

ANNUAL REPORT 2020-2021



SKY

SKY INDUSTRIES LTD.

INSIDE THE REPORT

OVERVIEW

About Sky Industries Limited	02
Corporate Information	03
Our Financial Performance	04

STATUTORY REPORT

Notice Of AGM	05
Management Discussion and Analysis	14
Directors' Report	18
Annexures to the Directors' Report	28

FINANCIAL STATEMENT

Independent Audit Report	38
Balance Sheet	47
Statement of Profit & Loss	48
Cash Flows Statement	49
Notes to the Financial Statements	50

Caution Regarding Forward-Looking Statements

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

ABOUT US


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

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


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

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

For more, please visit our website: www.skycorp.in;

 /skyindustriesltd

 /skyindustriesltd

 /skyindustriesltd

ANNUAL REPORT

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

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

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Managing Director

Mr. Shailesh S. Shah

Whole Time Directors

Mr. Sharad S. Shah

Mr. Maikal Raorani

Mr. Vaibhav Desai

Independent Directors

Mr. Lokanath Suryanarayan Mishra

Mr. Amarendra Mohapatra

Mrs. Sanghamitra Sarangi

Chief Financial Officer

Maikal Raorani

Company Secretary & Compliance Officer

Swapnil Soni

BOARD COMMITTEES

Audit Committee

Mr. Lokanath Suryanarayan Mishra
Chairman

Mr. Amarendra Mohapatra
Member

Mrs. Sanghamitra Sarangi
Member

Mr. Maikal Raorani
Member

Nomination & Remuneration Committee

Mr. Lokanath Suryanarayan Mishra
Chairman

Mr. Amarendra Mohapatra
Member

Mrs. Sanghamitra Sarangi
Member

Stakeholders' Relationship Committee

Mr. Lokanath Suryanarayan Mishra
Chairman

Mr. Amarendra Mohapatra
Member

Mrs. Sanghamitra Sarangi
Member

Mr. Maikal Raorani
Member

STATUTORY AUDITORS

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

INTERNAL AUDITORS

Sitendu Sharma & Co. Chartered Accountant

REGISTRAR & SHARE TRANSFER AGENT

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

BANKER

Kotak Mahindra Bank

CIN

L17120MH1989PLC052645

REGISTERED OFFICER


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


CORPORATE OFFICE


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

Email: corporate@skycorp.in

Website: www.skycorp.in

 /skyindustriesltd

 /skyindustriesltd

 /skyindustriesltd

OUR FINANCIAL PERFORMANCE

REVENUE FROM OPERATION

(Rs. in Lakhs)



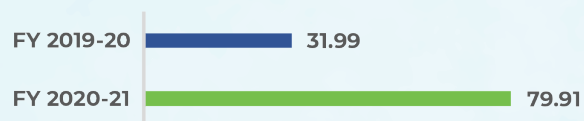
EBIDTA

(Rs. in Lakhs)



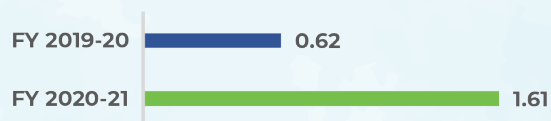
NET PROFIT

(Rs. in Lakhs)



EARNING PER SHARES

(in Rs.)



DIVIDEND PER SHARES

(in Rs.)



RETURN ON NET WORTH (%)



NOTICE

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

Ordinary Business:

1. Adoption of Financial Statements and Reports thereon

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

2. Declaration of Dividend

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

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

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

Registered Office:

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

April 27, 2021
Mumbai

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

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

Notes:

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

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

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

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

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

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

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

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