

# 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/22-23/18

June 08, 2022

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

Dear Sir/Madam

**Sub: Sky Industries Limited: Annual Report for the Financial Year 2021-22 & Notice convening the 33<sup>rd</sup> Annual General Meeting of the Company**

Pursuant to Regulation 30 and Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we submit herewith the Annual Report of the Company for the Financial Year 2021-22 along with the Notice convening the 33<sup>rd</sup> Annual General Meeting scheduled to be held on **Thursday, June 30, 2022 at 11.00 A.M. (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") in accordance with the relevant circulars issued by Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI").

In compliance with the aforesaid circulars, the Annual Report of the Company for the Financial Year 2021-22 along with the Notice convening the 33<sup>rd</sup> Annual General Meeting is being sent to Members, whose e-mail address is registered with the Company/ Registrar & Transfer Agent of the Company or the Depositories, through electronic mode.

In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations and Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, the Company is providing the facility to Members to exercise their right to vote by electronic means on Resolutions proposed to be passed at AGM. The Company has engaged NSDL for providing facility for voting through remote e-Voting, for participation in the AGM through VC/OAVM and e-Voting during the AGM.

**Key information:**

Time and date of Annual General Meeting	:	11:00 A.M. IST, Thursday, June 30, 2022
Cut-off Date	:	Thursday, June 23, 2022
Day, Date and time of commencement of remote e-Voting	:	Saturday, June 25, 2022 at 10:00 A.M.
Day, Date and time of end of remote e-Voting	:	Wednesday, June 29, 2022 at 05:00 P.M.

# 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](http://www.skycorp.in)

The copy of the Notice of AGM and Annual Report is also available on the Website of the Company at [www.skycorp.in](http://www.skycorp.in), on the website of the Stock Exchange i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the NDSL website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

We request you to take the above information on record.

Yours faithfully

For SKY INDUSTRIES LIMITED

MAIKAL RAORANI

WHOLE TIME DIRECTOR & CFO

DIN: 00037831



Encl.: a/a

# **FASTENING SOLUTIONS** *You can trust upon*



**SKY INDUSTRIES LTD**  
ANNUAL REPORT 2021-22

# Inside The Report

## *Corporate Overview*

About us	03
Managing Director's Message	05
Performance Overview	07
Our Capabilities	08
Our Brands	09
Corporate Information	10

## *Statutory Report*

Management Discussion & Analysis	11
Notice of AGM	32
Director's Report	40
Annexures to the Director's Report	52

## *Financial Statement*

Independent Audit Report	65
Balance Sheet	76
Statement of profit and Loss	77
Cash Flows Statement	78
Notes to the Financial Statements	79

**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, results, expenditure, 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 & Loop tape fasteners and other value added products.

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

With over **30 years of experience**, we have gained recognition as a specialist in providing fastening solutions related to hook & loop tapes fasteners. We have served to some of the most reputed companies from various industries like infant Wear, Orthopaedic, Footwear, Automotive, Defense, Apparel, Packaging. **The company is also a member of BIS Committee** for setting Standards of Hook & Loop Tape Fasteners in India.

**Vision** Be a leading fastening solution provider globally



**Mission** To meet customers fastening need by providing innovative, productive, cost-effective, optimized & eco-friendly solutions, continually adding value to their business.



**Values**

Trust & Respect		Good corporate citizen		Global Perspective
Customer Value Creation		Efficiency in operation		Socio-environmental Sustainability





To grow **global market** share by providing quality product



To become **preferred vendor** for Customers



To run business with environmental & social **responsibility**



Growth through **innovation** to create differentiation



Speed to **market reach**



Proximity to customers to ensure **quick deliveries and better service** to customer



Offer **wide range** of Hook & Loop tape & customized products



Excel in operational efficiencies to enhance competitive position with **"Together we can"** approach

₹ **7045.17** Lakhs

Revenue from operations in FY 2021-22

₹ **972.14** Lakhs

EBIDTA

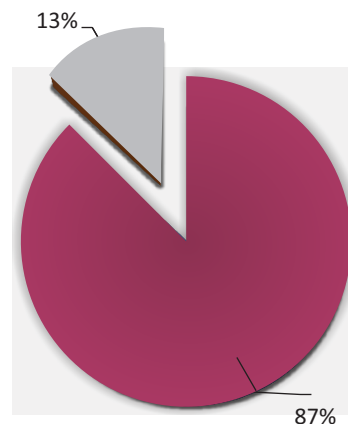
**13.80%**

EBIDTA Margin

₹ **487.20** Lakhs

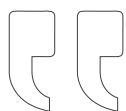
Profit After tax

## REVENUE



■ Domestic  
■ International

# Managing Director's Message



*We took a constructive approach and made the conscious decision that we would not let this crisis pass us by and we performed well* ”

## Dear Shareholders

I hope you and your loved ones are keeping well and staying healthy.

From the beginning of the pandemic, our teams proactively strived to protect our people, our consumers and our business, all while positioning ourselves to accept the accelerated changes that are anticipated to shape the next decade. I am extremely proud of our team, especially the workers in our factories, who kept the business moving despite significant challenges. The strength and resolve of our teams give me immense confidence to emerge stronger and pave new ground for success.

We were able to achieve the highest turnover of last 10 years in the history of the company i.e., Rs. 7045.17 lakhs. Due to better realisation & use of available resources the EBITDA also increased to Rs. 972.15 Lakhs.

We also realised the importance of expanding our foray in export markets to sustain our business amidst tough times. In comparison to the previous year, the turnover from the exports stands increased to 13% of the total turnover of the Company. We are working with modern and indigenously developed technology revamping modes of communication to reach more customers. The security systems have also been upgraded along with an accelerated push for digitisation of internal processes across design, merchandising and marketing functions.

## Towards a sustainable future

Your Company has long taken a prudent approach to business and continues to invest in initiatives that secure the long-term viability of our operations. As an organisation that is committed to improve the lives of people and contribute to the welfare of communities and the natural environment, we continue to modify our practices and adopt methods that ensure a better future for the planet.

In the foreseeable future, we plan to install solar panels to increase our dependence on renewable energy and ensure energy conservation. We also strive to reduce our energy consumption within our facilities through day-to-day practices.

## Looking ahead

Looking ahead, we are confident about short-term growth while remaining optimistic about the long-term outlook. We are well prepared to meet rising consumer demand and will be able to grow our business as and when the economic situation revives and re-emerges.

I extend my appreciation to the Members of the Board for their support and guidance during this challenging year & I thank all our colleagues and my leadership team for their relentless effort in achieving our objectives during this difficult time.

I would be remiss if I do not thank our customers, shareholders, investors, business partners, and other stakeholders for their continued support and trust in the Company. I urge you to continue to share your ideas and opinions with us to help us further improve and enhance your company. With your blessings and support, we will continue to create milestones and make you proud of your Sky Industries Limited.

***Shailesh S. Shah***  
**Managing Director**



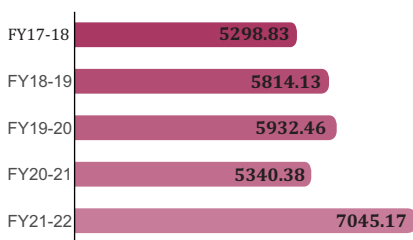
# Performance Over view



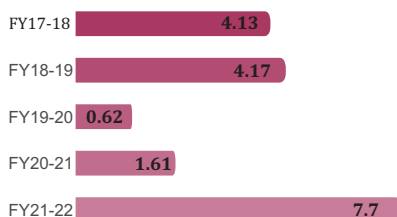
## 5 Financial Year highlights (in Rs. lakhs)

Particulars	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Revenue from operations	7045.17	5340.38	5,932.46	5,814.13	5298.83
Profit from operations before exception items & tax	656.85	232.35	117.87	306.28	362.36
Profit / (Loss) before tax	656.85	140.3	31.97	256.52	247.71
Net Profit / (Loss) after tax	487.20	79.91	28.76	180.54	181.23
Paid up equity share capital (facevalue of Rs- 10/- each)	684.98	554.87	483.64	460.64	438.64
Earnings per equity share (in Rs)	7.70	1.61	0.62	4.17	4.13

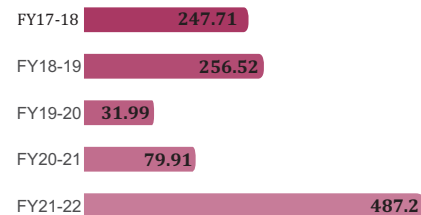
### Revenue from Operations (Amount in Lakhs)



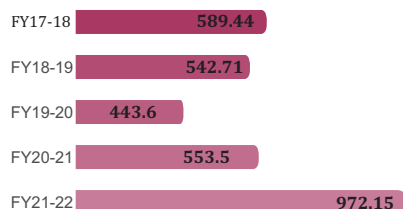
### EPS (Amount in Rupees)



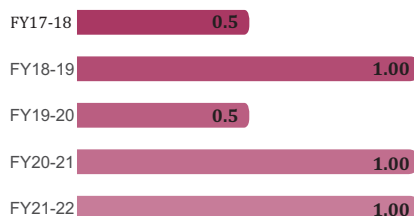
### Net Profit (Amount in Lakhs)



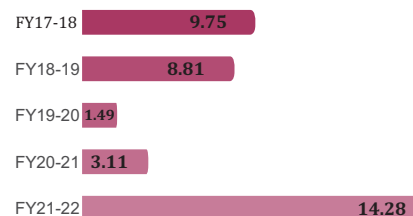
### EBIDTA (Amount in Lakhs)



### Dividend per share (Amount in Rupees)



### Return on networth (%)



# Our Capabilities



## Manufacturing Capabilities

We maintain our competitiveness in the industry with our sustainable production policy and constant developments in state-of-the-art manufacturing facilities to integrate end-to-end processes and achieve operational excellence.

**1200** Lakh Metres per Annum

Hook and Loop

**38+**

Customised Products &  
Other value added applications

## Manufacturing Excellence

Leader in **premium quality** of Hook &  
Loop tape fasteners in India

**Largest Exporter** of Hook & Loop Tape  
Fasteners in India

## Certifications

We continue to work with the aim of becoming a world-beneficial organisation, demonstrating that we have been offering world-class products and services to our customers through the certificates we have received so far. Your Company holds the following certificate:



**ISO 9001:2015**



**IATF**



**OEKOTEX**

## Our Brands



# 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 LLP, Chartered Accountants

## INTERNAL AUDITORS

Sitendu Sharma & Co. Chartered Accountant

## REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited

C 101, 247 Park, L B S Marg,

Vikhroli (West), Mumbai 400 083.

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## CIN

L17120MH1989PLC052645

## REGISTERED OFFICER

C-58, TTC Industrial Area, Thane Belapur Road, Pawane,

Navi Mumbai – 400705.

## BANKER

Kotak Mahindra Bank

## CORPORATE OFFICE


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

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

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

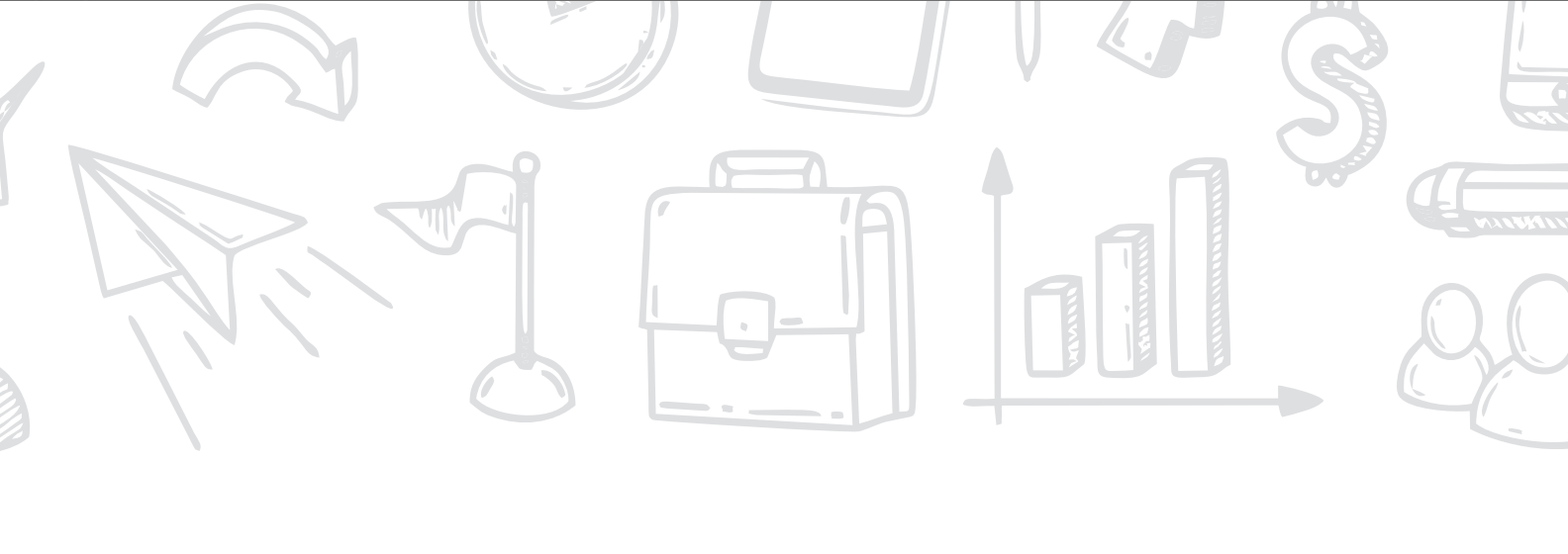
 /skyindustriesltd

 /skyindustriesltd

 /skyindustriesltd



# NOTICE



**SKY INDUSTRIES LIMITED**  
**(CIN: L17120MH1989PLC052645)**

**Registered Office:** C - 58 TTC Industrial Area, Thane Belapur Road, Pawane, Navi Mumbai - 400 705

**Email:** corporate@skycorp.in; **Website:** www.skycorp.in

**Tel:** 022-67137900;

**NOTICE**  
**33RD ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE THIRTY THIRD ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF SKY INDUSTRIES LIMITED ("THE COMPANY") WILL BE HELD ON THURSDAY, JUNE 30, 2022 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, 2022 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, 2022.

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

To appoint a Director in place of Mr. Vaibhav Jay Desai (DIN: 06673723), who retires by rotation and, being eligible, offers himself for re-appointment.

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

To appoint a Director in place of Mr. Shailesh S. Shah (DIN: 00006154), who retires by rotation and, being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS**

**5. Re-appointment of Mr. Shailesh S. Shah (DIN: 00006154) as Managing Director for a period of 3 (Three) years and to fix his remuneration for a period of 3 (Three) years**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read together with Schedule V and the Rules framed thereunder and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), including any statutory modification(s) or amendment(s) thereof for the time being in force, and on the basis of recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the re-appointment of Mr. Shailesh S. Shah (DIN: 00006154) as Managing Director of the Company for a period of 3 (Three) years effective from October 01, 2022 to September 30, 2025, be and is hereby approved, on such terms and remuneration as set out in the explanatory statement to this notice;

**RESOLVED FURTHER THAT** the terms and conditions of remuneration as set out in the Explanatory Statement annexed hereto which shall be deemed to form part hereof and the remuneration payable to Mr. Shailesh S. Shah may exceed five percent of the net profits of the Company (computed in accordance with the Act), but shall not exceed ten percent of the net profits of the Company (computed in accordance with the Act) payable to all Executive Directors taken together, if applicable and in the

event of inadequacy or absence of profits in any financial year or years, the remuneration comprising salary, perquisites and other benefits and emoluments approved herein be continued to be paid as minimum remuneration to Mr. Shailesh S. Shah for a period not exceeding three years from October 01, 2022 to September 30, 2025; and

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution) be and is hereby authorised to vary and/or revise the remuneration of Mr. Shailesh S. Shah as Managing Director within the overall limits under the Act and to take such steps as may be necessary for obtaining necessary approvals (statutory, contractual or otherwise), in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution”.

**6. Re-appointment of Mr. Sharad S. Shah (DIN: 00006114) as Whole Time Director for a period of 3 (Three) years and to fix his remuneration for a period of 3 (Three) years**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read together with Schedule V and the Rules framed thereunder and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), including any statutory modification(s) or amendment(s) thereof for the time being in force, and on the basis of recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the re-appointment of Mr. Sharad S. Shah (DIN: 00006114) as Whole Time Director of the Company for a period of 3 (Three) years effective from October 01, 2022 to September 30, 2025, be and is hereby approved, on such terms and remuneration as set out in the explanatory statement to this notice;

**RESOLVED FURTHER THAT** the terms and conditions of remuneration as set out in the Explanatory Statement annexed hereto which shall be deemed to form part hereof and the remuneration payable to Mr. Sharad S. Shah may exceed five percent of the net profits of the Company (computed in accordance with the Act), but shall not exceed ten percent of the net profits of the Company (computed in accordance with the Act) payable to all Executive Directors taken together, if applicable and in the event of inadequacy or absence of profits in any financial year or years, the remuneration comprising salary, perquisites and other benefits and emoluments approved herein be continued to be paid as minimum remuneration to Mr. Sharad S. Shah for a period not exceeding three years from October 01, 2022 to September 30, 2025; and

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution) be and is hereby authorised to vary and/or revise the remuneration of Mr. Sharad S. Shah as Whole Time Director within the overall limits under the Act and to take such steps as may be necessary for obtaining necessary approvals (statutory, contractual or otherwise), in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution”.

**7. Re-appointment of Mr. Maikal Raorani (DIN: 00037831) as Whole Time Director for a period of 3 (Three) years and to fix his remuneration for a period of 3 (Three) years**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read together with Schedule V and the Rules framed thereunder and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), including any statutory modification(s) or amendment(s) thereof for the time being in force, and



on the basis of recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the re-appointment of Mr. Maikal Raorani (DIN: 00037831) as Whole Time Director of the Company for a period of 3 (Three) years effective from October 01, 2022 to September 30, 2025, be and is hereby approved, on such terms and remuneration as set out in the explanatory statement to this notice;

**RESOLVED FURTHER THAT** the terms and conditions of remuneration as set out in the Explanatory Statement annexed hereto which shall be deemed to form part hereof and the remuneration payable to Mr. Maikal Raorani may exceed five percent of the net profits of the Company (computed in accordance with the Act), but shall not exceed ten percent of the net profits of the Company (computed in accordance with the Act) payable to all Executive Directors taken together, if applicable and in the event of inadequacy or absence of profits in any financial year or years, the remuneration comprising salary, perquisites and other benefits and emoluments approved herein be continued to be paid as minimum remuneration to Mr. Maikal Raorani for a period not exceeding three years from October 01, 2022 to September 30, 2025; and

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution) be and is hereby authorised to vary and/or revise the remuneration of Mr. Maikal Raorani as Whole Time Director within the overall limits under the Act and to take such steps as may be necessary for obtaining necessary approvals (statutory, contractual or otherwise), in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution”.

**Registered Office:**  
C - 58 TTC Industrial Area,  
Thane Belapur Road, Pawane,  
Navi Mumbai - 400 705

April 30, 2022  
**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 COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular Nos. 14/2020, 17/2020, 20/2020, 2/2021, 19/2021, 21/2021 and 2/2022 dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021 and May 05, 2022 respectively (collectively referred to as “MCA Circulars”) allowing, inter-alia, to conduct Annual General Meeting (“AGM”) through Video Conferencing/ Other Audio-Visual Means (“VC/ OAVM”) facility. In compliance with these Circulars, provisions of the Companies Act, 2013 (“the Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 33rd AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of Members at a common venue. The deemed venue for the 33rd AGM shall be the Registered Office of the Company.
2. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013 (“the Act”) and as required under Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) in respect of Special Business under Item Nos. 5 to 7 of the accompanying Notice is annexed hereto. The Company has received relevant disclosure/consent from the Directors seeking appointment/re-appointment.
3. 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 under Section 105 of the Act will not be available for the 33rd AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e., other than Individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or Governing Body Resolution / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to [fcsrcm@gmail.com](mailto:fcsrcm@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



5. **DIVIDEND:** The dividend, as recommended by the Board of Directors, if approved at the AGM, would be paid subject to deduction of tax at source, as may be applicable, after June 30, 2022, to those persons or their mandates:
- whose names appear as Beneficial Owners as per the data made available by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form at the close of business hours on Thursday, June 23, 2022; and
  - whose names appear as Members in respect of shares held in Physical Form as per the Register of Members of the Company on the close of business hours Thursday, June 23, 2022;

6. **ELECTRONIC CREDIT OF DIVIDEND:** SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/ National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT)/ Real Time Gross Settlement (RTGS)/Direct Credit, etc.

