



# Superfine Knitters Limited

AN INTEGRATED UNIT OF : HOSIERY KNITTED FABRICS & GARMENTS



09<sup>th</sup> September, 2021

Bombay Stock Exchange Limited  
25<sup>th</sup> Floor, P.J. Towers.  
Dalal Street, Mumbai  
Scrip code: 540269

**Sub: - Conveying of 23<sup>rd</sup> Annual General Meeting of the Company**

Dear Sirs,

We wish to inform you that the **23<sup>rd</sup> Annual General Meeting** of the Members of the Company will be held on Thursday, **30<sup>th</sup> September 2021 at 10:00 am** at its registered office 269, Industrial Area – A, Ludhiana.

The Register of Members and Share transfer books of the Company will remain closed during the period from Wednesday 22<sup>nd</sup> September, 2021 to Thursday 30<sup>th</sup> September, 2021 (both days inclusive) for the purpose of Annual General Meeting.

In this connection and as required under Listing Regulations, we hereby enclose herewith Company's Notice convening the 23<sup>rd</sup> AGM along with Annual Report .

The said documents are also uploaded on the website of the Company viz. [www.superfineknitters.com](http://www.superfineknitters.com).


Further, please note that the Company has completed dispatch of the Company's Notice of 23<sup>rd</sup> AGM along with Annual Report for the financial year 2020-21, through email, on 09<sup>th</sup> September, 2021, to all its shareholders, holding equity shares of the Company as on 03<sup>rd</sup> September, 2021 and whose email IDs are registered with the Company/Depositories, in compliance with aforementioned Circulars.

We request you to take the above information on record.

Thanking You,

Yours truly,

**For Super Fine Knitters Limited**

  
**Ajit Kumar Lakra**  
**Managing Director**



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23<sup>rd</sup>  
**ANNUAL**  
**REPORT**  
**2021**

**Super Fine Knitters Limited**

Regd. Office: 269, Industrial Area – A, Ludhiana – 141003, Punjab  
Tel: 0161-5049900, E-mail: [cs@superfineknitters.com](mailto:cs@superfineknitters.com)  
Website: [www.superfineknitters.com](http://www.superfineknitters.com)

**Board of Directors**

|                             |                            |
|-----------------------------|----------------------------|
| <b>Mr. Ajit Kumar Lakra</b> | <b>Managing Director</b>   |
| <b>Mr. Vivek Lakra</b>      | <b>Whole-Time Director</b> |
| <b>Mrs. Gita Lakra</b>      | <b>Whole-Time Director</b> |
| <b>Mr. Naveen Malhotra</b>  | <b>Director</b>            |
| <b>Mr. Rohit Malhotra</b>   | <b>Director</b>            |
| <b>Mr. Chandan Patel</b>    | <b>Director</b>            |

**CHIEF FINANCIAL OFFICER**

Mr. Davinder Pal Singh

**COMPANY SECRETARY**

Mrs. Nancy Singla

**STATUTORY AUDITORS**

Mehta Sharma & Associates  
#595, 1st Floor, Jai Singh Complex,  
Model Town, Ludhiana

**SECRETARIAL AUDITOR**

Narang G & Associates

**REGISTRAR & TRANSFER AGENT**

Cameo Corporate Service Limited  
Subramanian Building, 1 Club House Road,  
Chennai, Tamil Nadu, 600002

**REGISTERED OFFICE/UNIT - I**

269, Industrial Area - A,  
Ludhiana - 141003

**CORPORATE OFFICE /UNIT - II**

C-5, Focal point, Phase - V,  
Ludhiana - 141003

**23<sup>rd</sup> Annual General Meeting**

Date: 30<sup>th</sup> September, 2021, Thursday

Time: 10:00 A.M.

Venue: 269, Industrial Area - A, Ludhiana, 141003

**NOTICE**

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of SUPER FINE KNITTERS LIMITED will be held on Thursday, 30<sup>th</sup> day of September, 2021 at Registered Office of the Company at 269, Industrial Area – A, Ludhiana, Punjab at 10.00 a.m., to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31<sup>st</sup> March, 2021 along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Gita Lakra (DIN - 01067233) who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS**

3. **To appoint Statutory Auditors of the Company from the conclusion of this AGM until the conclusion of the 27<sup>th</sup> AGM and to pass the following resolution as an ordinary resolution:**

“Resolved that pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, M/s. R.K. Deepak & Co., Chartered Accountants (Registration No. 003145N), be and is hereby appointed as the Statutory Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of 27<sup>th</sup> Annual General Meeting of the Company, at a remuneration mutually decided by Auditors and Board of Directors of the Company.”

“Resolved further that the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

4. **Appointment of Mr. Rohit Malhotra (DIN: 09071224) as an Independent Director of the Company.**

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

“Resolved that pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Mr. Rohit Malhotra (DIN: 09071224), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 15<sup>th</sup> February, 2021 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period up to 14<sup>th</sup> February, 2026 not liable to retire by rotation.”

“Resolved further that any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

5. **Appointment of Mr. Naveen Malhotra (DIN: 09071031) as an Independent Director of the Company.**

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

“Resolved that pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Mr. Naveen Malhotra (DIN: 09071031), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 15<sup>th</sup> February, 2021 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period up to 14<sup>th</sup> February, 2026 not liable to retire by rotation.”

