enterprises referred to in the said Act.
- ii. Trade Payables includes amount due to Related Parties Rs. Nil/- as at 31st March 2020 (Previous Year as at 31st March 2019 Rs. 9,635/-.)

NOTE 22 FINANCIAL LIABILITIES - OTHERS (CURRENT)

Particulars	As at March 31, 2020	As at March 31, 2019
Unclaimed Dividend*	5,11,895	1,89,945
TOTAL	5,11,895	1,89,945

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

NOTE 23 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Received from Customer	58,33,328	41,91,809
Statutory Dues	38,43,576	56,42,820
Advance received against sale of property	51,00,000	-
Other Payables	43,93,553	31,27,856
TOTAL	1,91,70,457	1,29,62,485

The Advance received represents advance against the sale of Plot at Vashi Factory Unit.

NOTE 24 PROVISIONS (CURRENT)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity	15,56,294	7,95,762
Compensated absences	59,746	76,330
Others Provision		
Provision for expenses	11,05,619	11,07,968
TOTAL	27,21,659	19,80,060

Refer Note 2.11 for further reference on Employee benefits

NOTE 25 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Products	58,89,84,990	57,80,49,805
Sale of Services	25,43,298	17,38,870
Other Operating Revenue:		
Scrap Sales	11,62,237	13,49,575
Export Incentives	5,55,179	3,58,253
Other revenue income	-	16,55,665
TOTAL	59,32,45,704	58,31,52,168

NOTE 25B REVENUE FROM CONTRACTS WITH CUSTOMERS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers disaggregated based on geography		
Domestic Market	54,25,82,576	53,72,14,671
Exports	4,64,02,414	4,08,35,134
TOTAL	58,89,84,990	57,80,49,805

NOTE 26 OTHER INCOME

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Finance Income	2,73,884	4,19,136
Interest Income	2,97,495	1,78,745
Net Gain on foreign currency transaction	-	4,42,407
Commission Income	1,23,183	-
Liability no longer payable	5,96,082	7,60,991
Miscellaneous income	43,976	3,804
TOTAL	13,34,620	18,05,083

NOTE 27 COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Raw Material Consumed	31,69,06,323	35,77,69,759
TOTAL	31,69,06,323	35,77,69,759

NOTE 28 PURCHASE OF STOCK IN TRADE

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of Stock in Trade	10,80,43,801	5,57,25,601
TOTAL	10,80,43,801	5,57,25,601

NOTE 29 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stocks :		
Finished Goods	65,144,274	54,692,341
Work in Progress	14,526,059	5,667,431
Stock In Trade	14,195,475	14,341,589
Less : Closing Stocks :		
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
NET CHANGE IN INVENTORIES	(887,856)	(19,164,447)

NOTE 30 EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Bonus	33,847,261	28,967,845
Directors Remuneration	9,863,437	7,881,900
Contribution to Provident and Other Funds	253,374	349,114
Gratuity	135,462	334,686
Staff Welfare Expenses	1,334,381	1,269,891
ESOP Expenses	2,045,937	255,421
TOTAL	47,479,852	39,058,856

NOTE 31 FINANCE COST

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense		
On Borrowings	7,691,962	7,557,545
Others (Including interest on delay / deferred payment)	321,781	958,729
Bank and other finance charges	3,568,799	2,188,564
TOTAL	11,582,542	10,704,838

NOTE 32 OTHER EXPENSES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Power, Fuel and Utilities	12,697,688	11,737,902
Processing Charges	23,981,570	21,177,457
Lease Rent	33,727	9,764,518
Repairs & Maintenance on :		
Building	9,61,973	5,71,015
Plant and Machinery	1,600,811	4,083,559
Other Repairs	17,45,233	18,76,896
Advertisement, Publicity & Sales Promotion	1,024,653	1,770,169
Insurance	1,367,939	954,731
Rates and Taxes	2,908,818	7,367,958
Unrealised Loss on Investments classified through FVTPL	1,003,609	-
Net Loss on foreign currency	1,908,995	-
Legal and Professional Fees	6,431,989	6,752,193
Commission	1,059,302	1,375,255
Freight Forwarding Charges	7,378,565	8,677,545

