

# 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

SKY/SE/21-22/13

May 10, 2021

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

Dear Sir/Madam

**Sub: SKY Industries Limited: Declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

In furtherance to our letter Ref. No. SKY/SE/21-22/08 dated April 27, 2021, we hereby confirm and declare that the Statutory Auditors of the Company i.e., CGCA & Associates (FRN: 123393W), Chartered Accountants, has issued the Audit Report on Financial Results of the Company for the Quarter and Financial Year ended March 31, 2021 with an unmodified opinion.

We request you to take the above information on record.

Thanking you

Yours faithfully  
For SKY INDUSTRIES LIMITED

**MAIKAL RAORANI**  
**WHOLE TIME DIRECTOR & CFO**  
**DIN: 00037831**





**Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To,  
**The Board of Directors of**  
**Sky Industries Limited**

**Report on the audit of the Financial Results**

**Opinion**

We have audited the accompanying statement of quarterly and year to date financial results of **Sky Industries Limited** (the 'Company') for the quarter ended 31<sup>st</sup> March, 2021 and for year ended 31<sup>st</sup> March, 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Company for the quarter ended 31<sup>st</sup> March, 2021 and net profit and other comprehensive income and other financial information of the Company for the year ended 31<sup>st</sup> March, 2021.

**Basis for Opinion**

We conducted our audit of financial results in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 independence requirements that are relevant to our audit of the financial results 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 audit opinion on the financial results.

**Management's Responsibilities for the Financial Results**

These quarterly financial results as well as the year to date financial results have been prepared on the basis of interim financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of these financial results that gives a true and fair view of the net profit/loss and other comprehensive income/loss of the Company and other financial information in accordance with the recognition and measurement principles laid down in Indian



Accounting Standards 34, 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibility for the Audit of the Financial Result**

Our objectives are to obtain reasonable assurance about whether the financial results 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 results.

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

- i. Identify and assess the risks of material misstatement of the financial results, 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.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.



- iv. Conclude on the appropriateness of Board of Director's 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 results 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.
- v. Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

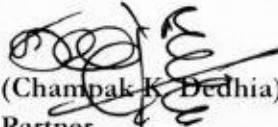
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

#### **Other Matters**

The Statement includes the results for the quarter ended 31<sup>st</sup> March, 2021 being the balancing figure between the audited figures in respect of the full financial year ended 31<sup>st</sup> March, 2021 and the published unaudited year-to-date figures up to the third quarter of the financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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

  
**(Champak K. Dedhia)**  
**Partner**

**Membership No. 101769**  
**Mumbai, 27<sup>th</sup> April, 2021**  
**UDIN: 21101769AAAAJE8071**



**SKY INDUSTRIES LIMITED**  
Registered Office : C-58, TTC Industrial Area, Thane Belapur Road, Navi Mumbai - 400 705  
CIN : L17120MH1989PLC052645

Audited Financial Results for the quarter and year ended 31st March 2021

(Rs. In Lacs)

Sr. No.	Particulars	Quarter ended			Year Ended	
		31.03.2021 (Audited)	31.12.2020 (Unaudited)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
1	Revenue from Operations	1,826.42	1,733.90	1,574.24	5,340.38	5,932.46
2	Other Income	9.40	15.51	(9.80)	42.99	3.51
	<b>Total Income (1+2)</b>	<b>1,835.82</b>	<b>1,749.41</b>	<b>1,564.44</b>	<b>5,383.06</b>	<b>5,935.77</b>
3	<b>Expenses</b>					
	Cost of materials consumed	1,114.79	1,030.00	638.97	3,002.48	3,169.06
	Purchases of Stock in trade	79.94	142.47	498.87	395.41	1,080.44
	Changes in inventories of finished goods, work-in-progress and stock in trade	17.72	8.13	(24.58)	262.41	(8.58)
	Employee Benefit Expenses	116.21	124.95	127.97	424.35	474.80
	Finance Costs	32.90	25.93	27.65	115.20	115.83
	Depreciation	51.26	52.15	51.63	205.95	209.90
	Other Expenses	310.83	198.68	218.54	744.91	776.75
	<b>Total Expenses</b>	<b>1,723.65</b>	<b>1,582.31</b>	<b>1,539.04</b>	<b>5,150.71</b>	<b>5,817.90</b>
	Profit from operations before exceptional items and tax (1+2-3)	112.16	167.10	25.40	232.35	117.87
5	Exceptional Items	-	(92.05)	85.89	(92.05)	85.89
6	<b>Profit/(Loss) before tax (4-5)</b>	<b>112.16</b>	<b>75.05</b>	<b>(60.49)</b>	<b>140.30</b>	<b>31.97</b>
7	<b>Tax Expense</b>					
	1. Current Tax	34.04	26.90	6.14	60.54	17.00
	2. Short Provision of Tax of previous year	-	0.54	-	(2.09)	3.23
	3. Deferred Tax	1.40	13.58	(3.09)	1.94	(17.02)
8	<b>Net Profit / (Loss) after tax (7-8)</b>	<b>76.72</b>	<b>34.43</b>	<b>(63.54)</b>	<b>79.51</b>	<b>31.99</b>
9	Other Comprehensive Income	-	-	-	-	-
10	<b>Comprehensive Income for period</b>	<b>76.72</b>	<b>34.43</b>	<b>(63.54)</b>	<b>79.51</b>	<b>31.99</b>
11	Paid up Equity Share Capital ( Face value of Rs. 10/- each)	5,548,745	5,107,969	4,836,400	5,548,745	4,836,400
12	<b>Earnings per equity share</b>					
	1. Basic	1.46	0.71	(1.35)	1.61	0.62
	2. Diluted	1.40	0.71	(1.35)	1.56	0.61