As directed by SEBI, the Members holding shares in physical form are requested to submit duly filled in form ISR-1 inter-alia providing particulars of their bank account along-with the original cancelled cheque in the manner as provided in Note No. 20 herein below to Link Intime India Private Limited ("LI IPL") to update their KYC details.

Members holding shares in demat form are requested to update their bank account details with their respective Depository Participant. The Company or LI IPL cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants by the Members. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode.

Members are requested to ensure that their bank account details in their respective demat accounts are updated, to enable the Company to provide timely credit of dividend in their bank accounts. In case, the Company is unable to pay the dividend to any Member by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant/ demand draft to such Member by permitted mode.

7. 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 ("LI IPL"),  
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.

8. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rule 18(1) of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars and SEBI Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, the Notice calling the 33rd AGM along with the Annual Report for the Financial Year ended March 31, 2022, inter-alia indicating the process and manner of remote e-voting are being sent by e-mail on the e-mail addresses of the Members as registered with Depositories/ Registrar and Share Transfer Agent. Members may also note that the Annual Report 2021-22 and the Notice convening the AGM are also available on the Company's website [www.skycorp.in](http://www.skycorp.in), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of National Securities Depository Limited (NSDL) <https://www.evoting.nsdl.com>.
9. All the members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on Friday, June 03, 2022 have been considered for the purpose of sending the Notice of AGM and the Annual Report.
10. 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 read with SEBI

Circular No. SEBI/HO/CFD/CMD/CIR /P/2020/242 dated December 09, 2020, 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 preceding of the AGM ("e-Voting at the AGM") will be provided by NSDL.

**11. REMOTE E-VOTING: The remote E-voting period will be available during the following period:**

- Day, date and time of commencement of remote e-Voting: **Saturday, June 25, 2022 at 10:00 A.M. (IST)**
  - Day, date and time of ends of remote e-Voting: **Wednesday, June 29, 2022 at 5:00 P.M. (IST)**
12. The Company has fixed **Thursday, June 23, 2022** as the "Cut-off date" for identifying the Members who shall be eligible for participation in the AGM through VC/OAVM facility and voting either through remote e-Voting during the remote e-Voting period or through e-Voting during the AGM. 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 shall be entitled to attend the AGM and to vote on the Resolutions as set-forth in the Notice. The voting rights of the Members, in respect of remote e-Voting or e-Voting during the AGM, shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date. A person who is not a Member as on the cut-off date should treat Notice of this AGM for information purposes only.
  13. 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.
  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. Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the AGM as per 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 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.
  18. 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 from 10:00 AM, June 20, 2022 to on or before 5:00 P.M., Friday, June 24, 2022, through Email on [corporate@skycorp.in](mailto:corporate@skycorp.in). The same will be replied by/on behalf of the Company suitably.
  19. **ISSUANCE OF SECURITIES IN DEMATERIALIZED FORM IN CASE OF INVESTOR SERVICE REQUESTS:** We would further like to draw your attention to SEBI Notification dated January 24, 2022 and SEBI Circular SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/ CIR/2022/8 dated January 25, 2022. Accordingly, while processing service requests in relation to; 1) Issue of duplicate securities certificate; 2) Claim from Unclaimed Suspense Account; 3) Renewal / Exchange of securities certificate; 4) Endorsement; 5) Sub-division / Splitting of securities certificate; 6) Consolidation of securities certificates/folios; 7) Transmission and 8) Transposition, the Company shall issue securities only in dematerialised form. For processing any of the aforesaid service requests the securities holder/claimant shall submit duly filled up Form ISR-4.
  20. We hereby request to holders of physical securities to furnish the documents/details, as per the table below for respective service request, to the Registrars & Transfer Agents i.e., Link Intime India Private Limited:

SN	PARTICULARS	FORM
1.	PAN	ISR-1
2.	Address with PIN Code	
3.	Email address	
4.	Mobile Number	
5.	Bank account details (Bank name and Branch, Bank account number, IFS Code)	
6.	Demat Account Number	
7.	Specimen Signature	ISR-2
8.	Nomination details	SH-13
9.	Declaration to opt out nomination	ISR-3
10.	Cancellation or Variation of Nomination	SH-14

All the aforesaid forms can be downloaded from the website of the Company at: <https://www.skycorp.in> and from the website of the RTA at <https://web.linkintime.co.in/KYC-downloads.html>

The Company has also sent the letters to the Shareholders of the Company holding shares in physical form at their registered addresses, on March 05, 2022, to furnish PAN, KYC details and Nomination pursuant to SEBI Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 read with clarification issued by SEBI Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021.

## 21. MODE OF SUBMISSION OF FORM(S) AND DOCUMENTS:

You may use any ONE of the following modes for submission:

- In Person Verification (IPV): by producing the originals to the authorised person of the RTA, who will retain copies of the document(s).
- In hard copy: by furnishing original/photocopies of the relevant documents duly self-attested with date to below address:

### **SKY INDUSTRIES LIMITED**

1101, Universal majestic,  
Ghatkopar Mankhurd Link Road,  
Chembur (W), Mumbai 400043

- With e-sign:
  - a. In case your email is already registered with us, you may send the scanned copies of your KYC documents with e-sign at our dedicated email-id [kyc@linkintime.co.in](mailto:kyc@linkintime.co.in). Kindly mention the email subject line as "KYC Updation – (Company Name) – Folio No.: \_\_\_\_\_"
  - b. Investors can also upload KYC documents with e-sign on our website: <https://www.linkintime.co.in> - Investor Services - KYC Compliance.

Mandatory Self-attestation of the documents Please note that, each page of the documents that are submitted in hard copy must be self-attested by the holder (s). In case the documents are submitted in electronic mode then the same should be furnished with e-sign (Digital Signature Certificate) of scan copies of the documents.

## 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.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"><li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold 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 company name or e-Voting service provider i.e. 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 &amp; voting during the meeting.</li><li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li></ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"><div style="text-align: center;"> App Store</div><div style="text-align: center;"> Google Play</div></div> <div style="display: flex; justify-content: space-around; align-items: center;"></div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>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.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. 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.

**Important note:**

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

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

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

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

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

**4. Your User ID details are given below :**

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

**5. Password details for shareholders other than Individual shareholders are given below:**

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

**6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:**

- a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) “**Physical User Reset Password?**”(If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.



7. After entering your password, tick on Agree to “**Terms and Conditions**” by selecting on the check box.
8. Now, you will have to click on “**Login**” button.
9. After you click on the “**Login**” button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies “**EVEN**” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “**EVEN: 120072**” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “**VC/OAVM**” link placed under “**Join Meeting**”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “**Submit**” and also “**Confirm**” when prompted.
5. Upon confirmation, the message “**Vote cast successfully**” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## General Guidelines for shareholders

1. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. June 23, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. June 23, 2022 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Sarita Mote, Assistant Manager, NSDL) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [corporate@skycorp.in](mailto:corporate@skycorp.in).

2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [corporate@skycorp.in](mailto:corporate@skycorp.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e., Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. 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 to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at [corporate@skycorp.in](mailto:corporate@skycorp.in) from **June 20, 2022 (10:00 a.m. IST) to June 24, 2022 (5:00 p.m. IST)**.
6. Please note that, only those members holding shares as on the cut-off date who have registered themselves as 'Speaker', by following the procedure as mentioned above, shall only be able to speak and express their views / raise queries, during the meeting. If a member is not registered as 'Speaker', such member attending the AGM will be placed under 'listen only' module. Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in Note No. 18 above.



7. Members who need assistance before or during the AGM, can contact Ms. Sarita Mote, Assistant Manager, NSDL on 1800 1020 990/ 1800 224 430 or contact at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Other Information:**

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

**Registered Office:**

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

April 30, 2022

**Mumbai**

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

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

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE ACT AND REGULATION 36 OF THE SEBI LISTING REGULATIONS AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS

### Item No. 5

The Members of the Company will recall at the 28th Annual General Meeting held on August 10, 2017 appointed Mr. Shailesh S. Shah as Managing Director of the Company for a period of five years with effect from October 01, 2017 to September 30, 2022, by way of the Special Resolution. It is proposed to re-appoint Mr. Shailesh S. Shah as the Managing Director of the Company in terms of Section 196 of the Act, for a further period of three years effective from October 01, 2022 to September 30, 2025 for which the approval of the shareholders by way of Special Resolution is being sought.

Further in accordance with the provisions of Section 197 read with Schedule V of the Act, in respect of the payment of managerial remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, the Company may pay such remuneration over the ceiling limit as specified under Section 197 read with Schedule V, provided that the Members approval by way of a Special Resolution has been taken for payment of minimum remuneration for a period not exceeding 3 (three) years for starting from October 01, 2022 to September 30, 2025.

Pursuant to Section II of Part II of Schedule V to the Act, the remuneration payable to Mr. Shailesh S. Shah has been recommended and approved for a period of three years effective from October 01, 2022 to September 30, 2025 by the Nomination and Remuneration Committee at its Meeting held on April 30, 2022 and subsequently by the Board of Directors at its Meeting held on the even date. The approval of the Members pursuant to Section 197(1) of the Act, (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force), is sought for the remuneration payable to Mr. Shailesh S. Shah as the Managing Director of the Company for the period from October 01, 2022 to September 30, 2025. The details of the proposed remuneration are set out below:

- a) Fixed pay: Rs. 60,00,000 - 20,00,000 -1,00,00,000 per financial year (with such component as may be agreed and decided by the Board); and
- b) Other benefits of employment as per Company's rules viz. company maintained car with driver, mobile expense, reimbursement, provident fund, gratuity, personal accident insurance, medical insurance for self and dependents etc.

He shall not be entitled to sitting fees for attending the Meetings of the Board of Directors or any committee thereof.

The Company, as on date, is not in default in payment of dues to any bank or public financial institution or to any other secured creditor, and accordingly their prior approval is not required, for approval of the proposed Special Resolution. The directors recommend the Resolution for your approval.

The information as required to be disclosed under Section II of Part II of Schedule V to the Act, forms part of this Notice and enclosed in **Annexure A**.

Relevant details relating to appointment of Mr. Shailesh S. Shah as required by the Act, the Listing Regulations and Secretarial Standard - 2 on General Meetings issued by the ICSI are provided in **Annexure - B** to this Notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives other than Mr. Sharad S. Shah and Promoters of the Company, is in any way, concerned or interested, financially or otherwise, in the proposed Resolution, set out at Item No. 5 of the Notice

### Item No. 6

The Members of the Company will recall at the 28th Annual General Meeting held on August 10, 2017 appointed Mr. Sharad S. Shah as Whole Time Director of the Company for a period of five years with effect from October 01, 2017 to September 30, 2022, by way of the Special Resolution. It is proposed to re-appoint Mr. Sharad S. Shah as the Whole Time Director of the Company in terms of Section 196 of the Act, for a further period of three years effective from October 01, 2022 to September 30, 2025 for which the approval of the shareholders by way of Special Resolution is being sought.

Further in accordance with the provisions of Section 197 read with Schedule V of the Act, in respect of the payment of managerial remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, the Company may pay such remuneration over the ceiling limit as specified under Section 197 read with Schedule V, provided that the Members approval by way of a Special Resolution has been taken for payment of minimum remuneration for a period not exceeding 3 (three) years for starting from October 01, 2022 to September 30, 2025.

Pursuant to Section II of Part II of Schedule V to the Act, the remuneration payable to Mr. Sharad S. Shah has been recommended and approved for a period of three years effective from October 01, 2022 to September 30, 2025 by the Nomination and Remuneration Committee at its Meeting held on April 30, 2022 and subsequently by the Board of Directors at its Meeting held on the even date. The approval of the Members pursuant to Section 197(1) of the Act, (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force), is sought for the remuneration payable to Mr. Sharad S. Shah as the Whole Time Director of the Company for the period from October 01, 2022 to September 30, 2025. The details of the proposed remuneration are set out below:

- a) Fixed pay: Rs. 60,00,000 - 20,00,000 -1,00,00,000 per financial year (with such component as may be agreed and decided by the Board); and
- b) Other benefits of employment as per Company's rules viz. company maintained car with driver, mobile expense, reimbursement, provident fund, gratuity, personal accident insurance, medical insurance for self and dependents etc.

He shall not be entitled to sitting fees for attending the Meetings of the Board of Directors or any committee thereof.

The Company, as on date, is not in default in payment of dues to any bank or public financial institution or to any other secured creditor, and accordingly their prior approval is not required, for approval of the proposed Special Resolution. The directors recommend the Resolution for your approval.

The information as required to be disclosed under Section II of Part II of Schedule V to the Act, forms part of this Notice and enclosed in **Annexure A**.

Relevant details relating to appointment of Mr. Sharad S. Shah as required by the Act, the Listing Regulations and Secretarial Standard - 2 on General Meetings issued by the ICSI are provided in **Annexure B** to this Notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives other than Mr. Shailesh S. Shah and Promoters of the Company, is in any way, concerned or interested, financially or otherwise, in the proposed Resolution, set out at Item No. 6 of the Notice

#### Item No. 7

The Members of the Company will recall at the 29th Annual General Meeting held on September 07, 2018 appointed Mr. Maikal Raorani as Whole Time Director of the Company for a period of five years with effect from December 06, 2017, by way of the Special Resolution. It is proposed to re-appoint Mr. Maikal Raorani as the Whole Time Director of the Company in terms of Section 196 of the Act, for a further period of three years effective from October 01, 2022 to September 30, 2025 for which the approval of the shareholders by way of Special Resolution is being sought. Further to in-line the date of appointment/re-appointment of all the Executive Directors from First day of October, the date of re-appointment of Mr. Maikal Raorani shall be October 01, 2022.

Further in accordance with the provisions of Section 197 read with Schedule V of the Act, in respect of the payment of managerial remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, the Company may pay such remuneration over the ceiling limit as specified under Section 197 read with Schedule V, provided that the Members approval by way of a Special Resolution has been taken for payment of minimum remuneration for a period not exceeding 3 (three) years.

Pursuant to Section II of Part II of Schedule V to the Act, the remuneration payable to Mr. Maikal Raorani has been recommended and approved for a period of three years effective from October 01, 2022 to September 30, 2025 by the Nomination and Remuneration Committee at its Meeting held on April 30, 2022 and subsequently by the Board of Directors at its Meeting held on the even date. The approval of the Members pursuant to Section 197(1) of the Act, (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force), is sought for the remuneration payable to Mr.

Maikal Raorani as the Whole Time Director of the Company for the period from October 01, 2022 to September 30, 2025. The details of the proposed remuneration are set out below:

- a) Fixed pay: Up to Rs. 30,00,000 (Rupees Thirty Lakhs only) per year (with such component as may be agreed and decided by the Board); and
- b) Other benefits of employment as per Company's rules viz. company maintained car with driver, mobile expense, reimbursement, provident fund, gratuity, personal accident insurance, medical insurance for self and dependents etc.; and
- c) Employee Stock Options ('ESOPs'): Subject to any goals set and approved by the Nomination and Remuneration Committee, from time to time and as per applicable laws, he shall be entitled to receive ESOPs in accordance with the Employee Stock Option Plan of the Company.

He shall not be entitled to sitting fees for attending the Meetings of the Board of Directors or any committee thereof.

The Company, as on date, is not in default in payment of dues to any bank or public financial institution or to any other secured creditor, and accordingly their prior approval is not required, for approval of the proposed Special Resolution. The directors recommend the Resolution for your approval.

The information as required to be disclosed under Section II of Part II of Schedule V to the Act, forms part of this Notice and enclosed in **Annexure A**.

Relevant details relating to appointment of Mr. Maikal Raorani as required by the Act, the Listing Regulations and Secretarial Standard - 2 on General Meetings issued by the ICSI are provided in **Annexure B** to this Notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives other than Mr. Maikal Raorani, is in any way, concerned or interested, financially or otherwise, in the proposed Resolution, set out at Item No. 7 of the Notice.

## ANNEXURE – A

## STATEMENT PURSUANT TO SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NOS. 5 TO 7 OF THE NOTICE

## I. GENERAL INFORMATION

1. Nature of industry: The Company is engaged in the business of Manufacturing of Narrow Woven Fabrics.
2. Date or expected date of commencement of commercial production: July 18, 1989.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable
4. Financial performance based on given indicators:

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income from Operation & other income	7110.46	5383.06
Profit/(Loss) before tax	656.85	232.35
Profit/(Loss) after tax	487.20	79.91

5. Foreign investments or collaborations, if any: NIL

## II. INFORMATION ABOUT THE APPOINTEE:

## 1. Mr. Shailesh S. Shah – Managing Director

## a. Background Details:

Mr. Shailesh S. Shah is a post graduate and having a vast industry experience of more than 30 years. He has been instrumental in steering the Company to greater heights. A first generation entrepreneur, he has been associated with the Company since inception. His vision of creating large scale employment and being of a service to the nation is what drives him.

## b. Past remuneration:

Financial Year	Amount (in Rs.)
2020-21	48,75,000*
2021-22	60,00,000

\* Remuneration includes covid deduction.

## c. Recognition or awards: NA

## d. Job profile and his suitability:

Mr. Shailesh S. Shah is the Managing Director of the Company. He looks after the marketing and production functions. His vision of making the Company a formidable global player in the field of technical textiles is the fuel for the growth of the Company. Coming from a technical and commerce background and having a vast experience, he is the first generation entrepreneur who has steered the Company to the position where it is today.

**e. Remuneration proposed:**

Details on proposed remuneration have been stated in the Explanatory Statement to Item No. 5 of this Notice.

**f. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

The remuneration as proposed is comparable to that drawn by peers in similar capacity in the industry and is commensurate with the size and nature of the business of the Company and the responsibilities shouldered by him.

**g. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Besides the remuneration paid/payable, Mr. Shailesh S. Shah does not have any pecuniary relationship with the Company. Mr. Shailesh S. Shah form part of the Promoter Group of the Company and is related to the Promoters of the Company. Mr. Shailesh S. Shah also holds 27,80,623 Equity Shares in the share capital of the Company.

**2. Mr. Sharad S. Shah – Whole Time Director**

**a. Background Details:**

Mr. Sharad S. Shah is an Undergraduate in Commerce having vastly experience of more than 35 years in administration and business. Also a first generation entrepreneur – along with Mr. Shailesh Shah – he has been heading the elastic division right from initial stages of the Company. His acumen in administration matters is an asset to the Company.

**b. Past remuneration:**

Financial Year	Amount (in Rs.)
2020-21	20,00,000*
2021-22	24,00,000

*\* Remuneration includes covid deduction.*

**c. Recognition or awards: NA**

**d. Job profile and his suitability:**

Mr. Sharad S. Shah as Whole Time Director directs the administration and operations of the Company. He has been instrumental in taking the Company from strength to strength to its present position. He is also involved in policy planning, vision and strategy and long term development activities of the Company. The Company has made enormous progress under the stewardship of Mr. Shah and his vision.

**e. Remuneration proposed:**

Details on proposed remuneration have been stated in the Explanatory Statement to Item No. 6 of this Notice.

**f. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

The remuneration as proposed is comparable to that drawn by peers in similar capacity in the industry and is commensurate with the size and nature of the business of the Company and the responsibilities shouldered by him.