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Travelling and Conveyance	5,615,207	5,899,523
Payment to Auditors		
Audit Fees	631,250	618,750
Other Services	-	-
Donations	1,700,000	643,000
Bad Debts Written off net of provisions	100,148	7,804,887
Loss on sale of Assets	1,098,729	127,927
Postage, Telegram , Telephone & Courier	1,546,204	1,624,559
Printing & Stationery	793,056	961,405
Miscellaneous expenses	3,089,412	3,489,378
TOTAL	78,678,877	97,278,627

NOTE 33 CONTINGENT LIABILITIES AND COMMITMENTS

1 Disputed Liabilities on account of VAT, CST and Property Tax as at March 31, 2020

Statute	Financial Year to which matter pertains	Forum where matter is pending	As at March 31, 2020	As at March 31, 2019
Gujarat VAT	FY 2006-07	Commissioner of Sales Tax	-	1,521,427
CST	FY 2006-07	Commissioner of Sales Tax	-	125,145
Gujarat VAT	FY 2007-08	Commissioner of Sales Tax	-	1,687,325
Property Tax	Various years	Navi Mumbai Municipal Corporation	25,932,960	39,470,886
Gujarat VAT	FY 2013-14	Commissioner of Sales Tax	-	1,713,505
TOTAL			25,932,960	44,518,288

Notes :-

- (i) It is not practicable 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 judgments/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 litigations comprise of proceedings pending with Sales tax/VAT. 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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Advances paid W/off	-	4,976,166
Property Tax dues of earlier years	8,589,274	-
TOTAL	8,589,274	4,976,166

In respect of one time Amnesty scheme introduced by NMMC for the settlement of Property tax, the company has cleared the disputed liability under the said scheme and paid an amount in regards to plot C 57 amounting to Rs 85,89,274 in relation to arrears of various preceding years which has been reported as an exceptional item.

NOTE 35 EARNINGS PER SHARE

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit after tax available for equity shareholders as per Statement of Profit & Loss	2,876,153	19,149,918
Weighted Average No. of Equity Shares for of Face Value Rs. 10 each -Basic	4,631,540	4,593,140
Weighted Average No. of Equity Shares for of Face Value Rs. 10 each -Diluted	4,818,921	4,593,140
Earnings Per Share - Basic	0.62	4.17
Earnings Per Share - Diluted	0.61	4.17

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, 2020	Year ended March 31, 2019
Total interest bearing financial liabilities	96,782,027	90,653,696
Less : Cash and Cash Equivalents	3,005,110	616,202
Adjusted Net Debt	93,776,916	90,037,493
Total Equity	216,364,419	205,943,853
Adjusted Equity	216,364,419	205,943,853
Adjusted Net Debt to adjusted Equity Ratio	0.43	0.44

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, 2020	As at March 31, 2019
Fixed-rate instruments		
Financial Liabilities - Borrowings	2,683,298	1,345,249
	2,683,298	1,345,249
Total	2,683,298	1,345,249

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 2020, the investments in mutual fund (at market value) amounts to Rs. 49,10,664/- (31st March, 2019 : Rs 35,39,273/-). 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 3% 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, 2020		As at March 31, 2019	
	3% increase	3% Decrease	3% increase	3% Decrease
Investment in Mutual Funds	147,320	(147,320)	106,178	(106,178)
Total	147,320	(147,320)	106,178	(106,178)

(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, 2020	As at March 31, 2019
Financial Assets			
Trade receivables	USD	51,700	4,095
	EURO	1,535	3,514
Financial Liabilities			
Trade payables	USD	1,551,045	704,810
	EURO	10,999	-