“Resolved further that any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

6. **Appointment of Mr. Chandan Patel (DIN: 09088843) as an Independent Director of the Company.**

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

“Resolved that pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Mr. Chandan Patel (DIN: 09088843), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 03<sup>rd</sup> March, 2021 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period up to 02<sup>nd</sup> March, 2026 not liable to retire by rotation.”

“Resolved further that any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

For and on behalf of the Board  
Super Fine Knitters Limited

Date: 07<sup>th</sup> September, 2021  
Place: Ludhiana

Sd/-  
Nancy Singla  
Company Secretary  
269, Industrial Area- A,  
Ludhiana

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of business to be transacted at the Annual General Meeting (AGM), as set out under Item no. 3, 4, 5 & 6 above as and required by Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and as required under Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution to the Company/Registrar & Transfer Agent, authorizing their representative to attend and vote on their behalf at the meeting.
5. **Book Closure:**  
The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, 22<sup>nd</sup> September, 2021 to Thursday, 30<sup>th</sup> September, 2021 (both days inclusive).
6. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
7. The members, who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their depository participants.
8. The Shareholders are requested to notify immediately any change of address or demise of any Member as soon as possible to the Registrar & Transfer Agent, Cameo Corporate Services Ltd, Subramanian Building, 1 Club House Road, Chennai, Tamil Nadu, mentioning their Folio Number.
9. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for identification.
10. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
11. Members desirous of seeking any information concerning the accounts and operations of the Company are requested to address their queries to the Company Secretary, at the Registered Office at least ten days in advance of the meeting, so that the information, to the extent practicable, can be made available at the meeting.
12. Annual accounts and related documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company.
13. Section 20 of the Companies Act, 2013, as amended from time to time, permits service of documents on Members by the Company through electronic mode. Hence, in accordance with the Companies Act, 2013 read with the Rules framed thereunder, as amended, the Annual Report 2020-21 is being sent through electronic mode to those Members whose email addresses are registered with the Company/Depository Participant unless any Member has requested for a physical copy of the Report. For Members who have not registered their email addresses, physical copies of the Annual Report 2020-21 are being sent by the permitted modes. Members may note that Annual Report 2020-21 along with Notice of the 23<sup>rd</sup> Annual General Meeting is also available on the Company's website [www.superfineknitters.com](http://www.superfineknitters.com)
14. SEBI has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.
15. The Equity Shares of the Company are mandated for the trading in the compulsory demat mode. The ISIN no. allotted for the Company's Shares is INE459U01018.
16. **Voting through electronic means:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company provides members facility to exercise their right to vote at the 23<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the businesses may be transacted through e-Voting Services provided by Central Depository Services (India) Ltd (CDSL). The e-voting details are enclosed along with the Annual Report.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Monday 27<sup>th</sup> September 2021 at 10.00 a.m. and ends on Wednesday 29<sup>th</sup> September 2021 at 05.00 p.m. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday 24<sup>th</sup> September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.  
In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 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.  
Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing 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 visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) 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>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol> |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will</li> </ol>   |

|   |   |
|---|---|
|   | <p>be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> |
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>   |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

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

| Login type  | Helpdesk details   |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | 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 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | 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               |

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- i. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - ii. Click on “Shareholders”.
  - iii. Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - iv. Next enter the Image Verification as displayed and Click on Login.
  - v. If you are holding shares in Demat Form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - vi. If you are a first time user follow the steps given below:

|                                | <b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>   |
|--------------------------------|--|
| Permanent Account Number (PAN) | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders)</p> <p>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> |

|  |  |
|--|--|
|  | In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.  |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the Company records in order to login.<br>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction |

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - x. Click on the EVSN for the relevant **SUPER FINE KNITTERS LIMITED** on which you choose to vote.
  - xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - xii. Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
  - xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  - xvi. If a Demat Account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as "Corporate" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@superfineknitters.com](mailto:cs@superfineknitters.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

17. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the **cut-off date (record date) of 24<sup>th</sup> September, 2021**.
18. M/s Narang G and Associates, Company Secretaries has been appointed as the Scrutinizer of the Company to scrutinize the e-voting process in a fair and transparent manner.
19. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).



All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

For and on behalf of the Board  
Super Fine Knitters Limited

Date: 07<sup>th</sup> September, 2021  
Place: Ludhiana

Sd/-  
Nancy Singla  
Company Secretary  
269, Industrial Area- A,  
Ludhiana

## 'ANNEXURE' TO THE NOTICE

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

**Item No. 3**

In terms of Section 139 of the Companies Act, 2013 and rules made thereunder, the present Statutory Auditors of the Company, M/s. Mehta Sharma & Associates, (Firm Registration No. 018946N), Chartered Accountants, will hold office until the conclusion of the ensuing Annual General Meeting. The Company is required to appoint new Statutory Auditor for a period of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 27<sup>th</sup> Annual General Meeting.