**NOTES:**

- The above results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at its meeting held on 27th April, 2021.
- The financial results have been prepared in accordance with the applicable accounting standards, as modified by the Companies (Indian Accounting Standards) Rules, 2015 and as specified in section 133 of the Companies Act, 2013.
- The Company mainly operates in a single primary business segment comprising of manufacture and trading of narrow fabrics, therefore disclosure requirements as per Ind AS 108, "Operating Segments" are not applicable to the Company.
- During the period, the company has made a preferential allotment of 4,00,000 equity shares.
- Other Comprehensive Income represents remeasurement of defined benefit obligation.
- The Company has granted 1,72,462 options on February 14, 2019, to the eligible employees as the company's Employee Stock Option Plan (ESOP 2018). During the period eligible employees have exercised 40,776 options and accordingly the company has allotted 40,776 shares at Rs 10 each. As per Ind AS 102- "Share Based Payment" total charge of ESOP will be apportioned over the vesting period, accordingly the Employee Benefit Expenses includes ESOP Charge under respective period as under:

	Quarter ended			Year ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
ESOP Charge	317,234	258,161	511,484	1,091,717	2,045,937

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

Place : Mumbai  
Dated : 27.04.2021



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

SHAILESH S SHAH  
DIRECTOR  
DIN:- 00006154

Sr. No.	Particulars	As on	As on
		March 31, 2021	March 31, 2020
		(Audited)	(Audited)
1	<b>ASSETS</b>		
	<b>Non-current assets</b>		
A	(a) Property, Plant & Equipment	1,014.30	1,502.96
	(b) Intangible Assets	0.37	0.61
	(c) Capital Work in Progress	24.95	46.09
	(d) Right of use of Assets	199.08	97.59
	(e) <u>Financial Assets</u>		
	(i) Investments	26.29	11.40
	(ii) Others	42.92	44.18
	(f) Other Non Current assets	31.70	36.22
		<b>1,339.61</b>	<b>1,739.05</b>
B	<b>Current assets</b>		
	(a) Inventories	1,186.54	1,549.80
	(b) <u>Financial Assets</u>		
	(i) Investments	522.51	37.71
	(ii) Trade Receivables	1,266.77	1,124.77
	(iii) Cash and cash equivalents	127.92	30.05
	(c) Bank Balance Other than above	90.38	68.92
	(e) Other Current Assets	443.03	359.73
		<b>3,637.15</b>	<b>3,170.98</b>
		<b>4,976.76</b>	<b>4,910.02</b>
2	<b>EQUITY AND LIABILITIES</b>		
A	<b>EQUITY</b>		
	(a) Equity Share capital	554.87	483.64
	(b) Other Equity	2,013.19	1,680.00
	<b>Total Equity</b>	<b>2,568.07</b>	<b>2,163.64</b>
B	<b>LIABILITIES</b>		
	<b>Non-current liabilities</b>		
	(a) <u>Financial Liabilities</u>		
	(i) Borrowings	182.76	20.10
	(ii) Other financial liabilities	198.99	314.58
	(b) Provisions	15.76	13.81
	(c) Deferred tax liabilities (net)	84.23	82.29
		<b>481.74</b>	<b>430.79</b>
C	<b>Current liabilities</b>		
	(a) <u>Financial Liabilities</u>		
	(i) Short-term borrowings	969.21	947.72
	(ii) Trade payables	665.55	1,143.83
	(iii) Other financial liabilities	7.24	5.12
	(b) Other Current Liabilities	194.16	191.70
	(c) Provisions	90.78	27.22
		<b>1,926.95</b>	<b>2,315.59</b>
		<b>4,976.76</b>	<b>4,910.02</b>