**g. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Besides the remuneration paid/payable, Mr. Sharad S. Shah does not have any pecuniary relationship with the Company. Mr. Sharad S. Shah form part of the Promoter & Promoter Group of the Company and is related to the Promoters of the Company. He also holds 1162043 Equity Shares in the share capital of the Company.

**3. Mr. Maikal Raorani – Whole Time Director**

**a. Background Details**

Mr. Maikal Raorani holds the degree of B.E. and MBA with more than 20 years of experience focused in the field of Financial, Commercial and Legal matters.

Mr. Raorani was appointed as Whole Time Director of the Company with effect from December 06, 2017. Prior to this, he was associated and working with Company since last 20 years. Being from a techno-finance background, his experience in day to day operations has helped the Company overcome operational challenges

**b. Past remuneration:**

Financial Year	Amount (in Rs.)
2020-21	12,00,000*
2021-22	18,00,000

*\* Remuneration includes covid deduction.*

**c. Recognition or awards: NA**

**d. Job profile and his suitability:**

Mr. Maikal Raorani, Whole Time Director & CFO possess requisite knowledge and experience pertaining to the domain handled in the Company and helps to directs the overall affairs and operations of the Company. He is involved in policy planning, vision and strategy and long term development activities of the Company.

**e. Remuneration proposed:**

Details on proposed remuneration have been stated in the Explanatory Statement to Item No. 7 of this Notice.

**f. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

The remuneration as proposed is comparable to that drawn by peers in similar capacity in the industry and is commensurate with the size and nature of the business of the Company and the responsibilities shouldered by him.

**g. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Besides the remuneration paid/payable, Mr. Maikal Raorani does not have any pecuniary relationship with the Company. He holds 37500 Equity Shares in the share capital of the Company.

### III. OTHER INFORMATION:

#### 1. Reasons of loss or inadequate profits:

The company is in growth phase, also in accessory industry. Consequently, the industry sizes and the scale of operations are not very large.

#### 2. Steps taken or proposed to be taken for improvement:

The Company is embarking upon expansion into related products and also going for backward integration which will improve profitability and during the current financial year, Company has established good track records on performance and profits

#### 3. Expected increase in productivity and profits in measurable terms:

The Company has taken various initiatives to improve its market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

#### Registered Office:

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

April 30, 2022

**Mumbai**

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

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



**ANNEXURE B**

**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING  
[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause  
1.2.5 of Secretarial Standards-2 on General Meetings]**

<b>Name of the Director</b>	<b>Shailesh S. Shah</b>	<b>Sharad S. Shah</b>	<b>Maikal Raorani</b>	<b>Vaibhav Desai</b>
DIN	00006154	00006114	00037831	06673723
Date of Birth	04/12/1962	02/12/1954	15/06/1973	22/12/1971
Age	59 Years	67 years	48 Year	50 Years
Date of first appointment on the Board	01/01/1993	12/10/1993	06/12/2017	27/09/2013
Qualification	Post Graduate in Commerce	Graduate in Commerce	B.E. & MBA	Bachelors' of Engineering
Experience and Expertise	He is having experience of more than 30 years.	He is having vast experience of more than 35 years in administration and business.	He is having expertise and having experience of more than 20 years in the field of Financial, Commercial and Legal matters.	He is having experience of more than 20 years in field of Manufacturing & Operations
No. of Meetings of the Board attended during the year	7 of 7	7 of 7	7 of 7	7 of 7
List of Directorship of other Boards	Cricketnco Apparels Private Limited	-	Cricketnco Apparels Private Limited	-
List of Membership / Chairmanship of Committees of other Boards	-	-	a) Sky Industries Limited Audit Committee – Member b) Sky Industries Limited Stakeholders Committee – Member	-
Shareholding in Company	27,80,623 Shares	11,62,043 Shares	37,500 Shares	11,903 Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Brother: Mr. Sharad S. Shah, Whole Time Director	Brother: Mr. Shailesh S. Shah, Managing Director	-	-
Terms and Conditions of re-appointment	As per the Nomination & Remuneration Policy of the Company as displayed on the Company's website i.e., <a href="http://www.skycorp.in">www.skycorp.in</a>			
Details of remuneration last drawn (FY 2021-22)	Rs. 60 Lakhs	Rs. 24 Lakhs	Rs. 18 Lakhs	Rs. 17.69 Lakhs
Justification for choosing the appointees for appointment as Independent Directors	Not Applicable			

**Registered Office:**

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

April 30, 2022

**Mumbai**

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

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



# **MANAGEMENT ANALYSIS & DISCUSSION REPORT**



# MANAGEMENT DISCUSSION AND ANALYSIS

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

Presently about 13% of Companies revenue is derived from exports to various countries across the globe. The Company has a strong presence in key markets, such as USA, Europe, Turkey, Bangladesh etc.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### Global Economy

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have re-imposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing sluggishness of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

The global economic prospects have worsened significantly. At the time, IMF projected the global recovery to strengthen from the second quarter of this year after a short-lived impact of the Omicron variant. Since then, the outlook has deteriorated, largely because of Russia's invasion of Ukraine—causing a tragic humanitarian crisis in Eastern Europe—and the sanctions aimed at pressuring Russia to end hostilities.

This crisis unfolds while the global economy was on a mending path but had not yet fully recovered from the COVID-19 pandemic, with a significant divergence between the economic recoveries of advanced economies and emerging market and developing ones. In addition to the war, frequent and wider-ranging lockdowns in China—including in key manufacturing hubs—have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.

Beyond the immediate humanitarian impacts, the war will severely set back the global recovery, slowing growth and increasing inflation even further. The downgrade largely reflects the war's direct impacts on Russia and Ukraine and global spillovers.

Even prior to the war, inflation had surged in many economies because of soaring commodity prices and pandemic-induced supply-demand imbalances. Some emerging markets and developed economies' central banks, such as the US Federal Reserve and those in Latin America, had already come under pressure before the war, bringing forward the timing of their monetary policy tightening. War-related supply shortages will greatly amplify those pressures, notably through increases in the price of energy, metals, and food. Although bottlenecks are expected to eventually ease as production elsewhere responds to higher prices and new capacity becomes operational, supply shortages in some sectors are expected to last into 2023. As a result, inflation is now projected to remain elevated for much longer than in our previous forecast, in both advanced and emerging market and developing economies.

On the fiscal side, policy space was already eroded in many countries by necessary COVID-related spending. Debt levels have risen significantly, and extraordinary fiscal support was expected to be removed in 2022–23. The war and the impending increase in global interest rates will further reduce fiscal space in many countries, especially oil- and food-importing emerging market and developing economies.

Although several economies will need to consolidate their fiscal balances, this should not impede governments from providing well-targeted support for refugees displaced by conflict, households squeezed by higher food and fuel prices, and those affected by the pandemic. Social and health spending more broadly should continue to be prioritized. Embedding these fiscal initiatives in a medium-term framework with a clear, credible path for stabilizing public debt can also help create room to deliver the needed support.

Inflation is expected to remain elevated for longer than in the previous forecast, driven by war-induced commodity price increases and broadening price pressures. For 2022, inflation is projected at 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected in January.

The war in Ukraine has exacerbated two difficult policy trade-offs: between tackling inflation and safeguarding the recovery; and between supporting the vulnerable and rebuilding fiscal buffers

Global growth is projected to decline from an estimated 6.1 percent in 2021 to 3.6 percent in 2022–23—0.8 and 0.2 percentage points lower for 2022 and 2023 than in the January 2022 World Economic Outlook.

### Indian Economy

According to FICCI - the country's gross domestic product (GDP) is expected to grow 7.4 per cent in the current financial year 2022-23. It forecasts the growth for agriculture and allied activities at 3.3 per cent, while for industry and services sectors at 5.9 per cent and 8.5 per cent, respectively, during the fiscal year. However, downside risks to economic growth remain escalated. While the threat from the pandemic remains on force, the continuation of Russia-Ukraine conflict is posing a significant challenge to global recovery.

The domestic apparel & textile industry in India contributes 5% to the country's GDP, 7% of industry output in value terms, and 12% of the country's export earnings. India is the 6th largest exporter of textiles and apparel in the world.

The Indian technical textiles segment is estimated at \$16 Bn., approximately 6% of the global market.

India's exports of textiles and apparel are expected to reach \$100 Bn. in the next 5 years, growing at a CAGR of 11%

The domestic technical textile market for synthetic polymer was valued at \$7.1 bn in 2020 and is projected to reach \$11.6 bn by 2027, growing at a CAGR of 7.2%, while technical textile market for woven is expected to grow at a CAGR of 7.4% to \$15.7 bn by 2027, up from \$9.5 bn in 2020. India has a share of 4% of the global trade in textiles and apparel.

### COMPANY REVIEW

The Company witnessed stellar growth of about 89 % in the export markets of Europe and USA. Apart from the same, the domestic front showed a growth of about 28% over previous financial year. The Company also clocked revenues of Rs. 70.45 Crore in year 2021-22 vis-a-vis Rs. 53.40 Crore in previous year. The Company also utilized its capacity in a better way.

The EBIDTA jumped from 5.53 Crore to 9.72 Crore.

The following are the salient points pertaining to the performance of the Company:

- The pandemic persists, fueled by the Omicron variant. Milder health impacts and vaccination progress have allowed Company to remain more open than in previous waves.
- The Company expanded by about 32 % as compared to previous year.
- Risks include escalation of Russia's invasion of Ukraine, financial instability triggered by the RBI's tightening, emergence of more lethal COVID-19 variants, and disruptions in supply chains as higher commodity and utility prices.

### OPPORTUNITIES AND THREATS

Though the Company seemingly emerged from the lows of COVID -19, and has surpassed the pre Covid levels of activities during the year under preview, the threat to the business from supply chain disruptions, sudden lockdowns announced by various govts.,

The positives to take from the year under preview were that today most of export markets are looking for China plus one and we stand at a huge advantage in the same.

The Company would be looking to expand its facilities in next 2/3 years and capitalise on the trend by focussing on the exports and value added products.

### SEGMENT-WISE PERFORMANCE

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

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

## RISKS AND CONCERNS

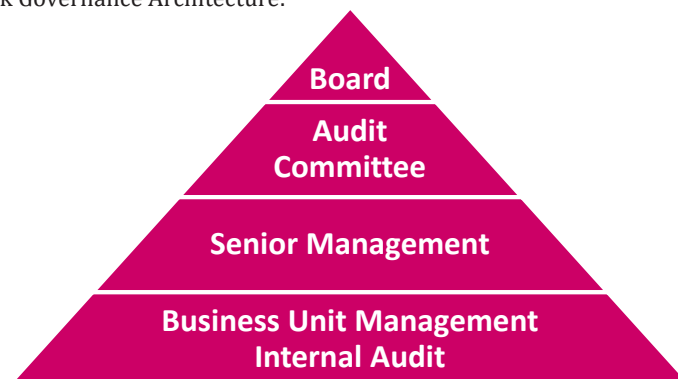
Risk is an integral and unavoidable component of all businesses. Sky Industries Limited is committed to manage its risk in a proactive manner. Though risks cannot be completely eliminated, an effective risk management plan ensures that risks are reduced, avoided, retained or shared.



The Company faces various risks which are incidental to the Company's operations in the various product lines viz. Hook and Loop Tape Fasteners and Velvet/Webbing tapes like new competitor setting up business or expanding of the existing players owing to the market available. The Company functions in a dynamic business environment and its operations may be exposed to varied risks. To mitigate its impact, we have a comprehensive risk management framework in place that covers identification, assessment, development of mitigation strategy, action plan implementation, monitoring, reporting to and updating the Board and Audit Committee.





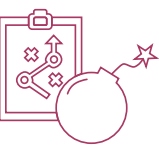
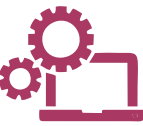

The Company also has adopted and implemented a Risk Management Policy for identifying risks to the Company, procedures to inform Board members about the risk assessment and minimization procedures, monitoring the risk management plan, etc.

The Board of Directors, Audit Committee is in charge of keeping an eye on Risks and evaluating the effectiveness of risk management strategy or process. The Company has very well versed internal financial control structure. These controls were assessed throughout the year under review and no material weaknesses were observed in their design or operations.

The Company has following Risk Governance Architecture:



Key Risk	Details	Mitigation
Liquidity Risk 	Stock or Debtors increasing to an extent not supported by current working capital	<ul style="list-style-type: none"> <li>Company maintains tight control over debtors</li> <li>Company also maintains a liquidity in form of investments in mutual funds etc.</li> </ul>
Financial Risk 	<ul style="list-style-type: none"> <li>Fluctuations in currency may impact the cost of production and sales realisation, owing to our import and export presence</li> <li>Higher interest cost putting pressure on margins</li> </ul>	<ul style="list-style-type: none"> <li>Exports act as a natural hedge to the currency fluctuations to a great extent</li> <li>Looking to reduce the bank borrowings to mitigate the risks of rising interest rates.</li> </ul>

Key Risk	Details	Mitigation
Commodity Price Risk 	Increase/frequent changes in raw material prices may impact profitability resulting in lower margins	The Company has ability to pass on increased costs to its customers as it is in a accessories business
Competitive Intensity 	Increase in Competition amongst domestic players	Move to more customised and value added offerings
Regulatory Risk 	Changes in international and domestic laws, rules, policies, tax regulations, technical standards and trade policies	Though exposed to some extent to these risks, Company tends to evaluate various scenarios to over of such risks if any
Human Resources Risk 	Non-availability of competent workforce, high attrition coupled with retention challenge	<ul style="list-style-type: none"> <li>Company is looking to set up its own training centres for continuous flow of competent workforce.</li> <li>Company is looking to offer schemes like Variable Pay, ESOPs, etc to attract talent across various functions of the organisation.</li> </ul>
Strategic Risk 	Emerging businesses, capital expenditure for capacity expansion, among other purposes	<ul style="list-style-type: none"> <li>Company is adequately capitalised and also generating sufficient accruals to fund future capital expenditures.</li> <li>Also offer more customised and value added offerings to stay ahead of competition</li> <li>Company also holds various critical patents and IPRs</li> </ul>
Information Technology Risk 	Insufficient cyber-security measures leading to data privacy breach, loss of records, or other event due to a hack/ virus, stolen/lost device, phishing attacks, among others	Strong Anti-virus and firewall along-with internal controls established to prevent ransomwares etc and systems for timely backup of data etc has been set up
Industrial safety, employee health and safety risk 	Diversified manufacturing facilities at various locations and labour-intensive nature of work comprises health risks for the workforce due to reasons like machinery breakdown, human negligence, among others	Necessary health check-ups of workmen, safety awareness etc being undertaken

## OUTLOOK

As a Company, Sky Industries Limited is optimistic about future as well as its growth path. The Company is confident in the ability to grow its business organically and enhancing production by adopting new technologies

We are making significant progress in our operations around digitisation and sustainability by adopting new and innovative technologies. Our team continues to adopt a lean manufacturing strategy on a long-term horizon, focusing continuously on building value-added products. The emphasis on innovation continues to drive our 'Zero Defect Strategies' with attention on best-in-class productivity.

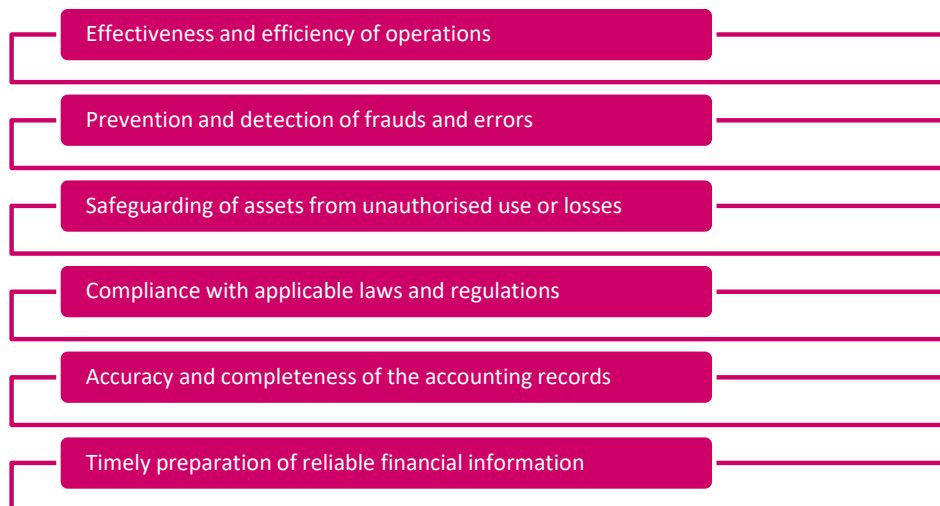
the Company has laid out its new vision to be the future of narrow woven fabrics. This entails exploring emerging opportunities, while continuing to excel in the core segments the Company operates in.

### Key strategic highlights:

- Growth in Narrow woven fabrics market
- New opportunities through collaboration/Marketing Arrangement
- New products, business models etc.
- Margin enhancement
- Workplace Intelligence

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has a robust and reliable system of internal controls commensurate with the nature of our business, and the scale and complexity of our operations. The Company has adopted policies and procedures covering all financial, operating and compliance functions. These controls have been designed to provide a reasonable assurance over:



The current system of Internal Financial Controls (IFC) is aligned with the requirement of the Companies Act 2013. The Company has an Internal Audit function which functionally reports to the Chairperson of the Audit Committee, thereby maintaining its objectivity. The Internal Audit function is supported by a dedicated internal audit team and resources from external audit firms. The annual internal audit plan is carved out from a comprehensively defined Audit Universe that encompasses all businesses, functions, risks, compliance requirements and maturity of controls.

The Audit Committee of the Board is presented with key control issues and the actions taken on issues highlighted. The Audit Committee deliberates with the management, considers the systems as laid down and meets the internal auditors and statutory auditor to ascertain their views on the internal control framework. The Company recognises the fact that any internal control framework would have some inherent limitations and hence has inculcated a process of periodic audits and reviews to ensure that such systems and controls are updated at regular intervals.

## HUMAN RESOURCE MANAGEMENT

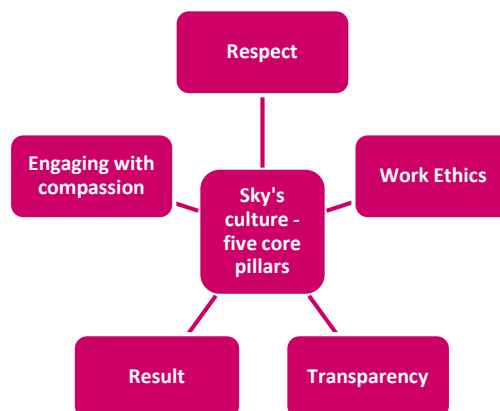
Human capital is considered a key resource and an intrinsic contributor to the Company's success and your Company strongly believes that its employees are the key pillar of your Company's success in the market.

We are fully committed to providing our employees with a safe, secure, and healthy working environment. In terms of employee productivity and performance, we are constantly striving to outperform the industry as well as our own internal benchmarks. Employees and teams at all levels have professional goals that are inextricably linked to the organization's objectives and philosophy. This conveys and provides a sense of purpose and direction to all employees. The key areas for driving Human Resource initiatives at Company are as follows:



The Company ensures strict adherence to its internal codes and has a clearly defined zero-tolerance policy towards discrimination of any kind. The Company's structured talent management framework leads to cohesive talent actions across all levels, and ably supports the process of talent acquisition, onboarding, learning and development, performance management and succession planning. Periodic, regular performance conversations and real-time feedback form the backbone of the performance management process. Personnel capability building sessions are conducted regularly across levels, engaging talent across the board - right from trainees to senior leadership.