The Board of Directors at its meeting held on 07<sup>th</sup> September, 2021, had recommended the appointment of M/s. R.K. Deepak & Co., Chartered Accountants, (Registration No. 003145N), as the Statutory Auditors of the Company for approval of the members of the Company. The proposed Statutory Auditors shall hold office for a period of five consecutive years from the conclusion of this Annual General Meeting till the conclusion of 27<sup>th</sup> Annual General Meeting of the Company. M/s. R.K. Deepak & Co., Chartered Accountants, have consented to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act, 2013 and the rules made thereunder.

Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors by means of an ordinary resolution. Accordingly, approval of the members is sought for appointment of M/s. R.K. Deepak & Co., Chartered Accountants as the Statutory Auditors of the Company.

Information about the Statutory Auditor pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided below:

| Details  | Particulars   |
|--|---|
| Terms of appointment   | The proposed Statutory Auditors shall hold office for a period of five consecutive years from the conclusion of 23 <sup>rd</sup> Annual General Meeting till the conclusion of 27 <sup>th</sup> Annual General Meeting of the Company.  |
| Proposed fees payable to the Statutory Auditor   | The remuneration for the new auditors mutually decided by Auditors and Board of Directors of the Company.   |
| Basis of recommendation for appointment including the details in relation to and credentials of the Statutory Auditor(s) proposed to be appointed. | On the basis of comparative analysis with other potential audit firms and in view of the better presence and experience of M/s. R.K. Deepak & Co., in handling large sized audits using the tools and methodologies similar to those used by the big audit firms, the Board recommended the appointment of M/s. R.K. Deepak & Co., as the Statutory Auditor of the Company. |

**Item No.4**

The Board of Directors, at its meeting held on 08<sup>th</sup> March, 2021, appointed Mr. Rohit Malhotra as an Additional Director of the Company with effect from 15<sup>th</sup> February, 2021, pursuant to Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Rohit Malhotra will hold office up to the date of the ensuing AGM. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing candidature of Mr. Rohit Malhotra for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received a declaration from Mr. Rohit Malhotra under Section 149(7) of the Companies Act, 2013 that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The resolution seeks the approval of the members for the appointment of Mr. Rohit Malhotra as an Independent Director of the Company for a period up to 14<sup>th</sup> February, 2026 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Board, Mr. Rohit Malhotra, fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and he is independent of the Management. Considering his area of expertise, rich experience and independence towards the Company, the appointment of Mr. Rohit Malhotra has been proposed.

A copy of the draft letter for the appointment of Mr. Rohit Malhotra as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office on

working days, except Saturday/ Sunday and other public holidays, between 10:00 a.m. to 12:00 noon upto the date of the AGM.

Your Directors recommend the resolution for your approval.

Except, Mr. Rohit Malhotra, none of the directors and key managerial personnel of the Company including their relatives are, in anyway, concerned or interested in the said resolution.

#### **Item No.5**

The Board of Directors, at its meeting held on 08<sup>th</sup> March, 2021, appointed Mr. Naveen Malhotra as an Additional Director of the Company with effect from 15<sup>th</sup> February, 2021, pursuant to Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Naveen Malhotra will hold office up to the date of the ensuing AGM. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing candidature of Mr. Naveen Malhotra for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received a declaration from Mr. Naveen Malhotra under Section 149(7) of the Companies Act, 2013 that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The resolution seeks the approval of the members for the appointment of Mr. Naveen Malhotra as an Independent Director of the Company for a period up to 14<sup>th</sup> February, 2026 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Board, Mr. Naveen Malhotra, fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and he is independent of the Management. Considering his area of expertise, rich experience and independence towards the Company, the appointment of Mr. Naveen Malhotra has been proposed.

A copy of the draft letter for the appointment of Mr. Naveen Malhotra as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office on working days, except Saturday/ Sunday and other public holidays, between 10:00 a.m. to 12:00 noon upto the date of the AGM.

Your Directors recommend the resolution for your approval.

Except, Mr. Naveen Malhotra, none of the directors and key managerial personnel of the Company including their relatives are, in anyway, concerned or interested in the said resolution.

#### **Item No.6**

The Board of Directors, at its meeting held on 08<sup>th</sup> March, 2021, appointed Mr. Chandan Patel as an Additional Director of the Company with effect from 03<sup>rd</sup> March, 2021, pursuant to Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Chandan Patel will hold office up to the date of the ensuing AGM. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing candidature of Mr. Chandan Patel for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received a declaration from Mr. Chandan Patel under Section 149(7) of the Companies Act, 2013 that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The resolution seeks the approval of the members for the appointment of Mr. Chandan Patel as an Independent Director of the Company for a period up to 02<sup>nd</sup> March, 2026 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Board, Mr. Chandan Patel, fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and he is independent of the Management. Considering his area of expertise, rich experience and independence towards the Company, the appointment of Mr. Chandan Patel has been proposed.

A copy of the draft letter for the appointment of Mr. Chandan Patel as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office on working days, except Saturday/ Sunday and other public holidays, between 10:00 a.m. to 12:00 noon upto the date of the AGM.

Your Directors recommend the resolution for your approval.

Except, Mr. Chandan Patel, none of the directors and key managerial personnel of the Company including their relatives are, in anyway, concerned or interested in the said resolution.

## BOARD'S REPORT

To,  
The Members,

Your Directors have pleasure in presenting their 23<sup>rd</sup> Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2021.