Sensitivity analysis to currency risk

A reasonable possible strengthening / (weakening) of the foreign currencies 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, 2020		As at March 31, 2019	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	(3,390,170)	3,390,170	(1,459,731)	1,459,731
EURO	(23,588)	23,588	8,209	(8,209)
Total	(3,413,757)	3,413,757	(1,451,522)	1,451,522

(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 creditworthiness 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:

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance of expected loss provision	11,254	4,884,457
Add : Provisions made / (reversed)	100,148	(4,873,203)
Less : Utilisation for impairment / de-recognition	-	-
Closing balance	111,402	11,254

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, 2020 and 31st March 2019 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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	672,878	2,010,420	1,206,917	138,332
Working Capital Loans from Banks	94,098,729	-	89,308,446	-
Trade Payables	114,382,924	-	75,915,845	-
Other Financial Liabilities	511,895	21,298,428	189,945	24,383,300
TOTAL	209,666,426	23,308,848	166,621,153	24,521,632

NOTE 38 FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

(a) Financial Assets and Liabilities

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

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets		
Fair Value through profit and loss		
Investments (Other than in Subsidiary)	4,910,664	3,539,273
Amortised Cost		
Loans	9,141	38,000
Trade Receivables	112,477,353	98,593,826
Cash & Cash Equivalents	3,005,110	616,202
Other Bank Balances	6,891,972	3,672,299
Other Financial Assets	4,418,124	4,617,440
Total	131,712,364	111,077,040
Financial Liabilities		
Amortised Cost		
Borrowings	96,782,027	90,653,696
Trade Payable	114,382,924	75,915,845
Other Financial Liabilities	21,810,323	24,573,245
Total	232,975,274	191,142,786

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, 2020	As at March 31, 2019
Financial Assets		
Level 1		
Investment in Mutual Fund Units	4,910,664	3,539,273
Level 2		
Security Deposits	4,418,124	4,617,440
Total	9,328,787.80	8,156,713.00

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 2020

(A) Details of defined benefit obligation and plan assets

(a) Retiring Gratuity

I Components of Employer Expenses

Particulars	31 st March 2020	31 st March 2019
Current Service Cost	483,937	481,555
Interest Cost	147,675	144,294
Actuarial (Gain)/Loss	(109,670)	63,762
Total Expenses/(Gain) recognized in the Profit & Loss Account	521,942	689,611

II Net Asset/ (Liability) recognized in Balance Sheet

Particulars	31 st March 2020	31 st March 2019
Present value of Funded Obligation	2,862,915	2,340,973
Fair Value of Plan Assets	-	-
Assets/(Liability) recognized in the Balance Sheet	2,862,915	2,340,973

III Change in Defined Benefit Obligations (DBO)

Particulars	31 st March 2020	31 st March 2019
Opening Balance of Present Value of Obligation	2,340,973	2,006,287
Current Service Cost	483,937	481,555
Interest Cost	147,675	144,294
Actuarial (Gain)/Loss	(109,670)	63,762
Benefit Paid	-	(354,925)
Closing Balance of Present Value of Obligation	2,862,915	2,340,973

IV Changes in the Fair Value of Plan Assets

Particulars	31 st March 2020	31 st March 2019
Opening Balance of Fair Value of Plan assets of Obligation	-	354,925
Expected Return on Plan Assets	-	(14,002)
Interest Income	-	14,002
Actuarial Gain/(Loss)	-	-
Contribution by Employer	-	-
Benefit Paid	-	(354,925)
Fair Value of Plan Assets as at 31 st March	-	-

V Actuarial Assumption

Particulars	31 st March 2020	31 st March 2019
Discount Rate (Per Annum)	6.70%	7.60%
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	31 st March 2020	31 st March 2019
Government of India Securities	0%	0%
High Quality Corporate Bonds	0%	0%
Equity Shares of listed companies	0%	0%
Gratuity Fun (LIC)	100%	100%
Insurance Company	0%	0%