The Company's culture is centred on the five core pillars, which are as:



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



## DISCUSSION ON FINANCIAL PERFORMANCE

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

(Rs. In lakhs)

Particulars	FY 2021-22	FY 2020-21	% of Change
Revenue from Operation	7045.17	5340.38	31.92
Operating Profit (EBITDA)	972.14	553.5	75.64
Finance Cost	126.29	115.2	9.63
Depreciation Cost	189	205.95	-8.23
Profit Before Tax	656.85	140.3	368.18
Profit After Tax	487.2	79.91	509.69

### Revenue from Operation

(Rs. in Lakhs)

FY20-21 **5340.38**

FY21-22 **7045.17**

### Profit After Tax

(Rs. in Lakhs)

FY20-21 **79.91**

FY21-22 **487.2**

Your Company's Total Income during the year under review was Rs. 7110.46 Lakhs as compared to Rs. 5383.06 Lakhs in the previous year. Profit before Tax for the year 2021-22 was Rs. 656.85 Lakhs as against Rs. 232.35 Lakhs in the previous year. Profit after Tax for the year 2021-22 stood at Rs. 487.20 Lakhs as against Rs. 79.91 Lakhs in the previous year. Mainly Company's Hook and Loop Tape fasteners is a major division, contributes to approximately 70% of the overall revenue.

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

The Financial Results for the year ended March 31, 2022, have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Previous periods figures have been restated as per Ind AS to make them comparable.

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

Ratios	FY 2021-22	FY 2020-21	% of Change
Debtors Turnover(Days)	64	82	(21.95)
Inventory Turnover(Days)	81	93	(12.90)
Interest Coverage Ratio	7.7:1	4.8:1	60.42
Current Ratio	2.06:1	1.86:1	10.75
Debt Equity Ratio	0.42:1	0.44:1	(4.55)
Operating Profit Margin (%)	13.70%	8.21%	66.87
Net Profit Margin (%)	6.92%	1.50%	362.14
Return on Net worth(%)	14.82%	3.11%	376.53

## CAUTIONARY STATEMENT

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



# DIRECTOR'S REPORT



# DIRECTOR'S REPORT

Dear Members

Your Directors are pleased to present the Thirty Third Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2022.

## 1. CORPORATE OVERVIEW

Sky Industries Limited incorporated in the year 1989 is one of India's leading players in Narrow Woven Fabrics. The Company has grown to become one of India's leading suppliers and dominant players in Narrow Woven Fabrics, especially Hook and Loop tape fasteners. The Company's stronghold is its local manufacturing capability undertaken at its facilities located at Bhiwandi & Navi Mumbai. Your Company's deep-rooted values of Quality, Trust and Excellence enable it to retain a good share in narrow woven fabrics market in India. The Company has its footprint not just in India but also caters to global demand originating from USA, Germany, Italy, Australia, Turkey, Bangladesh and Sri Lanka.

## 2. FINANCIAL SUMMARY AND HIGHLIGHTS

The highlights of the Company's financial results for the Financial Year 2021-22 are as under:

(Rs. In lakhs)		
PARTICULARS	FY 2021-22	FY 2020-21
Gross Total Revenue	7110.46	5383.06
Profit before Tax & Exceptional items	656.85	232.35
Profit before Tax after Exceptional items	656.85	140.30
Profit for the period after tax	487.20	79.91
Total Comprehensive income	492.01	87.96
<b>APPROPRIATIONS</b>		
Dividend	68.50	55.49

Your Company's Total Income during the year under review was Rs. 7110.46 Lakhs as compared to Rs. 5383.06 Lakhs in the previous year. Profit before Tax for the year 2021-22 was Rs. 656.85 Lakhs as against Rs. 232.35 Lakhs in the previous year. Profit after Tax for the year 2021-22 stood at Rs. 487.20 Lakhs as against Rs. 79.91 Lakhs in the previous year. Mainly Company's Hook and Loop Tape fasteners is a major division, contributes to approximately 70% of the overall revenue.

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

The Financial Statements for the year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. There are no material departures from the prescribed norms stipulated by the accounting standards in preparation of the annual accounts.

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

## 3. DIVIDEND

Despite the pandemic, the Company was able to deliver a good operational performance during the year under review. The Company has maintained low debt levels despite difficult market conditions with good cash generation.

The Company has a good track record of rewarding its Shareholders with a generous dividend pay-out. In view of the strong operational and financial performance during the year under review, the Board of Directors is pleased to recommend a dividend of Re. 1 per Equity Share of Rs. 10/- each (i.e., 10%) for the Financial Year ended on March 31, 2022 subject to the approval of Members in the ensuing Annual General Meeting of the Company.

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

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

During the year under review, the Company on April 27, 2021 has issued & allotted 2,50,000 Equity Shares upon the Conversion of Warrants into Equity Shares of face value of Rs. 10/- each at a price of Rs. 29.25/- to Mr. Shailesh S. Shah, Promoter & Managing Director of the Company.

Further, pursuant to Shareholders Resolution passed on January 09, 2021 and In-principle approval received from the BSE Limited on February 01, 2021, the Board on August 12, 2021 has issued and allotted 9,90,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 30/- per Equity Share to Promoter and Non-Promoter Group of Company upon the conversion of 9,90,000 Warrants.

Lastly, the Company issued and allotted 61096 Equity Shares to eligible employees on exercise of options granted under the Sky Industries Employee Stock Option Plan 2018 (hereinafter "ESOP 2018") of the Company.

At the end of year, Company's issued, subscribed and paid-up capital was 68,49,841 Equity Shares of Rs. 10/- each.

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

Particulars	No. of shares allotted	Cumulative Paid-up Share Capital
Capital at the beginning of the year, i.e., as on April 01, 2021	-	55,48,745
Allotment of 2,50,000 Equity Shares at a price of Rs 29.25 each on April 27, 2021 upon Conversion of Warrants to Mr. Shailesh S. Shah, Managing Director & Promoter of Company.	2,50,000	57,98,745
Allotment of 9,90,000 Equity Shares at a price of Rs 30 each on August 12, 2021 upon Conversion of Warrants to both Promoters and Non-promoter Group of Company.	9,90,000	67,88,745
Allotment of Equity Shares on March 14, 2022, pursuant to exercise of options granted under ESOP 2108 to eligible employees.	61,096	68,49,841
Capital at the end of the year, i.e., as on March 31, 2021	-	68,49,841

*Note: After March 31, 2022, the allotment of 10,10,000 Equity Shares at a price of Rs. 30 each was made pursuant to conversion of Warrants into Equity Shares on April 30, 2022 to Promoter and Non-Promoter Group of Company. Pursuant to allotment, the paid-up share capital stands at 78,59,841 Equity Shares of Rs. 10/- each.*

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

#### 5. CREDIT RATING

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

SN	PARTICULARS	RATING ASSIGNED
1.	Long Term Rating	CRISIL BB+/Positive
2.	Short Term Rating	CRISIL A4+

The Company has not been identified as a "Large Corporate" as per the criteria under SEBI Circular No. SEBI/ HO/DDHS/ CIR/P/2018/144 dated November 26, 2018.

## 6. PERFORMANCE OF SUBSIDIARY COMPANIES

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

## 7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## 8. CORPORATE GOVERNANCE

As on the last day of previous financial year i.e., on March 31, 2022, the Company's Paid-up Equity Share Capital and Net Worth was Rs. 6.85 Crore and Rs. 32.88 Crore respectively, which are below the threshold limits mentioned in the Regulation 15(2) of the Listing Regulations. Hence, Pursuant to Regulation 27 of the Listing Regulations, the requirement of furnishing report on Corporate Governance is not applicable to the Company for the Financial Year under review.

## 9. DIRECTORS

The Company's Board of Directors consists of distinguished individuals with proven competence and integrity. Besides strong financial acumen, strategic astuteness, experience and leadership qualities, they have a significant degree of dedication to the Company and invest adequate time to Meetings and preparation. In terms of requirement of Listing Regulations, 2015, the Board has defined fundamentals, skills, expertise and competencies of the Directors in the context of the Company's business for effective functioning and how the current Board of Directors is fulfilling the required skills and competences.

There were no changes in the Composition of the Board of Directors of the Company during the financial year ended March 31, 2022.

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

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

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

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

## 10. KEY MANAGERIAL PERSONNEL

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

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

## 11. NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on business policies and strategies. The Board exhibits strong operational oversight with regular business presentations at Meetings. The Board Meetings are pre-scheduled to help them plan their schedules and ensure meaningful participation. Only in the case of special and urgent business, should the need arise, is the Board's approval taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting. The agenda for the Board Meetings includes detailed notes on the items to be discussed to enable the Directors to take informed decisions.

In view of the pandemic-related travel restrictions, all Board Meetings took place virtually. Measures were taken to ensure security of information and confidentiality of process, at the same time, ensuring convenience of the Board members. During the Financial Year 2021-22, Seven Meetings of the Board of Director were held i.e., on April 27, 2021, May 15, 2021, August 12, 2021, September 23, 2021, October 29, 2021, January 29, 2022 & March 29, 2022.

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

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

## 12. COMMITTEES OF THE BOARD

The Committees of the Board of Directors of the Company plays vital role in the governance and focus on specific areas and make informed decisions within the delegated authority. The Board has constituted Committees to delegate certain matters relating to the affairs of the Company that require greater and more focussed attention.

These Committees prepare the groundwork for decision making and report to the Board. All decisions pertaining to the constitution of Committees, appointment of Members and fixing of terms of service for Committee Members are taken by the Board of Directors. Each Committee is governed by their respective terms of reference which exhibit their composition, scope, powers, duties and responsibilities.

The Board of Directors has the following Committees:

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

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

### A. AUDIT COMMITTEE

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

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

During the Financial Year 2021-22, Six Audit Committee Meetings of the Board of Directors of Company held i.e. on April 27, 2021, August 12, 2021, September 23, 2021, October 29, 2021, January 29, 2022 & March 29, 2022.

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

SN	NAME OF DIRECTOR	POSITION	CATEGORY	NO. OF MEETINGS
1	Mr. Lokanath Suryanarayan Mishra	Chairman	Independent Director	6 of 6
2	Mr. Amarendra Mohapatra	Member	Independent Director	6 of 6
3	Ms. Sanghamitra Sarangi	Member	Independent Director	6 of 6
4	Mr. Maikal Raorani	Member	Whole Time Director & CFO	6 of 6

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

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

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

## B. NOMINATION & REMUNERATION COMMITTEE

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

The Committee has been vested with the authority to, inter alia, recommend nominations for Board Membership, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record and integrity.

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

During the Financial Year 2021-22, two Nomination and Remuneration Committee Meetings of the Board of Directors of Company held i.e. on April 27, 2021 & October 29, 2021.

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

SN	NAME OF DIRECTOR	POSITION	CATEGORY	NO. OF MEETINGS
1	Mr. Lokanath Suryanarayan Mishra	Chairman	Independent Director	2 of 2
2	Mr. Amarendra Mohapatra	Member	Independent Director	2 of 2
3	Ms. Sanghamitra Sarangi	Member	Independent Director	2 of 2



### C. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The Committee meets, as and when required, to inter alia, deal with matters relating to transmission of shares, issue of duplicate share certificates, issue of new share certificates, resolve the grievances of security holders of the Company including complaints related to dematerialisation of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates etc., review of measures taken for effective exercise of voting rights by Shareholders and ensuring timely receipt of dividend warrants/demand drafts/annual reports/statutory notices by the Shareholders of the Company.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. The Company has also sent the letters to the Shareholders of the Company holding shares in physical form at their registered addresses, on March 05, 2022, to furnish PAN, KYC details and Nomination pursuant to SEBI Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 read with clarification issued by SEBI Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021.

During the Financial Year 2021-22, Four Stakeholders Relationship Committee Meetings of the Board of Directors of Company held i.e., on April 27, 2021, August 12, 2021, October 29, 2021 & January 29, 2022.

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

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

### 13. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of all the Directors individually, including Independent Directors, Managing Director, Chief Financial Officer and Executive Directors.

Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, Execution and Performance of Specific Duties, Obligations and Governance and the evaluation was carried out based on responses received from the Directors.

The performance evaluation of Committees was based on criteria such as structure and composition of Committees, attendance and participation of member of the Committees, fulfilment of the functions assigned to Committees by the Board and applicable regulatory framework, frequency and adequacy of time allocated at the Committee Meetings to fulfil duties assigned to it, adequacy and timeliness of the Agenda and Minutes circulated, comprehensiveness of the discussions and constructive functioning of the Committees, effectiveness of the Committee's recommendation for the decisions of the Board, etc.

The performance evaluation of Independent Directors was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends etc.

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

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



#### 14. NOMINATION AND REMUNERATION POLICY

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

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

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

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

#### 15. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the Listing Regulations is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at [www.skycorp.in](http://www.skycorp.in).

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

#### 16. SKY INDUSTRIES EMPLOYEE STOCK OPTION PLAN – 2018

The Company has in force the Sky Industries Employees Stock Options Plan 2018("ESOP 2018").

The voting rights of the shares issued to employees under above ESOP are either exercised by the employees directly or through their appointed proxies.

During the year, there have been no material changes in the aforesaid mentioned scheme. The ESOP 2018 scheme is in compliance with the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 ("SBEB&SE Regulations").

A certificate from the Secretarial Auditors certifying that the scheme viz. ESOP 2018 has been implemented in accordance with SBEB&SE Regulations 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 information as required to be disclosed, in relation to ESOP 2018 under the Companies Act, 2013 and the details of the ESOP being implemented, as specified by SEBI under the SBEB Regulations has been annexed as Annexure 'A' to the Boards' Report.

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

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

#### 18. RELATED PARTY TRANSACTIONS

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

All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are verified by the Audit Committee and a statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

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

## **19. ANNUAL RETURN**

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

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

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

## **21. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) that in the preparation of the Annual Accounts for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **22. AUDITORS**

### **A. Statutory Auditor**

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

The Auditors' Report on the Financial Statement for the year ended March 31, 2022, is unmodified i.e., it does not contain any qualification, reservation, adverse remark or disclaimer and notes thereto are self-explanatory and do not require any explanations.

## **B. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Messrs Ramesh Chandra Mishra & Associates, Company Secretary in practice (Membership No.: 5477 Certificate of Practice No. 3987), Secretarial Auditor to undertake the Secretarial Audit of the Company for the Financial Year ended March 31, 2022. The Secretarial Audit Report for the Financial Year ended March 31, 2022 is appended to this Report as **Annexure 'B'**. There is no secretarial audit qualification for the financial year under review.

The Company's Paid-up Equity Share Capital and Net Worth, on last day of the previous financial year, i.e., on March 31, 2022, was Rs. 6.85 Crore and Rs. 32.88 Crore respectively, which are below the threshold limits mentioned in the Regulation 15(2) of the Listing Regulations. Hence, pursuant to Regulation 24A of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Annual Secretarial Compliance Report is not applicable to the Company for the Financial Year under review.

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

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

Your Company has put in place adequate internal financial controls commensurate with the size and complexity of its operations. The internal controls ensure the reliability of data and financial information to maintain accountability of assets.

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

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

## **24. REPORTING OF FRAUDS**

During the year under review, the Statutory Auditors and the Secretarial Auditor of the Company have not reported any instance of fraud committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report

## **25. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

## **26. ENVIRONMENT, HEALTH AND SAFETY**

The Company ensures strict compliance with all the statutory requirements. The focus continues on water and energy conservation, increasing the proportion of green energy in the overall energy consumption and reduction in generation of

waste. The Company has robust environment management system in place to ensure all environmental risks and opportunities associated with our operations are taken care.

The safety culture is a journey and management through frequent communication and training is strengthening the safety culture across the Organization and keep reinforcing the discipline. We are also committed to provide a safe & healthy work environment across all manufacturing plants and offices. The management have put in place strong processes and procedures across all the plants and have systems to continuously monitor its adherence. The Company's plants continue to improve well-being of its personnel by organising occupational health examination, periodic health check-ups and workplace monitoring.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and the rules made thereunder. The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

All women employees whether permanent, temporary or contractual are covered under the above policy. The said policy has been uploaded on the internal portal of the Company for information of all employees. An Internal Complaint Committee (ICC) has been set up in compliance under POSH.

The Company has revisited the Internal Complaints Committee members and emphasised on the roles and responsibilities expected from the members. The Company continuously invests in enhancing the awareness on the Policy across its workforce.

During the year under review, there was no complaint of discrimination and harassment including sexual harassment received by the committee.

## **28. STATUTORY INFORMATION AND OTHER DISCLOSURES**

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

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

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

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

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

## 29. MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATE

In terms of the SEBI LODR Regulations, the certificate, as prescribed in Part B of Schedule II of the Listing Regulations, has been obtained from Mr. Shailesh S. Shah, Managing Director and Mr. Maikal Raorani, Whole Time Director & Chief Financial Officer, for the Financial Year 2021-22 with regard to the Financial Statements and other matters. The said Certificate forms part of this Report.

## 30. GREEN INITIATIVES

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of 33rd Annual General Meeting of the Company including the Annual Report for Financial Year 2021-22 are being sent to all Members whose e-mail addresses are registered with the Company / Depository Participant(s).

## 31. CAUTIONARY STATEMENT

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

## 32. APPRECIATION

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

For and on behalf of the Board of Directors of  
**SKY INDUSTRIES LIMITED**

April 30, 2022  
**Mumbai**

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

## ANNEXURE – A

### DISCLOSURES PURSUANT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

SN	Details of ESOP	Sky Industries Employee Stock Option Plan 2018 (SKY ESOP 2018)
1	Date of Shareholders Approval	September 07, 2018 & ratified on September 14, 2019
2	Total No. of Options approved under ESOP	500000
3	Vesting Requirements	The Options granted would vest within such time from the date of Grant and in such number of installments and subject to such terms as the Nomination and Remuneration Committee may decide, in its absolute discretion from time to time, of the Grant of the Options, subject to a minimum vesting period of one year.
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	NIL
8	Method of Option Valuation	Fair Value Method
9	Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options (if method is Intrinsic Value Method)	NA
10	Option movement during the Year	
	Number of Options outstanding at the beginning of the period	105917 options
	Number of Options granted during the year	NIL
	Number of Options forfeited/lapsed during the year	22688
	Number of Options vested during the year	73512
	Number of Options exercised during the year	61096
	Number of Shares arising as a result of exercise of options	61096
	Money realized by exercise of options (Amount in Rs.)	Rs. 610960
	Loan repaid by the Trust during the year from exercise price received	-
	Number of Options outstanding as at March 31, 2022	22133
	Number of Options exercisable as at March 31, 2022	22133
11	Weighted average exercise price of Options granted whose	
	(a) Exercise Price equals market price	Not applicable since no fresh grant was made during the year.
	(b) Exercise Price is greater than market price	
	(c) Exercise Price is less than market price	
	Weighted average fair value of Options granted during the year whose	

SN	Details of ESOP	Sky Industries Employee Stock Option Plan 2018 (SKY ESOP 2018)		
	(a) Exercise Price equals market price	Not applicable since no fresh grant was made during the year.		
	(b) Exercise Price is greater than market price			
	(c) Exercise Price is less than market price			
	<b>Weighted Average Information:</b> The fair value of employee share options, see (A) above, has been measured using Black Scholes Merton Model. The fair value of the options and the inputs used in the measurement of the grant date fair values of the equity-settled share-based payment plan are as follows: Not Applicable.			
	Grant Date	Not applicable since no fresh grant was made during the year.		
	Price of underlying shares in market at the time of option grant			
	Exercise price			
	Expected volatility			
	Expected life			
	Expected dividends			
	Risk-free interest rate			
12	<b>Employee Wise details of-</b>			
i) Options granted to Key Managerial Personnel during the FY 2021-22				
Name		Designation	Option Granted during the Year	Exercise Price
NIL				
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	Exercise Price
NIL				
iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversations) of the Company at the time of grant				
Name		Designation	Option Granted during the Year	Exercise Price
NIL				

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

April 30, 2022  
**Mumbai**

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

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

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

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

To  
**The Members**  
**Sky Industries Limited**

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 March 31, 2022 (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, 2022 according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the 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'):

1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
3. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
4. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
5. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

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

1. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
2. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 requiring compliance thereof by the Company during the Audit Period.
3. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;

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

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

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

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

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

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

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

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

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

1. During the year under review, the Company on April 27, 2021 has issued & allotted 2,50,000 Equity Shares upon the Conversion of 2,50,000 Warrants into Equity Shares of face value of Rs. 10/- each at a price of Rs. 29.25/- per Equity Share to Mr. Shailesh S. Shah, Promoter & Managing Director of the Company.
2. Pursuant to Shareholders Resolution passed on January 09, 2021 and In-principle approval received from the BSE Limited on February 01, 2021, the Board on August 12, 2021 has issued and allotted 9,90,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 30/- per Equity Share to Promoter and Non-Promoter Group of Company upon the conversion of 9,90,000 Warrants.
3. Pursuant to Postal Ballot Notice dated October 29, 2021 ('the Notice'), the Company had proposed to pass the Resolutions as mentioned under the Notice. The e-Voting period commenced from November 24, 2021 and ended on December 23, 2021 at 5:00 PM. All the Resolutions as proposed in the Notice were duly passed by the requisite majority on December 23, 2021. The contents of the Notice are both available on Company Website and Stock Exchange website via [www.bseindia.com](http://www.bseindia.com).
4. The Company issued and allotted 61096 Equity Shares to eligible employees on exercise of options granted under the Sky Industries Employee Stock Option Plan 2018 of the Company.