The summarised financial performance of the Company is as under:

| Particulars                                    | (Rs. in Lakhs)  |                |
|--|-----------------|----------------|
|  | Current Yr.     | Previous Yr.   |
| Turnover (Including Exports Incentives)        | 4590.39         | 9190.97        |
| Other Income                                   | 2.72            | 8.27           |
| Profit/(loss) before Depreciation and Taxation | 6.33            | 286.14         |
| Provision for Depreciation                     | 153.47          | 161.77         |
| Profit/(Loss) before taxation                  | (147.14)        | 124.37         |
| Less: Provision for Taxation                   | 2.75            | 136.04         |
| <b>Profit/(Loss) after tax</b>                 | <b>(144.39)</b> | <b>(11.68)</b> |
| Balance carried to Balance Sheet               | (144.39)        | (11.68)        |

**STATE OF COMPANY'S AFFAIRS**

During the year under review, the Company's turnover of INR 4590.39 Lakhs as compared to INR 9190.97 Lakhs for the previous year. The Company has however suffered loss of INR 144.39 Lakhs as compared to loss of INR 11.68 Lakhs for the previous year.

**DIVIDEND**

The Company has not declared any dividend during the year.

**AMOUNTS TRANSFERRED TO RESERVES**

During the year the Company does not propose to transfer/carry any amount to the General Reserve.

**CHANGES IN SHARE CAPITAL**

There is no change in Share Capital of the Company during the year.

**BOARD OF DIRECTORS**

The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and long term success of business as a whole. The Board continuously reviews Company's governance, risk and compliance framework, business plans and organization structure to align with competitive benchmark. The Board represents an optimum mix of professionalism, knowledge and experience which enables the Board to discharge its responsibilities and provide effective leadership to the Company.

None of the Directors on the Board hold directorships in more than ten public companies and member of more than ten committees or chairperson of more than five committees across all the public companies in which he or she is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 164 (2) of the Companies Act, 2013.

**Composition**

The Board of Directors comprises six (6) Directors consisting of three (3) Additional Directors, two (2) Whole-time Directors, one (1) Managing Director.

| Name of Directors | Category                           | No. of Other                             | Membership of the Committee |
|-------------------|------------------------------------|--|-----------------------------|
|                   |                                    | Directorship held in Public Ltd. Company |                             |
| Ajit Kumar Lakra  | Promoter/Executive Director        | Nil                                      | 0                           |
| Vivek Lakra       | Promoter/Executive Director        | Nil                                      | 1                           |
| Gita Lakra        | Promoter/Executive Director        | Nil                                      | 0                           |
| Rohit Malhotra    | Non-Executive/ Additional Director | Nil                                      | 0                           |
| Naveen Malhotra   | Non-Executive/ Additional Director | Nil                                      | 0                           |
| Chandan Patel     | Non-Executive/ Additional Director | Nil                                      | 0                           |

**Appointment/Reappointment/Resignation from Board of Directors/Key Managerial Personnel****Retirement By Rotation:**

In accordance with the provisions of the Articles of Associations and 152 (6) of Companies Act, 2013 Mrs. Gita Lakra (DIN - 01067219), Whole Time Director will be retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

The relevant details, as required under the Regulation 36 (3) of Listing Regulations and Secretarial Standards, of the person seeking re-appointment as Director are also provided in the Notice convening the 23<sup>rd</sup> Annual General Meeting.

**Resignation of Directors/Key Managerial Personnel:**

Mr. Amit Gupta (DIN: 03558223), Independent Director resigned from the directorship of the Company with effect from 10.08.2020.

Mr. Baljit Kumar Trikha (DIN: 00764368), Independent Director resigned from the directorship of the Company with effect from 25.02.2021.

Mr. Vipin Sehgal (DIN: 00001214), Independent Director resigned from the directorship of the Company with effect from 01.02.2021.

Mrs. Samridhi Seth as Company Secretary cum Compliance officer of the Company resigned with effect from 01<sup>st</sup> May, 2021.

**Appointment of Directors/Key Managerial Personnel:**

Mr. Rohit Malhotra (DIN: 0009071224) appointed as an Additional Director on the Board of Directors of the Company w.e.f. 15<sup>th</sup> February, 2021, shall hold the office upto 23<sup>rd</sup> Annual General Meeting of the Company.

Mr. Naveen Malhotra (DIN: 0009071224) appointed as an Additional Director on the Board of Directors of the Company w.e.f. 15<sup>th</sup> February, 2021, upto 23<sup>rd</sup> Annual General Meeting of the Company.

Mr. Chandan Patel (DIN: 0009088843) appointed as an Additional Director on the Board of Directors of the Company w.e.f. 03<sup>rd</sup> March, 2021, upto 23<sup>rd</sup> Annual General Meeting of the Company.