VII Movement in net liability recognized in Balance Sheet

Particulars	31 st March 2020	31 st March 2019
Net Opening Liability	2,340,973	1,651,362
P & L Charges / (Income)	521,942	689,611
Closing Net Liability	2,862,915	2,340,973

VIII Gratuity - Sensitivity Analysis

Particulars	Rs. In Lakhs			
	31 st March 2020		31 st March 2019	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	3,006,352	2,738,131	2,443,422	2,250,538
Discount Rate (1% movement)	2,738,917	3,007,853	2,251,737	2,443,668

(B) Defined Contribution Plans

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss - Rs. 2,53,734/- (Previous year Rs. 3,49,114/-)

NOTE 40 LEASES

a) First time Adoption of IND AS 116 - Leases (IND AS 116)

IND AS 116 has been notified by Ministry of Corporate Affairs (MCA) on March 30, 2019 and is effective from accounting period beginning on or after April 01, 2019. The Company has applied modified retrospective approach in adopting the new standard as a lessee (for all leases other than those end within a period of 12 months) and accordingly has given an cumulative effect of applying this standard on the opening balance of retained earnings as at April 01, 2019.

b) As a lessee

The Company's significant leasing arrangements are in respect of operating leases for Commercial / Residential premises. Lease expenditure for operating leases is recognised on a straight-line basis over the period of lease. These leasing arrangements are non-cancellable / cancellable and are renewable on a periodic basis by mutual consent on mutually accepted terms

Particulars	Land and Buildings
Cost	
Balance as 1 st April, 2019	1,91,36,971
Add: Additions	-
Less: Disposals	-
Balance as at 31st March, 2020	1,91,36,971
Accumulated Depreciation and Impairment	
Balance as 1 st April, 2019	
Less: Depreciation	93,78,258
Less: Eliminated on Disposals of Assets	
Balance as at 31st March, 2020	97,58,713
Lease Liabilities	
Balance as 1 st April, 2019	1,86,20,991
Less: Disposals	
Add: Interest Expenses on Lease Liabilities	13,21,952
Less: Total Cash outflows for leases	97,82,972
Balance as at 31st March, 2020	1,01,59,971

c) Impact of change in accounting policy on basic and diluted earnings per share

The Company has applied modified retrospective approach and hence it has not restated previous period numbers. Also, the effect of this adoption is not material on the basic and diluted earnings per share for the year ended March 31, 2020

NOTE 41 RELATED PARTY

List of related parties

A Enterprise in which Key Managerial Personnel and their relatives have significant Influence :

S. K. Ultratech Machines Pvt. Ltd.
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
Ms. Aditi Bhat
Mr. Sanghamitra Sarangi
(w.e.f. 14.08.2019)

iii. Company secretary:

Ms. Arushi Singhal
(Date of cessation 24.02.2020)
Ms. Gauri Rane
(w.e.f. 13.03.2020)

iv. Relatives of Key Managerial Personnel :