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

Place : Mumbai  
Dated : 27.04.2021



SHAILESH S SHAH  
DIRECTOR  
DIN:- 00006154

## Annexure 1 - Statement Of Cash Flow For The Year Ended 31st March 2021

Particulars	As on March	As on March
	31, 2021 (Audited)	31, 2020 (Audited)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	140.30	31.97
<b>Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:</b>		
Depreciation & Amortization	205.95	209.90
Finance Cost	104.17	98.70
Interest Income	(2.62)	(2.97)
Unrealised (Gain) / Loss on Investments classified through FVTPL	(33.72)	10.04
Financial Income - IndAS	(2.94)	(2.74)
Loss on sale of Assets/ Assets written off	96.02	10.99
Finance Cost - IndAS	7.12	13.22
Processing fees - IndAS	3.91	3.91
Profit on cancellation of lease (IndAS)	(0.30)	-
Remeasurement of defined benefit liability/(asset)	8.05	-
ESOP Expenses	10.92	20.46
<b>Operating Profit Before Changes in Working Capital</b>	<b>536.88</b>	<b>393.47</b>
<b>Adjustment for Changes in Working Capital</b>		
(Increase) / Decrease in Trade Receivables	(141.99)	(138.84)
(Increase) / Decrease in Inventories	363.26	(248.37)
(Increase) / Decrease in Loans & Advances	-	0.29
(Increase) / Decrease in Right to Use Assets	(101.49)	(97.59)
(Increase) / Decrease in Other Non - Current Financial Assets	1.26	1.99
(Increase) / Decrease in Other Non - Current Assets	-	43.84
(Increase) / Decrease in Other Current Assets	(83.31)	(115.42)
Increase / (Decrease) in Trade Payables	(478.28)	384.67
Increase / (Decrease) in Other Current Financial Liabilities	2.12	3.22
Increase / (Decrease) in Other Current Liabilities	2.46	62.08
Increase / (Decrease) of Non current Financial liabilities	(115.59)	70.75
Increase / (Decrease) in Non Current Provisions	1.95	(6.02)
Increase / (Decrease) in Current Provisions	57.40	7.42
<b>Cash Generated from Operations</b>	<b>44.66</b>	<b>361.50</b>
Less: Taxes Paid (Net of refund received)	(47.46)	(43.39)
Less: Dividend & Dividend Distribution Tax Paid	(24.34)	(55.53)
<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>	<b>(27.13)</b>	<b>262.59</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment & Intangible Assets	(143.07)	(157.57)
Sale of Property, Plant & Equipment & Intangible Assets	443.62	4.50
Investments during the year	(465.98)	(23.75)
Interest Received	2.62	2.97
Movement in other bank balances	(21.46)	(32.20)
<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>	<b>(184.27)</b>	<b>(206.04)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITY</b>		
Increase/(Decrease) of Term Loan/Vehicle Loans	162.66	18.72
Repayment of Lease Liability	(100.59)	(98.35)
Increase/ (Decrease)in Working Capital facility (net)	21.49	42.56
Receipt of Equity Share Capital (incl. Share Premium)	329.88	103.11
Finance Cost	(104.17)	(98.70)
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>	<b>309.27</b>	<b>(32.66)</b>
<b>NET CASH FLOW FOR THE YEAR (A + B + C)</b>	<b>97.87</b>	<b>23.89</b>
Add: Opening Balance of Cash & Cash Equivalents	30.05	6.16
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>127.92</b>	<b>30.05</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENT</b>		
<b>TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET</b>		
<b>CASH AND CASH EQUIVALENT COMPRISES AS UNDER:</b>		
Balance with banks in current accounts	126.17	28.72
Cash on Hand	1.75	1.33
<b>CASH AND CASH EQUIVALENT</b>	<b>127.92</b>	<b>30.05</b>
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>127.92</b>	<b>30.05</b>

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

Place : Mumbai  
Dated : 27.04.2021



SHAILESH S HAH  
DIN:- 00006154  
DIRECTOR