



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**

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

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.