Mrs. Saloni Shah

Particulars	Key Managerial Personnel / persons exercising significant influence & their relatives		Enterprse in which Key Managerial Personnel and their relatives have significant Influence	Total	Total
	31 st March 2020	31 st March 2019			
PURC HASES					
S. K. Ultratech Machines Pvt. Ltd.	-	-	40,120	40,120	74,340
Total	-	-	40,120	40,120	74,340
SALES					
Cricketnco Apparels Private Limited	-	-	3,087,158	-	-
Total	-	-	3,087,158	-	-
OTHER INCOME					
Cricketnco Apparels Private Limited	-	-	952,626	-	-
Total	-	-	952,626	-	-
SERVICE CHARGES PAID					
S. K. Ultratech Machines Pvt. Ltd.	-	-	68,794	68,794	3,540
Total	-	-	68,794	68,794	3,540
REMUNERATION*					
Shailesh Shah	4,200,000	2,400,000	-	4,200,000	2,400,000
Sharad Shah	2,400,000	2,400,000	-	2,400,000	2,400,000
Vaibhav Desai	1,191,900	1,191,900	-	1,191,900	1,191,900
Maikal Raorani	1,800,000	1,800,000	-	1,800,000	1,800,000
REMUNERATION TO COMPANY SECRETARY*					
Arushi Singhal	566,766	139,940	-	566,766	139,940
Gauri Rane	59,020	-	-	59,020	-
Total	10,217,686	7,931,840	-	10,217,686	7,931,840
SITTING FEES					
Aditi Bhat	100,000	40,000	-	100,000	40,000
Amarendra Mohapatra	100,000	50,000	-	100,000	50,000
Sanghamitra Sarangi	70,000	-	-	70,000	-
Total	270,000	90,000	-	270,000	90,000
SALARY					
Saloni Shah	1,323,312	1,194,000	-	1,323,312	1,194,000
Total	1,323,312	1,194,000	-	1,323,312	1,194,000
LOAN RECEIVED					
Shailesh Shah	9,375	-	-	9,375	-
Total	9,375	-	-	9,375	-
ADVANCE PAID					

Particulars	Key Managerial Personnel / persons exercising significant influence & their relatives		Enterprise in which Key Managerial Personnel and their relatives have significant influence		Total
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	
S. K. Ultratech Machines Pvt. Ltd.	-	-	300,000	-	300,000
Total	-	-	300,000	-	300,000
ISSUE OF SHARES					
Shailesh Shah	6,727,500	52,900,000	-	-	6,727,500
Total	6,727,500	52,900,000	-	-	6,727,500
OUTSTANDING BALANCES PAYABLES/ (RECEIVABLES)					
S. K. Ultratech Machines Pvt. Ltd.	-	-	(231,046)	9,635	(231,046)
Crickethnco Apparels Private Limited	-	-	(41,23,083)	-	(41,23,083)
Total	-	-	(41,23,083)	9,635	(41,23,083)
REMUNERATION PAYABLE TO KMP					
Shailesh Shah	344,800	199,800	-	-	344,800
Sharad Shah	179,800	199,800	-	-	179,800
Vaibhav Desai	94,325	93,102	-	-	94,325
Maikal Raorani	188,300	128,300	-	-	188,300
Arushi Singhal	-	51,093	-	-	51,093
Gauri Rane	58,107	-	-	-	58,107
Total	865,332	672,095	-	-	865,332
SITTING FEES PAYABLE					
Sanghamitra Sarangi	36,000	-	-	-	36,000
Aditi Bhat	36,000	10,000	-	-	36,000
Amarendra Mohapatra	36,000	10,000	-	-	36,000
Total	108,000	20,000	-	-	108,000
SALARY PAYABLE					
Saloni Shah	104,313	87,300	-	-	104,313
Total	104,313	87,300	-	-	104,313
Share Warrants					
Shailesh Shah	3,583,125	-	-	-	3,583,125
Total	3,583,125	-	-	-	3,583,125

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

42 SEGMENT REPORTING :

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

- 43** Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.
- 44** Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation
- 45** Figures in brackets indicate previous year's figures.

As per our report attached of even date
UKG & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No. :123393W

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

Sd/-
Champak K Dedhia
Partner
Membership No.101769
Mumbai, Dated: 08/07/2020

Sd/-
Shailesh Shah
Director
DIN: 00006154

Sd/-
Sharad Shah
Director
DIN: 00006114

Sd/-
Maikal Raorani
Director
DIN: 00037831

Sd/-
Gauri Rane
Company Secretary
ACS: 55214



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
Website - 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,
Tel No. +91 22 49186000 Fax: +91 22 49186060
E-mail: rnt.helpdesk@linkintime.co.in