Mrs. Nancy Singla, Associate Member of Institute of Company Secretaries of India (ICSI) was appointed as Company Secretary & Compliance Officer with effect from 1<sup>st</sup> May, 2021, pursuant to provisions of Companies Act, 2013 read with rule and regulations made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors of the Company have submitted the declaration of independence, as required pursuant to the provisions of Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of Independence as provided under Section 149(6). They have also confirmed that they meet the requirements of Independent Director as mentioned under Regulation 16(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Meeting of independent Director:**

Separate meeting of Independent Directors was held on 12<sup>th</sup> June, 2020, interalia to discuss:

- To evaluate the performance of Non-Independent Directors, performance of the Board as a whole.
- Review the performance of the Chairman, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and Individual Directors was also discussed.
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**BOARD MEETINGS**

The Board regularly meets to discuss and decide on Company, business policy and strategy apart from conducting other Board related businesses. However, in case of a special and urgent business need, the Board's approval was taken by passing resolutions through circulation, as permitted by law, and these were confirmed at the next Board Meeting.

During the period under review eleven (11) Board Meetings were held and the gap between two meetings did not exceed the prescribed limits. During the year under review, Company did not pass any resolution by way of Circulation.

The dates on which the Board Meetings were held are as follows:--

16-05-2020, 26-06-2020, 31-07-2020, 11-08-2020, 20-08-2020, 05-09-2020, 18-09-2020, 28-09-2020, 23-11-2020  
22-01-2020, 08-03-2021.

The details of attendance of each director at the Board Meetings are given below:

| Name of Directors                               | Category                             | Number of Board Meetings Eligible to Attend | No. of Board Meetings attended | Attendance of Last AGM |
|---|--------------------------------------|---|--------------------------------|------------------------|
| Ajit Kumar Lakra                                | Promoter/Executive Director          | 11  | 11                             | Yes                    |
| Vivek Lakra                                     | Promoter/Executive Director          | 11  | 11                             | Yes                    |
| Gita Lakra                                      | Promoter/Executive Director          | 11  | 11                             | Yes                    |
| Amit Gupta<br>(resigned on 20.08.2020)          | Non-Executive/<br>Independent        | 5   | 1                              | No                     |
| Vipin Sehgal<br>(resigned on 01.02.2021)        | Non-Executive/<br>Independent        | 11  | 10                             | Yes                    |
| Baljit Kumar Trikha<br>(resigned on 25.02.2021) | Non-Executive/<br>Independent        | 11  | 10                             | Yes                    |
| Rohit Malhotra<br>(appointed on 15.02.2021)     | Non-Executive/Additional<br>Director | 1   | 0                              | No                     |
| Naveen Malhotra<br>(appointed on 15.02.2021)    | Non-Executive/Additional<br>Director | 1   | 0                              | No                     |
| Chandan Patel<br>(appointed on 03.03.2021)      | Non-Executive/Additional<br>Director | 1   | 0                              | No                     |

#### COMMITTEES OF THE BOARD

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has three committees i.e. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. All the decisions pertaining to the constitution of the Committees, appointment of members, and fixing of terms of reference for committee members are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

#### AUDIT COMMITTEE

The Company has adequately qualified and Independent committee, accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The major tasks performed by the audit committee may be grouped under the following heads:

Statutory Audit, Internal Audit, reporting and other aspects

- i. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to the financial information.
- ii. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible and ensuring timely submission to statutory authorities.
- iii. Reviewing the Management Discussion & Analysis of financial and operational performance.
- iv. Reviewing with the management, the quarterly financial statements and annual financial statements and auditor's report thereon before submission to the board for approval.
- v. Review the adequacy and effectiveness of the company's system and internal control.
- vi. Evaluation of internal financial controls and risk management systems.
- vii. To review the functioning of the Whistle Blower mechanism.

#### Audit & other duties

- i. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ii. Discussion with internal auditors of any significant findings and follow up there on.
- iii. Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and internal Auditors considering their independence and effectiveness and their replacement and removal.
- iv. To recommend to the Board the remuneration of the Statutory Auditors and internal auditors.
- v. To grant approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

The Composition of Audit Committee is as under:

- Mr. Vipin Sehgal : Chairman of the committee and Independent Director
- Mr. Vivek Lakra : Member of the committee and Executive Director
- Mr. Amit Gupta : Member of the committee and Independent Director

#### **Appointment/Resignation of members of the Committee:**

#### **Resignation of Members:**

Mr. Amit Gupta has resigned from the membership with effect from 20<sup>th</sup> August, 2020 and Mr. Vipin Sehgal, has resigned from the chairmanship with effect from 08<sup>th</sup> March, 2021. The Committee will re-constitute after the forthcoming Annual General Meeting.

During the year under the review, The Audit Committee met four times on 31<sup>st</sup> July 2020, 23<sup>rd</sup> Nov 2020 and 26<sup>th</sup> Dec 2020 and 18<sup>th</sup> Feb 2021.

All the members of the Audit Committee have the requisite qualifications for appointment on the Committee and possess sound knowledge of accounting practices, taxation, financial and internal controls.

The representative(s) of Internal Auditors and the Statutory Auditors are permanent invitees in the meetings of the Committee and they have attended all the Audit committee meetings held during the year where the financial results are considered. The Company Secretary acts as the Secretary of the Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 30, 2020 for addressing the shareholders queries.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee was constituted, accordance with the Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The terms of reference of the Committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

The details of the composition of the Nomination and Remuneration Committee are as under:

- Mr. VipinSehgal : Chairman of the committee and Independent Director
- Mr. Baljit Kumar Trikha : Member of the committee and Independent Director
- Mr. Amit Gupta : Member of the committee and Independent Director

#### **Resignation of Members:**

Mr. Amit Gupta has resigned from the membership with effect from 20<sup>th</sup> August, 2020, Mr. Vipin Sehgal and Mr. Baljit Kumar Trikha resigned with effect from 08<sup>th</sup> March, 2021. The committee will re-constitute after the forthcoming Annual General Meeting.