For **Ramesh Chandra Mishra & Associates**

April 30, 2022  
Mumbai  
**UDIN NO.:- F005477D000249457**

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

This report is to be read with Annexure A which forms an integral part of this report.

## ANNEXURE A TO THE SECRETARIAL AUDIT REPORT

To  
**The Members**  
**Sky Industries Limited**

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**

April 30, 2022  
Mumbai  
**UDIN NO.:- F005477D000249457**

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

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

The information under section 134 (3) (m) of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2022 is given here below and forms part of the Board's Report.

**A. CONSERVATION OF ENERGY**

Your Company is committed to sustainable business practices by contributing to environment protection and considers energy conservation as one of the strong pillars of preserving natural resources. This also helps in reducing carbon footprint across all its operations.

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

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

1. Programs for improving energy efficiency and energy productivity across all operations;
2. Rainwater Harvesting, reduce usage, reuse and recycle water;
3. Eco efficient in supply chain;
4. Replacement of old conventional lights with LED Tube rods.
5. Installation of Energy Efficient inverters split AC's.
6. Replacement of normal Ceiling Fan with energy efficient ceiling fan.

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

**II. The steps taken by the company for utilising alternate sources of energy: NA****III. The Capital investment on energy conservation equipment's: NA****B. TECHNOLOGY ABSORPTION****I. The efforts made towards technology absorption:**

Your Company is committed towards technology driven innovation and inculcating an innovation driven culture within the organisation. During the year under review, your Company continued to work on advanced technologies, upgradation of existing technology and capability development in the critical areas for current and future growth.

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

The efforts taken by your Company towards technology development and absorption help deliver competitive advantage, improved productivity, reduced cost, increased efficiency and overall improvement in quality of products manufactured. These efforts will also support Company's sustainability efforts by reducing power consumption, emission and waste.

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

**IV. The expenditure incurred on Research & Development**

The Company has not incurred any expenditure on Research and Development during the year under review.

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

(Rs. In lakhs)		
Particulars	FY 2021-22	FY 2020-21
Foreign Exchange Earned	908.07	595.48
Foreign Exchange Used	2352.04	2450.43

## ANNEXURE - D

### STATEMENT OF DISCLOSURE OF REMUNERATION

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

SN	Requirements	Disclosure	
		Name of the Director	Ratio (in x times)
1	The ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year.	Mr. Shailesh S. Shah	15.29
		Mr. Sharad S. Shah	6.12
		Mr. Maikal Raorani	4.59
		Mr. Vaibhav Desai	4.51
		Mr. Amarendra Mohapatra	-
		Ms. Sanghamitra Sarangi	-
		Mr. Lokanath Suryanarayan Mishra	-
2	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year.	<b>Name of the Director and KMP</b>	<b>% increase in Remuneration</b>
		Mr. Shailesh S. Shah	23.08
		Mr. Sharad S. Shah	20.00
		Mr. Maikal Raorani	50.00
		Mr. Vaibhav Desai	70.28
		Mr. Amarendra Mohapatra	-
		Ms. Sanghamitra Sarangi	-
3	The percentage increase/decrease in the median remuneration of employees in the financial year.	Mr. Lokanath Suryanarayan Mishra	-
		Mr. Swapnil Soni*	
4	The number of permanent employees on the rolls of Company.	During FY 2021-22, the percentage decrease in the median remuneration of employees as compared to previous year was approximately 4.15%	
5	The Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There were 70 employees as on March 31, 2022	
6	Affirmation that the remuneration is as per the remuneration policy of the Company	The average annual increase was in the range of 3-8%. However, during the course of the year, the total average increase is approximately 4.02%, after accounting for promotions and other event based compensation revisions.	
		For the managerial remuneration, there was increase of 35.37% for the year. (Increase in Remuneration due to deduction in Financial Year 2020-21)	
6	Affirmation that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration paid is as per the Nomination & Remuneration Policy of the Company.	

\* Since the remuneration paid to Mr. Swapnil Soni in previous year was for part of the year, the percentage increase in remuneration is not comparable and hence, not stated.

Notes:

1. The median remuneration of all the employees of the Company was Rs. 3.92 Lakhs. For this purpose, Sitting Fees paid to the Directors has not been considered as remuneration;
2. Figures have been rounded off wherever necessary

## DECLARATION COMPLIANCE WITH THE CODE OF CONDUCT

To  
**The Members**  
**Sky Industries Limited**

The Board has formulated the Code of Conduct for Business Ethics for all the Directors and Senior Managers of the Company which has been posted on the website of the Company. It is hereby affirmed that all the Directors and Senior Managers have complied with the Code of Conduct for Business Ethics framed by the Company and a confirmation to this effect for the year 2021-22 has been obtained from all the Directors and Senior Managers.

For and on behalf of the Board of Directors of  
**SKY INDUSTRIES LIMITED**

April 30, 2022  
**Mumbai**

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

## MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

To  
The Board of Directors  
Sky Industries Limited

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

- a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, no transactions are entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

April 30, 2022  
**Mumbai**

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

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



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
**The Members of  
 Sky Industries Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sky Industries Limited having CIN L17120MH1989PLC052645 and having registered office at C-58 TTC Indl. Area Thane Belapur Road Pawane, Navi Mumbai 400705 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SN	Name of Director	DIN	Date of Appointment in Company
1	Shailesh S. Shah	00006154	01/01/1993
2	Sharad S. Shah	00006114	12/10/1993
3	Maikal Raorani	00037831	06/12/2017
4	Vaibhav Jay Desai	06673723	27/09/2013
5	Amarendra Mohapatra	03609521	27/07/2018
6	Sanghamitra Sarangi	08536750	14/08/2019
7	Lokanath Suryanarayan Mishra	03364948	08/07/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Ramesh Chandra Mishra & Associates**

May 23, 2022  
 Mumbai  
**UDIN NO.:- F005477D000369764**

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



# **FINANCIALS & AUDITOR'S REPORT**



## 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 2022, 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 (hereinafter referred to as "the financial statements").

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, 2022, and its profit, other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

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

Key Audit Matter	How the matter was addressed in our audit
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.	<ul style="list-style-type: none"> <li>• We tested the design, implementation and operating effectiveness of controls over the calculations of discounts and rebates</li> <li>• We assessed manual journals posted to revenue to identify unusual items.</li> </ul>
<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><b>Our audit procedures included :</b></p> <ul style="list-style-type: none"> <li>• We tested the effectiveness of controls around the recognition of provisions</li> <li>• We used our subject matter experts to assess the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities.</li> <li>• We challenged the assumptions and critical judgements made by the management which impact their estimate of the provisions required, considering judgments previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company's advisors and assessing whether there was an indication of management bias.</li> <li>• We discussed the status in respect of significant provisions with the Company's internal tax team and consultant as well.</li> <li>• We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.</li> </ul>

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

### 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. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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 balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flow dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 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, 2022 on its financial position in its financial statements – Refer Note 34 to the 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;
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
  - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.
- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

**For CGCA & Associates LLP**

Chartered Accountants  
Firm Regn No.: 123393W

Sd/-

**Champak K. Dedhia**

Partner

Membership No: 101769

UDIN: 22101769AIEGJY6592

April 30, 2022  
**Mumbai**



## 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 2022, we report that:

### i. Property, Plant and Equipment:

- a. (A) The Company has maintained proper records, showing full particulars including quantitative details and situation of Property, Plant and Equipment.  
  
(B) The Company has maintained proper records, showing full particulars of intangible assets.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a phased program for physical verification of the property, plant and equipment of the company to cover all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the Company.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant & Equipment or Intangible assets or both during the year.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

### ii. Inventory:

- a. The inventory, 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 and coverage as followed by the management were appropriate. 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.
- b. According to information and explanation given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

### iii. Loans and Advances granted:

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, firms, limited liability partnerships or any other parties during the year and therefore clause 3(iii) of the Order is not applicable.

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

According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013. In respect of investments made by the Company, in our opinion the provisions of Section 186 of the Companies Act, 2013 have been complied with.



**v. Deposits:**

The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

**vi. Cost Records:**

In our opinion and according to the information and explanation give to us, the Central Government has not prescribed maintenance of cost records under sub section (1) of Section 148 of the Act, for any of the activities carried on by the Company.

**vii. Statutory Dues:**

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

- a. The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employee's State Insurance, Income-Tax, Custom Duty, Cess, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities.
- b. There were no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income-Tax, Custom Duty, Cess, Goods and Service Tax and other material statutory dues in arrears as at 31st March, 2022, for a period of more than six months from the date they become payable except the following:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates
Navi Mumbai Municipal Corporation	Property Tax	11.84	Various Years
Navi Mumbai Municipal Corporation	Cess	26.48	Various Years

- c. Details of statutory dues which have not been deposited as on 31st March 2022 on account of disputes are given below:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Navi Mumbai Municipal Corporation	Property Tax	56.00	Various Years	High Court Of Bombay

**viii. Income tax Assessment:**

According to the information and explanations given to us and on the basis of our examination of the records, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

**ix. Dues To Financial Institutions/Banks:**

- a. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest during the year.
- b. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not obtained any term loans during the year. Accordingly clause 3(ix)(c) of the Order is not applicable.
- d. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis by the Company are used for the said purpose only.

- e. The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended 31st March, 2022. Accordingly, clause 3(ix)(e) is not applicable.
- f. The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended 31st March, 2022. Accordingly, clause 3(ix)(f) of the Order is not applicable.

**x. Application of Initial Public Offer**

- a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly paragraph 3(x)(a) of the Order is not applicable.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made preferential allotment of equity shares during the year under audit, in compliance with the requirements of Section 42 of the Companies Act, 2013. The amounts raised have been used for the purposes for which they were raised.

**xi. Frauds:**

- a. Based upon the audit procedures performed and according to the information and explanations given to us by the management, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the course of the audit.
- b. In the absence of any fraud, there is no requirement to submit ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
- c. During the year under audit we have not received any complaints under whistle blower mechanism.

**xii. 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.

**xiii. 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 financial statements as required by the applicable Indian Accounting Standards.

**xiv. Internal Audit:**

- a. Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till date for the period under audit.

**xv. Compliances with Sections 192 in case of non-cash transactions with Directors:**

In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, paragraph 3(xv) of the Order is not applicable.

**xvi. Registration with RBI:**

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

- b. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- c. The Company is not the Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d. Accordingly to the information and explanations provided to us during the course of the audit, Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

#### **xvii. Cash Losses:**

The Company has not incurred any cash losses during the year under audit and in the immediately preceding financial year, hence clause 3 (xvii) of the Order is not applicable.

#### **xviii. Resignation of Statutory Auditor:**

There has been no resignation of the statutory auditors during the year and accordingly clause 3 (xviii) of the Order is not applicable.

#### **xix. Financial Viability:**

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exist as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee or any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

#### **xx. Corporate Social Responsibility:**

As per information and explanation given to us, the provisions of Section 135 of the Companies Act, 2013 in respect to Corporate Social Responsibility is not applicable to the Company. Thus, reporting under clauses (a) & (b) of 3(xx) of the Order are not applicable to the Company.

#### **xxi. Consolidated Financial Statements:**

The Company is not having any subsidiaries or Joint Venture or associate and hence not required to prepare consolidated financial statements, hence clause 3 (xxi) of the Order is not applicable.

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

April 30, 2022  
**Mumbai**

Sd/-  
**Champak K. Dedhia**  
Partner  
Membership No: 101769  
UDIN: 22101769AIEGJY6592

## 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 2022 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 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

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

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

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

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

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

**For CGCA & Associates LLP**

Chartered Accountants

Firm Regn No: 123393W

Sd/-

**Champak K. Dedhia**

Partner

Membership No: 101769

UDIN: 22101769AIEGJY6592

April 30, 2022

**Mumbai**

# BALANCE SHEET AS AT MARCH 31, 2022

(Rs. In lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant & Equipment	3	1095.71	1014.30
Capital Work - In - Progress	3	16.76	24.95
Other Intangible Assets	3	0.19	0.37
Right-of-use Assets	3A	-	199.08
Financial Assets			
Investments	4	37.37	26.29
Others	5	11.70	42.92
Non Current Tax Assets (Net)	6	5.59	25.54
Other Non - Current Assets	6	-	-
<b>Total Non - Current Assets</b>		<b>1167.32</b>	<b>1333.44</b>
<b>Current Assets</b>			
Inventories	7	1938.52	1186.54
<b>Financial Assets</b>			
Investments	8	602.38	522.51
Trade Receivables	9	1207.91	1266.77
Others	10	42.49	-
Cash & Cash Equivalents	11	11.67	127.92
Bank Balance other than above	12	119.57	90.38
Other Current Assets	13	595.65	443.03
<b>Total Current Assets</b>		<b>4518.20</b>	<b>3637.15</b>
<b>TOTAL ASSETS</b>		<b>5685.52</b>	<b>4970.59</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	684.98	554.87
Other Equity	15	2602.93	2013.19
<b>Total Equity</b>		<b>3287.92</b>	<b>2568.07</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	96.39	182.76
Lease liabilities		-	162.30
Other	17	1.75	1.25
Provisions	18	16.48	15.76
Deferred Tax Liabilities (Net)	19	87.79	84.23
<b>Total Non - Current Liabilities</b>		<b>202.40</b>	<b>446.30</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	1298.10	969.21
Trade Payables	21	741.96	665.55
Other Financial Liabilities	22	11.46	7.24
Lease liabilities		-	35.44
Other Current Liabilities	23	108.11	194.16
Provisions	24	35.57	84.62
<b>Total Current Liabilities</b>		<b>2195.20</b>	<b>1956.22</b>
<b>Total Liabilities</b>		<b>2397.60</b>	<b>2402.52</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5685.52</b>	<b>4970.59</b>
<b>CORPORATE INFORMATION</b>	1		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	3-47		

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

Chartered Accountants  
Firm Reg. No. :123393W

sd/-  
**Champak K Dedhia**  
Partner  
Membership No.101769  
Mumbai, Dated: 30/04/2022

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

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

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

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

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

## STATEMENT OF PROFIT AND LOSS

### FOR THE YEAR ENDED MARCH 31, 2022

(Rs. In lakhs)

Particulars	Note. No.	Year ended March 31, 2022	Year ended March 31, 2021
<b>Income</b>			
Revenue from Operations	25	7045.17	5340.38
Other Income	26	65.29	42.69
<b>Total Income</b>		<b>7110.46</b>	<b>5383.06</b>
<b>Expenses</b>			
Cost of Material Consumed	27	4659.01	3002.48
Purchase of Stock In Trade	28	406.12	395.41
Changes in Inventories of Finished Goods and Stock in Trade	29	(478.75)	262.41
Employee Benefit Expenses	30	489.95	424.35
Finance Cost	31	126.29	115.20
Depreciation and Amortization on property, plant and equipment and intangible assets	32	115.31	113.47
Depreciation on Right of Use Assets	32	73.69	92.48
Other Expenses	33	1061.98	744.91
<b>Total Expenses</b>		<b>6453.61</b>	<b>5150.71</b>
<b>Profit Before Tax and Exceptional Item</b>		<b>656.85</b>	<b>232.35</b>
<b>Exceptional Gain / (Loss)</b>	34	-	<b>(92.05)</b>
<b>Profit Before Tax</b>		<b>656.85</b>	<b>140.30</b>
<b>Tax Expenses</b>			
Current Tax		163.59	60.54
Adjustments/ (Credit) related to previous years - (net)		2.50	(2.09)
Deferred Tax		3.56	(1.94)
<b>Profit After Tax</b>		<b>487.20</b>	<b>79.91</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit &amp; Loss</b>			
- Remeasurement of define benefit liability/(asset) (net of tax)		4.81	8.05
<b>Total Other Comprehensive Income for the year</b>		<b>4.81</b>	<b>8.05</b>
<b>Total Comprehensive Income for the year</b>		<b>492.01</b>	<b>87.96</b>
Earnings Per Share - Basic	35	7.70	1.61
- Diluted	35	6.28	1.56
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	3-47		

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

Chartered Accountants  
Firm Reg. No. :123393W

sd/-  
**Champak K Dedhia**  
Partner  
Membership No.101769  
Mumbai, Dated: 30/04/2022

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

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

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

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

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

# STATEMENT OF CASH FLOW

## FOR THE YEAR ENDED MARCH, 2022

(Rs. In lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax as per Statement of Profit & Loss		656.85		140.30
Adjustments to reconcile profit before tax to net cash flows				
Add: Depreciation of property, plant and equipment	115.31		113.47	
Add: Amortisation of intangible assets and right of use asset	73.69		92.48	
Add: Interest expense and other finance cost	106.13		104.17	
Less: Interest income	(3.16)		(2.48)	
Less: Interest on Income Tax refund	(1.87)		(0.13)	
Less: Unrealised gain on investments classified through Fair Value through Profit and Loss	(36.96)		(33.72)	
Less: Interest on financial asset carried at cost	(1.57)		(2.94)	
Add: Loss on sale of property, plant and equipment	0.54		96.02	
Add: Finance cost on right of use asset	16.25		7.12	
Add: Processing fees	3.91		3.91	
Less: Gain on modification of lease	(12.35)		(0.30)	
Add: Remeasurment of defined benefit liability/(asset)	4.81		8.05	
Add: Share based expense	2.12	266.86	10.92	396.57
Operating Profit Before Changes in Working Capital		923.71		536.88
Adjustment for Changes in Working Capital				
(Increase) / Decrease in Trade Receivables	58.86		(141.99)	
(Increase) / Decrease in Inventories	(751.98)		363.26	
(Increase) / Decrease in Right to Use Assets	199.08		(101.49)	
(Increase) / Decrease in Other Non - Current Financial Assets	31.22		1.26	
(Increase) / Decrease in Other Current Financial Assets	(42.49)		-	
(Increase) / Decrease in Other Current Assets	(152.62)		(83.31)	
Increase / (Decrease) in Trade Payables	76.40		(478.28)	
Increase / (Decrease) in Other Current Financial Liabilities	4.22		2.12	
Increase / (Decrease) in Other Current Liabilities	(86.05)		2.46	
Increase / (Decrease) of Lease Liabilities	(197.24)		(115.59)	
Increase / (Decrease) in Non Current Provisions	0.72		1.95	
Increase / (Decrease) in Current Provisions	(51.48)	(911.36)	57.40	(492.21)
Cash Generated from Operations		12.35		44.66
Less: Taxes Paid (Net of refund received)		(144.78)		(47.46)
Less: Dividend and dividend tax paid		(57.99)		(24.34)
<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>		(190.42)		(27.13)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(191.01)		(143.07)	
Sale of property, plant and equipment	2.12		443.62	
Purchase of Investments	(54.00)		(465.98)	
Interest Received	5.03		2.62	
Movement in other bank balances	(29.20)		(21.46)	
<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>		(267.06)		(184.27)
<b>C CASH FLOW FROM FINANCING ACTIVITY</b>				
Proceeds from /(Repayment) of Term Loan / Vehicle Loans	(86.37)		162.66	
Repayment of Lease Liability	(78.85)		(100.59)	
Increase/ (Decrease) in Working Capital facility	328.89		21.49	
Proceeds from issue of shares and share warrants	283.70		329.88	
Finance Cost	(106.13)		(104.17)	
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>		341.23		309.27
<b>NET CASH FLOW FOR THE YEAR (A + B + C)</b>		(116.25)		97.87
Add: Opening Balance of Cash & Cash Equivalents		127.92		30.05
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>		11.67		127.92

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

Chartered Accountants  
Firm Reg. No. :123393W

sd/-  
**Champak K Dedhia**  
Partner  
Membership No.101769  
Mumbai, Dated: 30/04/2022

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

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

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

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

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



# NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

## 1 CORPORATE INFORMATION

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

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

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

### 2.1) BASIS FOR PREPARATION OF ACCOUNTS

#### (a) Basis of preparation

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

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

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

#### (b) Basis of Measurement

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

### 2.2) Key Accounting Estimates and Judgements

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

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

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

## **SIGNIFICANT ACCOUNTING POLICIES**

### **2.3 REVENUE RECOGNITION**

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

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

#### **a) Sale of Goods**

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

#### **b) Rendering of services**

Revenue of services are recognized when the services are rendered.

#### **c) Dividend**

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

#### **d) Interest Income**

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

#### **e) Export Incentives**

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

### **2.4 FOREIGN CURRENCY TRANSACTIONS**

#### **a) Functional and Presentation Currency**

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

#### **b) Initial Recognition**

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

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

Monetary assets and liabilities denominated in foreign currencies are re-translated into functional currency at the exchange rate prevailing at the end of the reporting period. Non monetary assets and liabilities that are measured based on historical cost in a foreign currency are not re-translated. Exchange differences arising out of these transaction are charged to the profit and loss.

**7 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. Amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. The category generally applies to trade and other receivable.

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

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

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

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

## **iv) Equity investments:**

### **Investment in associates are accounted using equity method.**

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

For equity investments classified as FVOCI, all fair value changes on the instruments, excluding dividend, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of such investment.

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

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

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

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

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

#### **c) Derecognition of financial assets**

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

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

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

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

#### **d) Impairment of financial assets**

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

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

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

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

## **II. Financial Liabilities and equity instruments**

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

#### **a) Equity instruments:**

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

**b) Financial liabilities :- Classification**

Financial liabilities classified as FVTPL or other financial liabilities consists of derivative financial instruments, wherein the gain/losses arising from remeasurement of these Instruments of recognized in the statements of profit and loss. Other financial liability (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

**c) Initial recognition and measurement:**

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

**d) Derecognition**

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

**III. Fair Value**

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

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

**2.9 INVENTORIES**

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

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

Packing materials are valued at cost.

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

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

## 2.10 BORROWING COSTS

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

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

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

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

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

## 2.11 EMPLOYEE BENEFITS

### a) Short term employee benefit obligations

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

### b) Other long term employee benefit obligations

#### i) Compensated absences

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

### c) Post-employment obligations

**The Company operates the following post-employment schemes:**

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

#### **Defined Benefit Plans**

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



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

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

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

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

### **Defined Contribution Plans**

The Company pays provident fund contributions to publicly administered funds as per the local regulations.

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

### **Share Based Payments**

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

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

## **2.12 ACCOUNTING FOR TAXES ON INCOME**

### **a) Income Taxes**

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

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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the

country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

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

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

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

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

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

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

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

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

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

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

## **2.13 PROVISIONS AND CONTINGENT LIABILITIES**

### **a) Provisions**

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

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

#### **b) Contingent Liability**

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

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

### **2.14 EARNING PER SHARE**

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

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

### **2.15 CASH AND CASH EQUIVALENTS**

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

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

### **2.16 DIVIDEND**

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

### **2.17 ROUNDING OFF**

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

### **2.18 EVENTS 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

### As a lessee:

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

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

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

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

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

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

## 2.23 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

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

DESCRIPTION		GROSS BLOCK (AT COST)				DEPRECIATION / AMORTIZATION				NET BLOCK
		As At April 01, 2021	Additions/ Transfers	Deductions	As At March 31, 2022	As At April 01, 2021	For The Year	On Deductions	As At March 31, 2022	As At March 31, 2022
(A)	PROPERTY, PLANT & EQUIPMENT									
	Own Assets									
	Land - Leasehold	41.33	-	-	41.33	2.98	0.52	-	3.51	37.83
	Factory Buildings	236.05	-	-	236.05	36.99	12.32	-	49.30	186.74
	Plant & Machinery	867.50	183.97	4.82	1,046.64	208.31	80.29	2.16	286.44	760.20
	Furniture & Fixture	49.47	-	-	49.47	17.88	5.23	-	23.11	26.37
	Vehicles	104.89	9.78	-	114.67	23.69	12.85	-	36.54	78.13
	Office Equipments	32.27	2.01	-	34.28	28.14	3.32	-	31.45	2.82
	Computers	13.95	3.44	-	17.40	13.18	0.61	-	13.78	3.61
	Total - Property, Plant & Equipment	1345.46	199.20	4.82	1539.84	331.16	115.13	2.16	444.13	1095.71
(B)	CAPITAL WORK IN PROGRESS									
	Factory Buildings	16.76	-	-	16.76	-	-	-	-	16.76
	Plant & Machinery	8.19	-	8.19	-	-	-	-	-	-
	Total - Capital Work In Progress	24.95	-	8.19	16.76	-	-	-	-	16.76
(C)	INTANGIBLE ASSETS									
	Software Licences	1.52	-	-	1.52	1.15	0.18	-	1.33	0.19
	Total - Intangible Assets	1.52	-	-	1.52	1.15	0.18	-	1.33	0.19
	TOTAL(A)+(B)+(C)	1371.93	199.20	13.01	1558.12	332.31	115.31	2.16	445.47	1112.65

## Notes

- 1) Lease hold land is under varying lease arrangements for period ranging from 75 - 99 years.
- 2) During the last quarter, the Company has derecognised Right of Use asset on termination of the lease contract. Accordingly, the Company has decoregonised lease liability.

II)

DESCRIPTION		GROSS BLOCK (AT COST)					DEPRECIATION / AMORTIZATION				NET BLOCK
		As At April 01, 2020	Additions/ Transfers	Deductions	As At March 31, 2021	As At April 01, 2020	For The Year	On Deductions	As At March 31, 2021	As At March 31, 2021	
(A)	PROPERTY, PLANT & EQUIPMENT										
	Own Assets										
	Land - Leasehold	523.18	40.20	522.05	41.33	2.46	0.52	-	2.98	38.35	
	Factory Buildings	236.05	-	-	236.05	24.67	12.32	-	36.99	199.06	
	Plant & Machinery	788.15	79.35	-	867.50	136.55	71.76	-	208.31	659.19	
	Furniture & Fixture	47.52	1.95	-	49.47	12.67	5.21	-	17.88	31.60	
	Vehicles	98.12	41.92	35.15	104.89	26.21	15.38	17.90	23.69	81.20	

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION				NET BLOCK
	As At April 01, 2020	Additions/ Transfers	Deductions	As At March 31, 2021	As At April 01, 2020	For The Year	On Deductions	As At March 31, 2021
Office Equipments	32.01	0.26	-	32.27	22.16	5.98	-	28.14
Computers	13.93	0.53	0.51	13.95	11.28	2.06	0.17	13.18
								0.78
<b>Total - Property, Plant &amp; Equipment</b>	<b>1738.96</b>	<b>164.21</b>	<b>557.71</b>	<b>1345.46</b>	<b>236.00</b>	<b>113.23</b>	<b>18.07</b>	<b>331.16</b>
<b>(B) CAPITAL WORK IN PROGRESS</b>								<b>1014.30</b>
Factory Buildings	37.91	-	21.15	16.76	-	-	-	-
Plant & Machinery	8.19	-	-	8.19	-	-	-	-
<b>Total - Capital Work In Progress</b>	<b>46.09</b>	-	<b>21.15</b>	<b>24.95</b>	-	-	-	-
<b>(C) INTANGIBLE ASSETS</b>								<b>24.95</b>
Software Licences	1.52	-	-	1.52	0.91	0.24	-	1.15
<b>Total - Intangible Assets</b>	<b>1.52</b>	-	-	<b>1.52</b>	<b>0.91</b>	<b>0.24</b>	-	<b>1.15</b>
<b>TOTAL(A)+(B)+(C)</b>	<b>1,786.57</b>	<b>164.21</b>	<b>578.85</b>	<b>1,371.93</b>	<b>236.91</b>	<b>113.47</b>	<b>18.07</b>	<b>332.31</b>
								<b>1,039.62</b>

### III) Capital work in progress (CWIP) Ageing Schedule

Particulars	Amount in CWIP for a period of				Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
<b>As at 31st March 2022</b>						
Projects in progress	-	-	-	16.76	16.76	
Projects temporarily suspended	-	-	-	-	-	
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.76</b>	<b>16.76</b>	
<b>Particulars</b>	<b>Amount in CWIP for a period of</b>				<b>Total</b>	
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>		
<b>As at 31st March 2021</b>						
Projects in progress	-	-	-	24.95	24.95	
Projects temporarily suspended	-	-	-	-	-	
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.95</b>	<b>24.95</b>	

**Disclosure of the completion schedule required for CWIP whose completion is overdue, is as under:**

(Rs. In lakhs)

Particulars As at 31st March 2022	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	-	16.76	-	-
Projects temporarily suspended	-	-	-	-
<b>TOTAL</b>	-	<b>16.76</b>	-	-

**3A) Leases**

The Company has entered into lease contracts for premises to use it for commercial purpose to carry out its business i.e. office building and factory building. Lease agreements does not depict any restrictions / covenants imposed by the lessor. Payments associated with leases without lease contracts are recognised as an expense in Statement of Profit and Loss.

**(A) The carrying amount of right of use (ROU) assets recognised and the movements during the year**

(Rs. In lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	199.08	97.58
Add: Additions	122.34	196.67
Less: Depreciation	73.69	92.48
Less: Reduction on Termination of contract	247.32	2.70
Balance at the end of the year	-	199.08

**(B) The carrying amount of lease liabilities (included under financial liabilities) and the movements during the year****a) Movement in lease liabilities**

(Rs. In lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	35.44	95.86
Add : Additions	54.51	36.66
Add: Accretion of interest	16.25	71.12
Less: Payments	106.21	104.20
Balance at the end of the year	-	35.44

**b) Details of contractual maturities of lease liabilities on undiscounted basis**

(Rs. In lakhs)

	As at 31 March 2022	As at 31 March 2021
Less than one year	-	77.32
One to five years	-	262.50
More than five years	-	-
<b>Total</b>	-	<b>339.82</b>

**c) Break-up of lease liabilities on discounted basis**

(Rs. In lakhs)

	As at 31 March 2022	As at 31 March 2021
Lease liabilities (current)	-	35.44
Lease liabilities (non-current)	-	163.30
	-	<b>197.74</b>

**(C) Amount recognised in statement of profit and loss**

(Rs. In lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation expense of right of use assets (Refer note 32)	73.69	92.48
Interest expense on lease liabilities (Refer note 31)	16.25	7.12
Rent expense relating to short-term lease (Refer note 33)	28.19	0.42
	<b>118.13</b>	<b>100.03</b>

**(D) Other disclosures**

- (i) The Company does not face a liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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

(Rs. In lakhs)

Particulars	As at 31 March 2022 Amount	As at 31 March 2021 Amount
<b>Unquoted Investment mandatorily measured at Fair Value through Profit and Loss</b>		
Investment in Mutual Funds	37.37	26.29
<b>TOTAL</b>	<b>37.37</b>	<b>26.29</b>
Aggregate Amount of Quoted Investment and Market Value thereof	-	-
Aggregate amount of Unquoted Investments	37.37	26.29
Aggregate amount of impairment in value of Investments	-	-

**Note : Details of investments in Mutual Fund**

(Rs. In lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Units	Amount	No. of Units	Amount
IDFC Focused Equity Fund - Growth (Regular Plan)	32,579	17.37	26,745	12.27
Kotak Equity Opportunities Fund - Growth (Regular Plan)	10,198	20.00	8,584	14.02
<b>Total</b>		<b>37.37</b>		<b>26.29</b>



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

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Security Deposits	11.70	42.92
<b>TOTAL</b>	<b>11.70</b>	<b>42.92</b>

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

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Income Tax Asset [Net of Provision]	5.59	25.54
	<b>5.59</b>	<b>25.54</b>

**NOTE 7 INVENTORIES**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Valued at Lower of Cost or Net Realisable Value		
Raw Materials	539.45	277.22
Raw Materials - Goods in Transit	208.64	203.47
Work in Progress	150.83	84.37
Finished Goods	1013.04	600.75
Others (Packing Material, etc.)	26.55	20.72
<b>TOTAL</b>	<b>1938.52</b>	<b>1186.54</b>

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

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
	Amount	Amount
Investment Mandatorily measured at Fair Value through Profit and Loss		
Investment in Mutual Funds	602.38	522.51
<b>TOTAL</b>	<b>602.38</b>	<b>522.51</b>
Aggregate Amount of Quoted Investment and Market Value thereof	-	-
Aggregate amount of Unquoted Investments	<b>602.38</b>	<b>522.51</b>
Aggregate amount of impairment in value of Investments	-	-

**Note : Details of investments in Mutual Fund**

(Rs. In lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Units	Amount	No. of Units	Amount
Axis Banking & PSU Debt Fund - Regular Growth	1,715	36.71	1,715	35.32
DSP Equity and Bond Fund - Regular Plan - Growth	12,787	29.20	10,663	21.59
Edelweiss Arbitrage Fund - Regular Plan Growth	7,43,395	116.80	6,64,061	100.41
ICICI Prudential Floating Interest Fund - Growth	15,400	51.95	15,400	49.94

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Units	Amount	No. of Units	Amount
IDFC Floating Rate Fund Regular Plan-Growth	4,99,975	52.07	4,99,975	50.16
IDFC Corporate Bond Fund Regular Plan-Growth	2,67,952	42.16	2,67,952	40.25
Kotak Floating Rate Fund Regular Plan-Growth	4,364	53.01	4,364	50.18
SBI Short Term Debt Fund - Regular Plan - Growth	1,40,336	36.55	1,40,336	35.12
Nippon India Arbitrage Fund - Growth Plan	4,81,631	104.20	3,95,258	82.33
Mirae Asset Hybrid - Equity Fund - Regular Plan Growth	2,37,146	51.70	1,97,284	37.10
L&T Hybrid - Equity Fund - Growth	76,003	28.04	62,534	20.12
<b>Total</b>		<b>602.38</b>		<b>522.51</b>

#### NOTE 9 FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Trade Receivables</b>		
Unsecured - Considered Good	1,216.78	1,271.29
Less: Allowances for expected credit losses	(8.87)	(4.53 )
<b>TRADE RECEIVABLES</b>	<b>1,207.91</b>	<b>1,266.77</b>
Trade receivables - Credit Impaired	-	-
Less: Allowances for expected credit losses	-	-
TRADE RECEIVABLES	-	-
<b>NET TRADE RECEIVABLES</b>	<b>1,207.91</b>	<b>1,266.77</b>

#### Notes -

##### i. Trade Receivables includes (also refer note 42)

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Dues from Private Companies in which any director is a director or member	111.07	136.73

##### ii. Refer Note No. 38 for information about impairment, credit risk and market risk of trade receivables.

(Rs. In lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31st March 2022</b>							
Undisputed Trade Receivables - considered good	705.13	345.20	25.55	136.12	3.83	0.95	1,216.78
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	<b>705.13</b>	<b>345.20</b>	<b>25.55</b>	<b>136.12</b>	<b>3.83</b>	<b>0.95</b>	<b>1,216.78</b>
“ Less: Allowance for doubtful trade receivables “							(8.87)
<b>TOTAL</b>							<b>1,207.91</b>
<b>As at 31st March 2021</b>							
Undisputed Trade Receivables - considered good	802.08	326.25	104.46	35.85	1.23	1.42	1,271.29
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
	<b>802.08</b>	<b>326.25</b>	<b>104.46</b>	<b>35.85</b>	<b>1.23</b>	<b>1.42</b>	<b>1,271.29</b>
“ Less: Allowance for doubtful trade receivables “							(4.53)
<b>TOTAL</b>							<b>1,266.77</b>

**NOTE 10 FINANCIAL ASSETS - OTHERS (CURRENT)**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Security Deposits	42.49	-
<b>TOTAL</b>	<b>42.49</b>	<b>-</b>

**NOTE 11 FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks in Current Accounts	8.43	126.17
Cash on Hand	3.25	1.75
<b>TOTAL</b>	<b>11.67</b>	<b>127.92</b>

**NOTE 12 FINANCIAL ASSETS - OTHER BALANCES WITH BANK**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Unpaid Dividend Account (Refer note i. Below)	11.46	7.24
Margin Money with Banks (Refer note ii. Below)	108.12	83.14
<b>TOTAL</b>	<b>119.57</b>	<b>90.38</b>

**Note:**

- Unpaid dividend account includes amount which has been kept in separate earmarked accounts and no transactions except for stated purpose are done through such accounts.
- Margin Money Deposit are lien marked against borrowings from Kotak Mahindra Bank.

**NOTE 13 OTHER CURRENT ASSETS**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Advances other than capital advances</b>		
Advance to Employees	5.46	0.94
Advance to Suppliers / Expenses *	53.57	103.10
<b>Others</b>		
Prepaid Expenses	17.06	19.33
Export Incentive Receivable	3.40	3.27
Balances with Revenue Authorities	516.17	316.40
<b>TOTAL</b>	<b>595.65</b>	<b>443.03</b>

\* Includes related party balances of Rs.0.06 lakhs (Rs. Nil) (Also Refer Note 42).

**NOTE 14 EQUITY SHARE CAPITAL**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Authorised share capital</b>		
1,50,00,000 Equity Shares (Previous year 1,50,00,000) of Rs. 10/- each	1500.00	1500.00
500,000 Redeemable Preference Shares (Previous year 500,000) of Rs. 100/- each	500.00	500.00
<b>TOTAL AUTHORIZED SHARE CAPITAL</b>	<b>2000.00</b>	<b>2000.00</b>
Issued, Subscribed & Paid Up Equity Shares		
68,49,841 (Previous year 55,48,745) Equity Shares of Rs 10/- each fully paid up	684.98	554.87
<b>TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>684.98</b>	<b>554.87</b>

**a) During the year**

- the Company had allotted 2,50,000 fully paid equity shares of face value Rs 10/- each to a promoter against 2,50,000 convertible warrants (issued in FY 2019-20) after receiving the balance amount.
- the Company had allotted 9,90,000 fully paid up equity shares of face value of Rs. 10/- each to the following persons against 9,90,000 convertible warrants (issued in FY 2020-21) after receiving the balance amount:-

(Rs. In lakhs)

Name	Category	No of Shares	Amount per share	Amount
Shailesh S. Shah	Promoter	340000	Rs. 30	102.00
Sharad S. Shah	Promoter	150000	Rs. 30	45.00
Saloni Dedhia	Promoter	235000	Rs. 30	70.50
Harini Dedhia	Non Promoter	265000	Rs. 30	79.50

- the Company had allotted 61,096 equity shares of face value of Rs.10/- each to its employees on account of exercise of Employee stock options.