Details of Remuneration paid to Managing Director/Whole-time Director for the year ended 31<sup>st</sup> March, 2020 is given below:

| Name                 | Sitting Fees (Rs.) | Salary (Rs.) | Perquisites and allowances etc. (Rs.) | Commission (paid) (Rs) | Total (Rs.) |
|----------------------|--------------------|--------------|---------------------------------------|------------------------|-------------|
| Mr. Ajit Kumar Lakra | Nil                | 9,00,000     | Nil                                   | Nil                    | 9,00,000    |
| Mr. Vivek Lakra      | Nil                | 8,40,000     | Nil                                   | Nil                    | 8,40,000    |
| Mrs. Gita Lakra      | Nil                | 7,50,000     | Nil                                   | Nil                    | 7,50,000    |

Further no sitting fee is paid to any director for attending the Board Meetings of the Company.

During the year, the Nomination and Remuneration Committee Meeting was held on 31<sup>st</sup> July, 2020 and all members were duly present in the meeting.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee was constituted, accordance with the Section 178 of Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Company look after the grievances of the Stakeholders and Redressal of Investor's complaints related to transfer of Shares, non-receipt of Balance Sheet etc.

#### **The Committee performs following functions:**

- look into the redressal of grievances of shareholders, debenture holders and other security holders;
- To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares;
- To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
- Issue of Duplicate Share Certificates.
- Review of Share dematerialization and rematerialisation.
- Monitoring the expeditious Redressal of Investor Grievances.
- Monitoring the performance of Company's Registrar & Transfer Agent.
- All other matters related to the shares.

The Composition of the 'Stakeholders' Relationship Committee is as under:-

- Mr. Vipin Sehgal : Chairman of the committee and Independent Director
- Mr. Baljit Kumar Trikha : Member of the committee and Independent Director
- Mr. Amit Gupta : Member of the committee and Independent Director

#### **Resignation of Members:**

Mr. Amit Gupta has resigned from the membership with effect from 20<sup>th</sup> August, 2020, Mr. Vipin Sehgal and Mr. Baljit Kumar Trikha resigned with effect from 08<sup>th</sup> March, 2021. The committee will re-constitute after the forthcoming Annual General Meeting.

The Company has an investor base of over 119 shareholders as on 31st March, 2021. During the year under review, no complaints remained pending. There is no valid request pending for share transfer as at the year end. The Stakeholders' Relationship Committee met two times on 25<sup>th</sup> April, 2020 and 23<sup>rd</sup> November, 2020 during the year.

#### **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

#### **CORPORATE GOVERNANCE**

The Company strives to incorporate the appropriate standards for corporate governance. However, pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is not required to mandatorily comply with the provisions of certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore the Company has not provide a separate report on Corporate Governance, although few of the information are provided in this report under relevant heading.

According to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company, being a SME Listed Company of BSE Limited, is exempted from the compliance of corporate governance requirements as provided under regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) That in the preparation of the annual financial statements for the year ended 31<sup>st</sup>March, 2020; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;



- b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2020.
- c) That proper and sufficient care has been taken 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) That the annual financial statements have been prepared on a going concern basis;
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## AUDITORS

### Statutory Auditors

M/s. Mehta Sharma & Associates, Chartered Accountants (Firm Registration No.(018946N), Chartered Accountants, had been appointed as Statutory Auditors of the Company at the 21<sup>st</sup> Annual General Meeting held on 21-09-2019 to hold office from the conclusion of this Annual General Meeting till conclusion of 23<sup>rd</sup> Annual General Meeting of the Company for the year 2020-2021.

### Secretarial Auditors

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 Narang G and Associates (CP No.: 16383, ACS: 43779), Company Secretaries for the financial year 2020-2021 to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2021 is annexed.

### Internal Auditors

M/s. Budh Kumar & Associates, Chartered Accountant has been re-appointed as Internal Auditor in the Board meeting held on 30<sup>th</sup> June, 2021 for the year 2021-2022.

### Cost Auditor

In terms of Section 148 of the Companies Act, 2013 and rules made there under, Cost Audit is not applicable to the Company and its products/business.

## EXPLANATION ON STATUTORY AUDITOR'S REPORT/SECRETARIAL AUDITOR'S REPORT

Neither the Statutory Auditor nor Secretarial Auditor of the Company, in their respective reports have made any qualification, reservation, adverse marks or disclaimers. Accordingly, no Explanations thereon are required to be furnished.

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

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo stipulated under section 134(3)(m) of the Companies act, 2013 read with rule 8 of the Companies (Accounts) Rules , 2014, is annexed.

## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5, of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

The Company has one Managing Director and the remuneration paid to him is Rs. 1.25 Lac per month only. The Remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the Company.

## REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

- I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and senior officers just below the board level) the Committee shall ensure / consider the following:
  - i. the relationship of remuneration and performance benchmark is clear
  - ii. the balance between fixed and incentive pay reflecting short-term and long-term performance objectives, appropriate to the working of the Company and its goals;
  - iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus; the remuneration including

annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.

- II. The Managing Director or Whole Time Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors and thereafter shall recommend the annual increment and performance incentive to the Committee for its review and approval.

**REMUNERATION TO DIRECTORS/EMPLOYEES AND RELATED ANALYSIS** During the year under review, no employee of the Company received salary in excess of the limits as prescribed under the Act. Accordingly, no particulars of employees are being given pursuant to Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The details pertaining to the ratio of the remuneration of each director to the median employee's remuneration and other prescribed details as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith and forms part of this report.

#### **RELATED PARTY TRANSACTIONS**

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013.

However, there were certain related party transactions in terms of regulation 23 of the SEBI (listing obligations and disclosure requirements) regulations, 2015 which were entered into on an arm's length basis and were in the ordinary course of business.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

#### **DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES**

The Company has no Subsidiary, Joint Ventures or Associates.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Act, is annexed which forms an integral part of this Report and is also available on the Company's website viz. [www.superfineknitters.com](http://www.superfineknitters.com).

#### **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186**

The Company has not given any loan or given guarantee for loans taken by others from banks or financial institutions during the year.

Further, during the year, a sum of Rs. 11.46 lakh has been taken as unsecured loan from Mr. Ajit Kumar Lakra, Managing Director, of the Company, making a total unsecured loan of Rs 314.49 lakhs and declarations pursuant to Rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014 have been received for the same.

#### **DEPOSITS**

The Company has not accepted any deposits during the year and no deposits remained unpaid or unclaimed as at the end of the year under review and there has been no default in the repayments of deposits.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the Company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

#### **CHANGE IN NATURE OF BUSINESS**

During the year under review, there was no change in the nature of business.

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

During the year under review, No Order has been passed by Regulators or Court or Tribunals.

#### **HUMAN RESOURCES**

The well discipline workforce which has served the Company for three decades lies at the very foundation of the Company's major achievements and shall well continue for the years to come. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The Company has always recognized talent and has judiciously followed the principle of rewarding performance.

**RISK MANAGEMENT POLICY**

Although the Company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion. Therefore, in accordance applicable provisions of SEBI (Listing Regulation and Disclosure Requirements) Regulations 2015 the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

**POLICY ON PRESERVATION OF THE DOCUMENTS**

The Company has formulated a Policy pursuant to Regulation 9 of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") on Preservation of the Documents to ensure safekeeping of the records and safeguard the Documents from getting manhandled, while at the same in time avoiding superfluous inventory of Documents.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The Internal Auditor of the Company checks and verifies the internal control and monitors them in accordance with policy adopted by the Company. Even through this non-production period the Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the company has adopted a vigil mechanism policy. This policy is explained in Corporate Governance Report and also posted on the website of company.

**SEXUAL HARASSMENT PREVENTION**

The Company has in place a policy for prevention of sexual harassment at the workplace in line with the requirement of the Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassments. All the employees of the Company (permanent, temporary, contractual and trainees) are covered under this policy.

The Company has zero tolerance for sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

During the year Committee has not received any complaints of harassment.

**FINANCIAL VIABILITY OF COMPANY**

The Company has not defaulted in repayment of dues to financial institutions, banks and not given any guarantee for loans taken by others from banks or financial institutions during the year

**COMPLIANCES WITH SECRETARIAL STANDARD ON BOARD AND GENERAL MEETINGS**

During the year under review, your company has duly complied with the applicable provisions of Secretarial Standards.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of Regulation 34 and schedule V of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 a review of the performance of the company, for the year under review, Management Discussion and Analysis Report, are annexed herewith and forms part of this report.

**GENERAL DISCLOSURES**

Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of Equity Shares with differential rights as to dividend, right issue.
2. Issue of Sweat Equity Shares to Employees of the Company.
3. Issue of Employee Stock Options to Employees of the Company.
4. Purchase of its own shares either directly or indirectly.

**ACKNOWLEDGEMENTS**

The Company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers and others associated with the Company. Your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation. We look forward to receiving the continued patronage from all quarters in the years to come.

For and on behalf of the Board  
Super Fine Knitters Limited

Place: Ludhiana  
Date: 30<sup>th</sup> June, 2021

Ajit Kumar Lakra  
Managing Director  
DIN: 01067195  
269, Industrial Area-A,  
Ludhiana, 141003

Vivek Lakra  
Whole Time Director  
DIN: 01067219  
269, Industrial Area-A,  
Ludhiana, 141003

**ANNEXURE TO DIRECTORS REPORT**

Information as per section 271 (l) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the directors report for the year ended 31<sup>st</sup> March, 2021.

**A. CONSERVATION OF ENERGY**

Your company always remained conscious to conserve the energy and has attempted measures for the same wherever possible in order to achieve the reduction in the cost of production.

**B. TECHNOLOGY ABSORPTION**

Efforts made towards technology absorption are as under:

**1) Research and Development**

The company has made continuous efforts for the development of new lines of activities and modernization of the existing process of manufacturing. The Company is adopting the most suitable manufacturing technology for saving in the cost of production, electricity consumption and personnel.