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

(Rs. In lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	55,48,745	554.87	48,36,400	483.64
Add: Fresh Issue of Equity Share made during the year	13,01,096	130.11	7,12,345	71.23
Less: Shares bought back during the year	-	-	-	-
Shares at the end	68,49,841	684.98	55,48,745	554.87

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

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

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

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	%	No. of Shares	%
Shailesh Shah	24,20,623	35.34%	18,30,623	32.99%
Sharad Shah	10,12,043	14.77%	8,62,043	15.54%
Skay Finvest Pvt Ltd *	1,63,500	2.39%	1,63,500	2.95%
<b>TOTAL</b>	<b>35,96,166</b>	<b>52.50%</b>	<b>28,56,166</b>	<b>51.47%</b>

\* Beneficial ownership is of Shailesh Shah

**e. Disclosure of Shareholding of Promoters is as follows:-**

Promoter Name	As at 31st March 2022			
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares
Shailesh S. Shah	18,30,623	5,90,000	24,20,623	35.34%
Sharad S. Shah	8,62,043	1,50,000	10,12,043	14.77%
Saloni Dedhia	4,400	2,35,000	2,39,400	3.49%
Sangita Shailesh Shah	4,350	-	4,350	0.06%
Skay Finvest Private Limited	1,63,500	-	1,63,500	2.39%
	<b>28,64,916</b>	<b>9,75,000</b>	<b>38,39,916</b>	<b>56.05%</b>

Promoter Name	As at 31st March 2021			
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares
Shailesh S. Shah	15,90,623	2,40,000	18,30,623	32.99%
Sharad S. Shah	8,62,043	-	8,62,043	15.54%
Saloni Dedhia	4,400	-	4,400	0.08%

Promoter Name	As at 31st March 2021			
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares
Sangita Shailesh Shah	4,350	-	4,350	0.08%
Skay Finvest	1,63,500	-	1,63,500	2.95%
-	<b>26,24,916</b>	<b>2,40,000</b>	<b>28,64,916</b>	<b>51.64%</b>

#### A. Equity Share Capital

(Rs. In lakhs)

Particulars	As at March 31, 2022		As at 31st March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance as the beginning of the reporting period	55,48,745	554.87	48,36,400	483.64
Add: Changes in Equity Capital during the year	13,01,096	130.11	7,12,345	71.23
<b>Balance at the end of the reporting period</b>	<b>68,49,841</b>	<b>684.98</b>	<b>55,48,745</b>	<b>554.87</b>

#### NOTE 15 OTHER EQUITY

(Rs. In lakhs)

Particulars	Securities Premium	General Reserve	Retained Earnings	Share Warrants	Share options outstanding account	Total
Opening balance as at 1st April 2021	261.63	80.80	1,477.80	168.28	24.68	2,013.19
Transactions during the year						
Total comprehensive income for the year						
Profit for the year	-	-	487.20	-		487.20
Remeasurement gains / (loss) on defined benefit plans	-	-	4.81	-	-	4.81
Transactions with owners in their capacity as owners						
Issue of equity shares under Preferential allotment	246.13	-	-	(92.53)	-	153.59
Issue of equity shares on exercise of Employee Stock Options	8.19	-	-	-	(8.19)	-
Employee stock option plan expenses	-	-	0.94	-	1.18	2.12
Dividend paid for the year 2020-21	-	-	(57.99)	-	-	(57.99)
<b>Closing balance as at 31st March 2022</b>	<b>515.95</b>	<b>80.80</b>	<b>1,912.77</b>	<b>75.75</b>	<b>17.66</b>	<b>2,602.93</b>

Particulars	Securities Premium	General Reserve	Retained Earnings	Share Warrants	Share options outstanding account	Total
Opening balance as at 1st April 2020	126.18	80.80	1,414.18	35.83	23.01	1,680.00
Transactions during the year						
Total comprehensive income for the year						
Profit for the period	-	-	79.91	-		79.91

Particulars	Securities Premium	General Reserve	Retained Earnings	Share Warrants	Share options outstanding account	Total
Remeasurement gains / (loss) on defined benefit plans	-	-	8.05	-	-	8.05
Transactions with owners in their capacity as owners						
Issue of equity shares under Preferential allotment	126.20			132.45		258.65
Issue of equity shares on exercise of Employee Stock Options	9.25				(9.25)	-
Employee stock option plan expenses					10.92	10.92
Dividend paid for the year 2019-20			(24.34)		-	(24.34)
<b>Closing balance as at 31st March 2021</b>	<b>261.63</b>	<b>80.80</b>	<b>1,477.80</b>	<b>168.28</b>	<b>24.68</b>	<b>2,013.19</b>

This is the Statement of Changes in Equity referred to in our audit report of even date.

### Nature and Purpose of the Reserves

#### Securities Premium

Securities premium addition is on account of premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

During the year, the Company has issued 13,01,096 (Previous year 7,12,345) (equity shares in total on account of conversion of share warrants and exercise of employee stock option as mentioned in Note 41. The securities premium collected on account of the said issue amounts to Rs 254.32 Lakhs (Rs. 135.45 Lakhs).

#### General Reserve

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

#### Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under stock option schemes. Refer note 41.

### NOTE 15A Dividends Paid / Proposed during the year

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Corporate Dividend Paid During the year</b>		
Dividend Paid	57.99	24.34
Dividend Per Fully Paid Up Share	1.00	0.50
<b>Corporate Dividend Proposed for the year</b>		
Dividend Proposed	68.50	55.49
Dividend Proposed Per Fully Paid Up Share	Rs. 1.00	Rs. 1.00

**NOTE 16 FINANCIAL LIABILITIES (LONG TERM BORROWINGS)**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>SECURED :</b>		
Term Loans - Banks	88.33	168.54
Term Loans - Non-Banking Financial Companies	8.06	14.22
<b>TOTAL</b>	<b>96.39</b>	<b>182.76</b>

**Notes :-****A Term Loans :**

- i. Term loan from HDFC Bank Ltd. aggregating to Rs. 11.88 Lakhs (Previous year Rs. 14.54 Lakhs) carries interest rate @ 8.35 % p.a. repayable in 60 equated monthly installments of Rs. 0.31 Lakhs each.
- ii. Term loan from HDFC Bank Ltd. aggregating to Rs. 11.65 Lakhs (Previous year Rs. 14.33 Lakhs) carries interest rate @ 8.35 % p.a. repayable in 60 equated monthly installments of Rs. 0.31 Laks each.
- iii. Emergency Credit Line Guarantee Scheme (ECLGS) loan from Kotak Mahindra Bank Ltd. aggregating to Rs. 125.47 Lakhs (Previous year Rs. 180.00 Lakhs) carries interest rate @ 8% p.a. The said loan is secured by way of first and exclusive hypothecation charge on all existing and future current assets of the Company, first and exclusive charge on moveable fixed assets of the Company and first and exclusive Equitable/ Registered mortgage charge on immoveable properties mentioned below belonging to the Company.

**Full property address**

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

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

- iv. Term loan from Kotak Mahindra Prime Ltd. aggregating to Rs 4.74 Lakhs (Previous year Rs. 6.70 Lakhs) carries interest rate @ 9.5 % p.a. repayable in 60 equated monthly installments of Rs. 0.21 Lakhs each.
- v. Term loan from Kotak Mahindra Prime Ltd. aggregating to Rs. 4.74 Lakhs (Previous year Rs. 6.70 Lakhs) carries interest rate @ 9.5 % p.a. repayable in 60 equated monthly installments of Rs. 0.21 Lakhs each.
- vi. Term loan from Kotak Mahindra Prime Ltd. aggregating to Rs 4.74 Lakhs (Previous year Rs. 6.70 Lakhs) carries interest rate @ 9.5 % p.a. repayable in 60 equated monthly installments of Rs. 0.21 Lakhs each.

**NOTE 17 FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Deposit from Customers	1.75	1.25
<b>TOTAL</b>	<b>1.75</b>	<b>1.25</b>



**NOTE 18 PROVISIONS (NON-CURRENT)**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Employee Benefits		
Gratuity (Refer Note 40)	14.81	14.43
Compensated Expenses	1.66	1.33
<b>TOTAL</b>	<b>16.48</b>	<b>15.76</b>

**NOTE 19 INCOME TAX****A. COMPONENTS OF INCOME TAX EXPENSE**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>I. Tax expense recognised in Statement of Profit &amp; Loss</b>		
<b>Current Tax</b>		
Current year	163.59	60.54
Adjustments/ (Credit) related to previous years - (net)	2.50	(2.09)
<b>Sub-Total</b>	<b>166.09</b>	<b>58.45</b>
<b>Deferred tax charge/ (credit)</b>		
Origination and reversal of temporary difference	3.56	1.94
<b>Sub-Total</b>	<b>3.56</b>	<b>1.94</b>
<b>Total</b>	<b>169.65</b>	<b>60.39</b>
<b>II. Tax on other comprehensive income</b>		
<b>Items that will not be reclassified to Profit and Loss</b>		
Remeasurement of the Defined Benefit Plans	1.21	2.03
<b>Total</b>	<b>1.21</b>	<b>2.03</b>

**B. RECONCILIATION OF EFFECTIVE TAX RATES**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Profit Before Tax	656.85	140.30
Applicable Tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	165.32	35.31
Effect of expenses that are not deductible in determining taxable profit	7.28	2.07
Effect of Income that is exempt from tax	(3.50)	(0.82)
Effect of Expenses that are allowed at lower rate	-	1.58
Effect for allowances for Income Tax purpose	(6.99)	(1.84)
Other Difference	5.05	26.17
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>167.15</b>	<b>62.48</b>

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

(Rs. In lakhs)

Particular	Net deferred tax assets / (liabilities) as on 1st April, 2021	Recognised in Profit and Loss Account	Recognised in other comprehensive income	Net deferred tax assets / (liabilities) as on 31st March, 2022
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(97.63)	1.80	-	(95.83)
Employee benefits	8.30	0.30	-	8.60
Deferred income / expenses	9.77	1.67	-	11.45
Provision for doubtful debts	1.14	1.09	-	2.23
Other items	(5.82)	(8.43)	-	(14.24)
Deferred tax assets/ (liabilities)	(84.23)	(3.56)	-	(87.79)

**D. DEFERRED TAX ASSETS**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Deferred Tax Liabilities</b>		
Accelerated depreciation for tax purposes	95.83	97.63
Mutual Funds	14.24	5.48
ROU Assets and ROU Liability	-	0.34
	<b>110.07</b>	<b>103.45</b>
<b>Deferred Tax Assets</b>		
Provision for Gratuity	7.99	7.75
Provision for Leave encashment	0.61	0.55
Expenditure covered by sec. 43B of Income Tax Act, 1961	11.45	9.77
Provision for loss allowances for doubtful debts	2.23	1.14
	<b>22.28</b>	<b>19.21</b>
<b>NET DEFERRED TAX LIABILITIES</b>	<b>87.79</b>	<b>84.23</b>

**NOTE 20 FINANCIAL LIABILITIES - SHORT TERM BORROWINGS**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>SECURED:</b>		
Loans repayable on demand (Refer Note 20.1, 20.2 & 20.3 below)	1223.85	922.99
Current Maturities of Long Term Debt - Bank	68.08	40.34
Current Maturities of Long Term Debt - Non Banking Financial Company	6.17	5.88
<b>TOTAL</b>	<b>1298.10</b>	<b>969.21</b>

**Note 20.1:** The Bank overdraft facility from Kotak Mahindra Bank is secured by way of first and exclusive hypothecation charge on all existing and future current assets of the Company, first and exclusive charge on the moveable fixed assets of the Company and first and exclusive Equitable/ Registered mortgage charge on immoveable properties mentioned below belonging to the Company.

**Property address**

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

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

**Note 20.2:** The Letter of credit / Buyer's credit facility is secured by Margin Money deposit.

**Note 20.3:** The Bank overdraft facility from HDFC Bank is secured by way of first and exclusive hypothecation charge on the Mutual Funds of the Company.

**NOTE 21 FINANCIAL LIABILITIES - TRADE PAYABLES**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Due to Micro, Small and Medium Enterprises	2.60	6.70
Due to Others	739.36	658.85
<b>TOTAL</b>	<b>741.96</b>	<b>665.55</b>

**Ageing for trade payables outstanding as at March 31, 2022 is as follows:**

(Rs. In lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
Total outstanding dues of micro enterprises and small enterprises	2.60	-	-	-	2.60
Total outstanding dues of creditors other than micro enterprises and small enterprises	657.89	0.04	81.43	-	739.36
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	<b>660.48</b>	<b>0.04</b>	<b>81.43</b>	<b>-</b>	<b>741.96</b>

**Ageing for trade payables outstanding as at March 31, 2021 is as follows:**

(Rs. In lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
Total outstanding dues of micro enterprises and small enterprises	6.70	-	-	-	6.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	569.11	89.75	-	-	658.85

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	<b>575.81</b>	<b>89.75</b>	-	-	<b>665.55</b>

The identification of Micro, Small and Medium Enterprises is based on the Management's knowledge of their status. Disclosure is based on the information available with the Company regarding the status of the suppliers as defined under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

The disclosure pursuant to the MSMED Act for dues to micro enterprises and small enterprises as at March 31, 2022 and March 31, 2021 is as under:

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
- Dues remaining unpaid to any supplier Principal	2.60	6.70
- Interest on the above	-	-
- Amount of interest paid in terms of section 16 of the MSMED Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
- Amount of interest accrued and remaining unpaid	-	-
- Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-
<b>TOTAL</b>	<b>2.60</b>	<b>6.70</b>

## NOTE 22 FINANCIAL LIABILITIES - OTHERS (CURRENT)

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Unclaimed Dividend*	11.46	7.24
<b>TOTAL</b>	<b>11.46</b>	<b>7.24</b>

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

## NOTE 23 OTHER CURRENT LIABILITIES

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance received from Customers	30.66	124.53
Statutory Dues	44.87	37.71
Other Payables *	32.58	31.93
<b>TOTAL</b>	<b>108.11</b>	<b>194.16</b>

\* Includes related party balances of Rs 4.24 Lakhs

**NOTE 24 PROVISIONS (CURRENT)**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Provision for Employee Benefits</b>		
Gratuity	16.95	16.37
Compensated absences	0.75	0.85
<b>Others Provision</b>		
Provision for Tax (Net of Taxes Paid)	2.43	-
Provision for expenses	15.44	67.39
<b>TOTAL</b>	<b>35.57</b>	<b>84.62</b>

**NOTE 25 REVENUE FROM OPERATIONS**

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue from Contract with Customers</b>		
Sale of Products	6969.77	5218.98
Sale of Services	9.93	47.27
<b>Other Operating Revenue:</b>		
Scrap Sales	22.00	12.35
Export Incentives	22.84	12.94
Foreign Exchange Gain (Net)	20.63	48.84
<b>TOTAL</b>	<b>7045.17</b>	<b>5340.38</b>

Notes:

- i. There are no adjustments to the contracted price with the customers. Accordingly, revenue from contracts with customers as recognised above is the same as contracted price.

**NOTE 25A REVENUE FROM CONTRACTS WITH CUSTOMERS**

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers disaggregated based on geography		
Domestic Market	6111.52	4650.39
Exports	858.26	568.59
<b>TOTAL</b>	<b>6969.77</b>	<b>5218.98</b>

**NOTE 25B REVENUE FROM CONTRACTS WITH CUSTOMERS**

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Trade receivables	1207.91	1266.77
Unbilled receivables	-	-
Contract assets	-	-
Contract liabilities	-	-

**NOTE 26 OTHER INCOME**

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on financial asset carried at cost	1.57	2.94
Interest on deposits with bank	3.16	2.48
Interest on Advance given to related parties (refer Note 42)	-	1.49
Interest on income tax refund	1.87	0.13
Net Fair Value Gain on Mutual Fund Investments	36.96	33.72
Liabilities no longer payable written back	6.11	1.53
Miscellaneous income	3.28	0.39
Gain on lease modification	12.35	-
<b>TOTAL</b>	<b>65.29</b>	<b>42.69</b>

**NOTE 27 COST OF MATERIALS CONSUMED**

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year	501.41	602.26
Add: Purchases during the year	4932.24	2901.63
	5433.66	3503.89
Less: Inventories at the end of the year	774.65	501.41
Cost of Materials Consumed	4659.01	3002.48
<b>TOTAL</b>	<b>4659.01</b>	<b>3002.48</b>

**NOTE 28 PURCHASE OF STOCK IN TRADE**

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of Stock in Trade	406.12	395.41
<b>TOTAL</b>	<b>406.12</b>	<b>395.41</b>

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

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Opening Stocks :</b>		
Finished Goods	513.42	558.69
Work in Progress	84.37	122.57
Stock In Trade	87.34	266.27
<b>Less : Closing Stocks :</b>		
Finished Goods	920.68	513.42
Work in Progress	150.83	84.37
Stock In Trade	92.36	87.34
<b>NET CHANGES IN INVENTORIES</b>	<b>(478.75)</b>	<b>262.41</b>

**NOTE 30 EMPLOYEE BENEFIT EXPENSES**

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages and Bonus	340.19	289.03
Directors Remuneration	118.49	92.64
Contribution to Provident and Other Funds	4.68	2.39
Gratuity (Also Refer Note 40)	8.71	7.81
Share Based Payment expense ( Refer Note No 15B)	2.12	10.92
Staff Welfare Expenses	15.75	21.56
<b>TOTAL</b>	<b>489.95</b>	<b>424.35</b>

**NOTE 31 FINANCE COST**

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Interest Expense</b>		
On Borrowings	75.52	74.98
Others (Including interest on delay / deferred payment)	2.69	6.12
Other Borrowing Costs	48.09	34.10
<b>TOTAL</b>	<b>126.29</b>	<b>115.20</b>

**NOTE 32 DEPRECIATION AND AMORTISATION EXPENSES**

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property plant and equipment (Refer Note 3)	115.13	113.23
Amortisation of intangible assets (Refer Note 3)	0.18	0.24
Depreciation on Right of use of Assets (Refer Note 3A)	73.69	92.48
<b>TOTAL</b>	<b>189.01</b>	<b>205.95</b>

**NOTE 33 OTHER EXPENSES**

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power, Fuel and Utilities	204.92	107.49
Labour Charges	356.51	235.37
Lease Rent	28.19	0.42
Repairs & Maintenance on :		
Building	36.41	7.78
Plant and Machinery	14.20	12.61
Other Repairs	29.78	11.82
Advertisement, Publicity & Sales Promotion	11.78	5.28
Insurance	13.51	13.89
Rates and Taxes	13.65	41.00
Legal and Professional Fees	74.83	82.47

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Commission	23.43	14.94
Freight Forwarding Charges	96.64	60.99
Travelling and Conveyance	59.52	37.02
Payment to Auditors		
Audit Fees	6.00	6.00
Tax Matters	0.60	-
Other Services	0.14	0.14
Donations	25.01	11.81
Bad Debt Written off	5.04	34.10
Impairment Allowance for doubtful debts	4.35	3.41
Net Loss on sale of Fixed Assets	0.54	3.97
Postage, Telephone & Courier	16.91	16.17
Printing & Stationery	9.16	8.91
Miscellaneous expenses	30.84	29.33
<b>TOTAL</b>	<b>1061.98</b>	<b>744.91</b>

#### NOTE 34 CONTINGENT LIABILITIES AND COMMITMENTS

##### 1 Disputed Liabilities

(Rs. In lakhs)

Statute	Financial Year to which matter pertains	Forum where matter is pending	As at 31 March 2022	As at 31 March, 2021
Property Tax	Various years	Navi Mumbai Municipal Corporation	56.01	305.36
<b>TOTAL</b>			<b>56.01</b>	<b>305.36</b>

Notes :-

- (i) It is not practical for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) The Company's pending litigation comprise of proceedings pending related to Property tax. The Management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Management does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.
- (iv) The Honourable Supreme Court, had passed a judgement on 28 February 2019 in relation to inclusion of certain allowances within the scope of 'Basic wages' for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.



**NOTE 35 EXCEPTIONAL ITEMS**

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loss on sale of Assets	-	92.05
<b>TOTAL</b>	<b>-</b>	<b>92.05</b>

During the previous financial year, the Company had sold land admeasuring 20,000 square metres situated at Sayka Industrial Estate on which it had incurred a net loss of Rs. 92.05 lakhs.

**NOTE 36 EARNINGS PER SHARE**

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit after tax available for equity shareholders as per Statement of Profit & Loss	492.01	79.91
Weighted Average No. of Equity Shares of Face Value Rs. 10 each -Basic	63.93	49.68
Weighted Average No. of Equity Shares of Face Value Rs. 10 each -Diluted	78.37	51.19
Earnings Per Share - Basic	7.70	1.61
Earnings Per Share - Diluted	6.28	1.56

**NOTE 37 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.

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total interest bearing financial liabilities	1394.48	1151.97
Less : Cash and Cash Equivalents	11.67	127.92
<b>Adjusted Net Debt</b>	<b>1382.81</b>	<b>1024.05</b>
Total Equity	3287.92	2568.07
<b>Adjusted Equity</b>	<b>3287.92</b>	<b>2568.07</b>
Adjusted Net Debt to adjusted Equity Ratio	0.42	0.40

**NOTE 38 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**

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Fixed-rate instruments</b>		
Financial Liabilities - Borrowings	170.63	228.98
	<b>170.63</b>	<b>228.98</b>
<b>Total</b>	<b>170.63</b>	<b>228.98</b>

**Sensitivity analysis to interest rate risk**

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

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

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

**Exposure to Currency risk**

The Company is mainly exposed to the price risk due to its investment in equity based mutual funds. At 31st March 2022, the investments in mutual fund (at market value) amounts to Rs. 37.37 Lakhs (31st March, 2021 : Rs. 26.29 Lakhs). These are exposed to price risk.

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

**Sensitivity analysis to price risk**

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

Financial Instrument	Increase / (Decrease) in Profit			
	As at March 31, 2022		As at March 31, 2021	
	10% increase	10% decrease	10% increase	10% decrease
Investment in Mutual Funds	3.74	(3.74)	2.63	(2.63)
<b>Total</b>	<b>3.74</b>	<b>(3.74)</b>	<b>2.63</b>	<b>(2.63)</b>

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

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

**Exposure to Currency risk**

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

Particulars	Foreign Currency	in foreign currency	
		As at 31 March 2022	As at 31 March 2021
<b>Financial Assets</b>			
Trade receivables	USD	83,761	59,568
	EURO	-	1,697
<b>Financial Liabilities</b>			
Trade payables	USD	6,36,620	3,91,420
	EURO	-	-

**Sensitivity analysis to currency risk**

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

Foreign Currency	in Indian Rupees			
	Increase / (Decrease) in Profit			
	As at March 31, 2022		As at March 31, 2021	
	5% increase	5% Decrease	5% increase	5% Decrease
USD	(20.23)	20.23	(12.14)	12.14
EURO	-	-	0.07	(0.07)
<b>Total</b>	<b>(20.23)</b>	<b>20.23</b>	<b>(12.07)</b>	<b>12.07</b>

**(b) Credit Risk**

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

**Trade Receivables**

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

Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and

monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

#### **Expected credit loss for trade receivable:**

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

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

(Rs. In lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance of expected loss provision	4.53	1.11
Add : Provisions made / (reversed)	9.39	37.51
Less : Utilisation for impairment / de-recognition	5.04	34.10
<b>Closing balance</b>	<b>8.87</b>	<b>4.53</b>

#### **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, 2022 and 31st March 2021 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, 2022		As at March 31, 2021	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	78.10	97.20	50.11	186.85
Working Capital Loans from Banks	1220.00	-	919.10	-
Trade Payables	741.96	-	665.55	-
Lease liabilities	-	-	77.32	262.50
Other Financial Liabilities	11.46	1.75	7.24	1.25
<b>TOTAL</b>	<b>2051.51</b>	<b>98.95</b>	<b>1719.32</b>	<b>450.61</b>

#### NOTE 39 FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

##### (a) Financial Assets and Liabilities

i) The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

Particulars	Amortised Cost	Measured at fair value through profit and loss	Measured at fair value through OCI	Total carrying value	Total Fair value
<b>Assets :</b>					
Investments (Other than in Subsidiary)	-	639.76	-	639.76	639.76
Trade Receivables	1207.91	-	-	1207.91	1207.91
Cash & Cash Equivalents	11.67	-	-	11.67	11.67
Other Bank Balances	119.57	-	-	119.57	119.57
Other Financial Assets	11.70	-	-	11.70	11.70
<b>Liabilities :</b>					
Borrowings	1394.48	-	-	1394.48	1394.48
Trade Payable	741.96	-	-	741.96	741.96
Other Financial Liabilities	13.21	-	-	13.21	13.21

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

Particulars	Amortised Cost	Measured at fair value through profit and loss	Measured at fair value through OCI	Total carrying value	Total Fair value
<b>Assets :</b>					
Investments (Other than in Subsidiary)	-	548.80	-	548.80	548.80
Trade Receivables	1266.77	-	-	1266.77	1266.77
Cash & Cash Equivalents	127.92	-	-	127.92	127.92
Other Bank Balances	90.38	-	-	90.38	90.38
Other Financial Assets	42.92	-	-	42.92	42.92
<b>Liabilities :</b>					
Borrowings	1151.97	-	-	1151.97	1151.97

Particulars	Amortised Cost	Measured at fair value through profit and loss	Measured at fair value through OCI	Total carrying value	Total Fair value
Trade Payable	665.55	-	-	665.55	665.55
Other Financial Liabilities	8.49	-	-	8.49	8.49

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:

(Rs. In lakhs)		
Particulars	As at 31 March 2022	As at 31 March 2021
Financial Assets		
Level 1		
Investment in Mutual Fund Units	639.76	548.80
<b>Total</b>	<b>639.76</b>	<b>548.80</b>

## Measurement of Fair Values:

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

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

**NOTE 40 EMPLOYEE BENEFITS****Retirement Benefits**

The Company provides for gratuity benefit under a defined retirement scheme (the “Gratuity Scheme”) as laid out by the Payment of Gratuity Act, 1972 of India covering eligible employees. The Gratuity Scheme provides for a lump sum payment to employees who have completed at least five years of service with the Company, based on salary and tenure of employment. Liabilities with regard to the Gratuity Scheme are determined by actuarial valuation carried out using the Projected Unit Cost Method by an independent actuary. The Gratuity Scheme is a non-funded scheme and the Company intends to discharge this liability through its internal resource

**(A) Details of defined benefit obligation and plan assets****(a) Retiring Gratuity****I Components of Employer Expenses**

(Rs. In lakhs)

Particulars	31st March 2022	31st March 2021
Current Service Cost	6.05	6.41
Interest Cost	1.51	1.40
Actuarial (Gain)/Loss	(4.81)	(5.10)
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>2.75</b>	<b>2.71</b>

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

(Rs. In lakhs)

Particulars	31st March 2022	31st March 2021
Present value of Funded Obligation	31.76	30.80
Fair Value of Plan Assets	-	-
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b>31.76</b>	<b>30.80</b>

**III Change in Defined Benefit Obligations (DBO)**

(Rs. In lakhs)

Particulars	31st March 2022	31st March 2021
Opening Balance of Present Value of Obligation	30.80	28.63
Current Service Cost	6.05	6.41
Interest Cost	1.51	1.40
Actuarial (Gain)/Loss	(4.81)	(5.10)
Benefit Paid	(1.79)	(0.54)
<b>Closing Balance of Present Value of Obligation</b>	<b>31.76</b>	<b>30.80</b>

**IV Changes in the Fair Value of Plan Assets**

(Rs. In lakhs)

Particulars	31st March 2022	31st March 2021
Opening Balance of Fair Value of Plan assets of Obligation	-	-
Expected Return on Plan Assets	-	-
Interest Income	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	-	-

Particulars	31st March 2022	31st March 2021
Benefit Paid	(1.79)	(0.54)
Fair Value of Plan Assets as at 31st March	(1.79)	(0.54)

#### V Actuarial Assumption

(Rs. In lakhs)

Particulars	31st March 2022	31st March 2021
Discount Rate (Per Annum)	7.28%	6.68%
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

(Rs. In lakhs)

Particulars	31st March 2022	31st March 2021
Government of India Securities	0%	0%
High Quality Corporate Bonds	0%	0%
Equity Shares of listed companies	0%	0%
Gratuity Fund (LIC)	100%	100%
Insurance Company	0%	0%

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

(Rs. In lakhs)

Particulars	31st March 2022	31st March 2021
Net Opening Liability	30.80	28.63
P & L Charges / (Income)	0.96	2.17
Closing Net Liability	31.76	30.80

#### VIII Gratuity - Sensitivity Analysis

(Rs. In lakhs)

Particulars	31st March 2022		31st March 2021	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	33.04	30.63	32.24	29.54
Discount Rate (1% movement)	30.64	33.05	29.54	32.25

Defined Contribution Plans

**(B) Amount recognised as expenses on account of “Contribution / Provision to and for Provident and other Funds” of Statement of Profit and Loss - Rs. 4.68 Lakhs (Previous year Rs. 2.39 Lakhs)**

#### NOTE 41 Share Options Outstanding Account

The Members of the Company had approved the Stock Option Scheme titled “ESOP 2018” on 07th September, 2018 & ratified it 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.



During the FY 2020-21, the Board had granted additional Stock Options to the eligible employees under the same scheme at their meeting held on 08th March, 2021 which the said eligible employees have accepted vide acceptance letter dated 06th April, 2021.

**(i) Nature and characteristics of ESOP plans existed during period**

	<b>ESOP Plan 2018</b>	<b>ESOP Plan 2018</b>
Scheme approval date	07th Sept, 2018 & 14th Sept, 2019	07th Sept, 2018 & 14th Sept, 2019
Grant date	14th Feb 2019	8th March, 2021
Vesting requirements	3 years employment	1 year employment
Maximum term of options granted	3 years	3 years
<b>Method of settlement</b>	<b>Conversion of Options into Shares upon Exercise by the employees</b>	<b>Conversion of Options into Shares upon Exercise by the employees</b>
Exercise price (in Rs.)	10	10
Share price on grant date (in Rs.)	30.90	42.18
Fair value of options on grant date (in Rs.)	23.01	31.6

**(ii) Movement in shares options during the year**

The following reconciles the shares options outstanding at the beginning and the end of the year:

	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
<b>ESOP Plan 2018</b>	<b>Numbers of options</b>	<b>Numbers of options</b>
Balance at beginning of year	97,775	1,70,120
Granted during the year	5,800	-
Forfeited during the year	-	-
Exercised during the year	61,096	72,345
Expired during the year	4,214	-
Balance at the end of the year	38,265	97,775
Exercisable at the end of the year	38,265	29,727

**(iii) The vesting pattern of the ESOP has been provided as below:**

	<b>Number of options</b>
Year of vesting	ESOP Plan 2018
F.Y. 2019-20	51,725
F.Y. 2020-21	51,725
F.Y. 2021-22	73,512

#### (iv) Fair value of options granted

The fair value at grant date is determined using the Black-Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for fair valuing the options granted and the fair valuation thereof is as follows:

	ESOP 2018	ESOP 2018
<b>Grant date</b>		
Number of options	1,72,462	5,800
Exercise price (in Rs.)		
Expected Volatility (p.a.)*	0.0078%	0.0044%
Expected time to exercise shares	3 Years	3 Years
Risk free Interest rate (p.a.)	7.00%	5.89%
Dividend yield	1.82%	2.78%
"Share price on grant date (in Rs.)"	30.00	42.18
Fair value of ESOP on grant date (in Rs.)	10.00	10.00
Weighted average remaining contractual life of options outstanding at end of year	4.88 years	-

\*Expected volatility for fair valuation is considered as volatility of the comparable companies.

#### (v) Share based payment expenses / Share options outstanding account arising from employee share-based payment plans

	(Rs. In lakhs)	
Particulars	2021-22	2020-21
Share based payment expenses	2.12	10.92
Share options outstanding account	17.66	24.68
<b>Including for KMPs</b>		
Share based payment expenses	2021-22	2020-21
Maikal Rorani	1.23	1.71
Vaibhav Desai	0.56	0.53

#### NOTE 42 List of related parties

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

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

##### B Key Managerial Personnel / persons exercising significant influence & their relatives

###### i. Executive Directors :

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

**ii. Independent Directors :**

Mr. Amarendra Mohapatra  
Mrs. Sanghamitra Sarangi  
Mr. Lokanath Mishra

**iii. Company Secretary:**

Mr. Swapnil Soni

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

Mrs. Saloni Dedhia

Particulars	Key Managerial Personnel / persons exercising significant influence & their relatives		Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
<b>PURCHASES</b>						
S. K. Ultratech Machines Private Limited	-	-	0.05	7.68	0.05	7.68
<b>Total</b>	-	-	0.05	7.68	0.05	7.68
<b>OTHER INCOME</b>						
Cricketnco Apparels Private Limited	-	-	-	30.81	-	30.81
<b>Total</b>	-	-	-	30.81	-	30.81
<b>INTEREST RECEIVED</b>						
Cricketnco Apparels Private Limited	-	-	-	1.49	-	1.49
<b>Total</b>	-	-	-	1.49	-	1.49
<b>SERVICE CHARGES PAID</b>						
S. K. Ultratech Machines Private Limited	-	-	0.08	0.16	0.08	0.16
<b>Total</b>	-	-	0.08	0.16	0.08	0.16
<b>REMUNERATION*</b>						
Shailesh Shah	60.00	48.75	-	-	60.00	48.75
Sharad Shah	24.00	20.00	-	-	24.00	20.00
Vaibhav Desai	17.69	10.39	-	-	17.69	10.39
Maikal Raorani	18.00	12.00	-	-	18.00	12.00
					-	
<b>REMUNERATION TO COMPANY SECRETARY*</b>						
Gauri Rane	-	2.25	-	-	-	2.25
Swapnil Soni	6.37	1.98	-	-	6.37	1.98
<b>Total</b>	126.06	95.37	-	-	126.06	95.37

Particulars	Key Managerial Personnel / persons exercising significant influence & their relatives		Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Total	Total
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
<b>NUMBER OF OPTIONS GRANTED (ESOP)</b>						
Vaibhav Desai (Nos)	6,802	5,101	-	-	6,802	5,101
Maikal Raorani (Nos)	15,000	11,250	-	-	15,000	11,250
<b>Total</b>	<b>21,802</b>	<b>16,351</b>	<b>-</b>	<b>-</b>	<b>21,802</b>	<b>16,351</b>
<b>SITTING FEES</b>						
Amarendra Mohapatra	0.60	0.50	-	-	0.60	0.50
Sanghamitra Sarangi	0.60	0.50	-	-	0.60	0.50
Lokanath Mishara	0.60	0.50	-	-	0.60	0.50
<b>Total</b>	<b>1.80</b>	<b>1.50</b>	<b>-</b>	<b>-</b>	<b>1.80</b>	<b>1.50</b>
<b>SALARY</b>						
Saloni Shah	12.54	10.96	-	-	12.54	10.96
<b>Total</b>	<b>12.54</b>	<b>10.96</b>	<b>-</b>	<b>-</b>	<b>12.54</b>	<b>10.96</b>
<b>LOAN RECEIVED</b>						
Shailesh Shah	-	0.09	-	-	-	0.09
<b>Total</b>	<b>-</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.09</b>
<b>ADVANCE PAID</b>						
S. K. Ultratech Machines Private Limited	-	-	-	3.00	-	3.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.00</b>	<b>-</b>	<b>3.00</b>

Particulars	Key Managerial Personnel / persons exercising significant influence & their relatives		Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Total	Total
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
<b>OUTSTANDING BALANCES PAYABLES/ (RECEIVABLES)</b>						
S. K. Ultratech Machines Private Limited	-	-	0.06	(0.02)	0.06	(0.02)
Cricketnco Apparels Private Limited	-	-	(111.07)	(136.71)	(111.07)	(136.71)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(111.01)</b>	<b>(136.73)</b>	<b>(111.01)</b>	<b>(136.73)</b>
<b>REMUNERATION PAYABLE</b>						
Shailesh Shah	1.70	1.80	-	-	1.70	1.80
Sharad Shah	0.90	1.55	-	-	0.90	1.55
Vaibhav Desai	0.42	0.42	-	-	0.42	0.42
Maikal Raorani	0.01	1.02	-	-	0.01	1.02
Swapnil Soni	0.55	0.45	-	-	0.55	0.45

Particulars	Key Managerial Personnel / persons exercising significant influence & their relatives		Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Total	Total
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
<b>Total</b>	<b>3.57</b>	<b>5.24</b>	-	-	<b>3.57</b>	<b>5.24</b>
<b>SITTING FEES PAYABLE</b>						
Sanghamitra Sarangi	-	-	-	-	-	-
Amarendra Mohapatra	-	-	-	-	-	-
Lokanath Mishara	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SALARY PAYABLE</b>						
Saloni Dedhia	0.67	0.36	-	-	0.67	0.36
<b>Total</b>	<b>0.67</b>	<b>0.36</b>	<b>-</b>	<b>-</b>	<b>0.67</b>	<b>0.36</b>

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

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

Mr. Shailesh S. Shah, Managing Director and Mr. Sharad S. Shah, Whole Time Director have provided the personal guarantee for the working capital borrowings by the Company from M/s. Kotak Mahindra Bank

#### 43 SEGMENT REPORTING :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating results of the whole Company as one segment i.e. "manufacture and trading of narrow fabrics.

Thus, as defined in Ind AS 108 'Operating Segments', the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the balance sheet and the statement of profit and loss."

#### 44 ADDITIONAL REGULATORY INFORMATION :

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21
Current ratio (In times)	Total Current Assets	Total Current Liabilities	2.06	1.86
Debt- Equity Ratio (In times)	Debt consists of borrowings and lease liabilities.	Total Equity	0.42	0.51
Debt Service Coverage ratio (In times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and Lease Payments + Principal Repayments	3.29	2.17
Return on Equity ratio (In %)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	16.64%	3.38%
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	2.94	2.68

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21
Trade Receivable Turnover Ratio (In times)	Revenue from Operations	Average Trade Receivable	5.69	4.47
Trade Payable Turnover Ratio (In times)	Purchases and other expenses	Average Trade Payables	9.09	4.47
Net Capital Turnover Ratio (In times)	Revenue from Operations	Working capital (i.e. Total Current Assets less Total Current Liabilities)	3.03	3.18
Net Profit ratio (In %)	Profit for the year	Revenue from Operations	6.92%	1.50%
Return on Capital Employed (In %)	Earnings before tax and finance cost	Capital Employed = Net Worth + Long Term Borrowings + Lease Liabilities + Deferred Tax Liabilities	15.20%	0.83%
Return on Investment (%)	Income generated from Investment funds	Average invested funds	6.22%	11.28%

- 45 Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.**
- 46 Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation**
- 47 Previous year's figures have been reclassified/regrouped, wherever applicable to confirm to current year's classification.**

As per our report attached  
For **CGCA & Associates LLP**  
Chartered Accountants  
Firm Reg. No. :123393W

sd/-  
**Champak K Dedhia**  
Partner  
Membership No.101769  
Mumbai, Dated: 30/04/2022

For and on behalf of the Board of Directors of  
**Sky Industries Limited**  
sd/-  
**Shailesh Shah**  
Managing Director  
DIN: 00006154

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

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

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





**CORPORATE OFFICE:**  
**SKY INDUSTRIES LTD.**

1101 Universal Majestic, Behind RBK International School,  
Chembur - West, Mumbai- 400 043,  
Maharashtra, India  
Tel No.: Board : 022-67137900  
Email: corporate@skycorp.in



**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