**2) Technology Absorption, Adaptation and Innovation**

The Company is adopting the well- established technology with the scope of savings in the cost of production, energy consumption and capital cost in terms of the quantum of production. The Company is making continuous efforts towards the product development, product improvement in the shape of quality and cost reduction.

**C.FOREIGN EXCHANGE**

The Company has used INR 9.77 Lakhs in Foreign Exchange during the Year.

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(a) Ratio of the remuneration of each director to the median remuneration of employee of the Company for the financial year:

| Sr. No. | Name of Director/KMP and Designation              | Remuneration of Director/KMP for financial year 2020-21 (Rs. In lakhs) | % increase in Remuneration in the financial year 2020-21 | Ratio of remuneration of each Director/to median remuneration of employees |
|---------|---|--|--|--|
| 1       | Mr. Ajit Kumar Lakra<br>Managing Director         | 9.00   | N.A.   | 41.86  |
| 2       | Mr. Vivek Lakra<br>Whole Time Director            | 8.40   | N.A.   | 39.07  |
| 3       | Mrs. Gita Lakra<br>Whole Time Director            | 7.50   | N.A.   | 34.88  |
| 4       | Mr. Vipin Sehgal<br>Independent Director          | N.A.   | N.A.   | N.A.   |
| 5       | Mr. Amit Gupta<br>Independent Director            | N.A.   | N.A.   | N.A.   |
| 6       | Mr. Baljit Kumar Tirkha<br>Independent Director   | N.A.   | N.A.   | N.A.   |
| 7       | Mr. Davinder Pal Singh<br>Chief Financial Officer | 2.58   | N.A.   | 12   |
| 8       | Mrs. Samridhi Seth<br>Company Secretary           | 2.58   | N.A.   | 12   |

\*computed on annualized remuneration

- (b) The median remuneration of employees of the Company during the financial year 2020-21 was Rs. 21,500/- (approx).
- (c) There were 330 permanent employees on the roll of the Company as on 31<sup>st</sup> March, 2021.
- (d) There was no increment in the salaries of the employees in the financial year 2020-21 whereas the managerial remuneration has been reduced during the financial year 2020-21.
- (f) It is hereby affirmed that the remuneration paid during the year ended 31<sup>st</sup> March, 2021 is as per the Remuneration Policy of the Company.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management discussion and Analysis Report, is a reflection of the current state of business of the company. It also deals with opportunities and challenges faced by Company and future outlook.

**ECONOMIC AND INDUSTRY OVERVIEW****INDIAN ECONOMY**

India continues to be one of the fastest growing major economies in the world and is expected to be among the world's top three economic powers in the next 10-15 years. The Indian Economy which was expected improve & close year 2020 with GDP growth of above 7%, unfortunately drastically fell down to negative numbers because of CORONA pandemic 19 .Even the beginning of 2021 was also bad because of second wave of CORONA .

**INDUSTRY STRUCTURE**

India's textiles industry is among the oldest industries in the country dating back several centuries. It is one of the largest contributors to the economy. But Industry has been more challenging since last more than one year, consequences of demonetisation and systematic regime of GST, CORONA Pandemic 1 and 2 are the main contributors of overall slow down in the economy, throwing challenges down the line.

We believe economy will take two more years working cycle to improve, money flow is slowly reaching bottom of the pyramid, which will result in higher consumption in next two financial years slowly. Industry is still under challenging mode, slow demand leading to slow consumption, leading to slow growth, we feel industry and economy needs 1 more year to settle down and thereon grow, we are positive and we need to be strategically patient and review internal and external systems and prepare for stronger tomorrow.

**OUTLOOK FOR THE FINANCIAL YEAR 2021-22**

We look forward to achieving the half to 3 quarter top line. Pandemic has shown its effect on labourintensive factories like garments manufacturing. Technology up gradation has helped us to remain a strong supplier for budding domestic buyers. Once there is boom in the market, we shall remain the top choice of brands due to Infra structure and systems.

We are increasing our efforts through technology in fields of HR and ERP. We have installed 2 different software's for transparent, accurate and real time reports of the manpower and work in progress .The software will help us reduce inefficiencies and in return will increase productivityand profitability. With the overall infrastructure changes with efficient industrial changes and upgradation of technology, we have been able to achieve about 15% increase in productivity.

**FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS (ON STANDALONE BASIS):****Financial Analysis**

Revenue Break – up:

(INR. in lakhs)

| Particulars           | 2020-21        | % to Total Income | 2019-20        | % to Total Income |
|-----------------------|----------------|-------------------|----------------|-------------------|
| Revenue               | 4590.39        | 99.94             | 9190.97        | 99.91             |
| Other Income          | 2.71           | 0.06              | 8.27           | 0.09              |
| <b>Total Turnover</b> | <b>4593.10</b> | <b>100</b>        | <b>9199.24</b> | <b>100</b>        |

The net turnover of the Company has decreased from INR 9190.97 lakhs in the year 2019-20 to INR 4590.39 lakhs in the 2020-21.

Profitability/Losses:

(INR. in lakhs)

| Particulars                               | 2020-21  | % of turnover | 2019-20 | % of turnover |
|---|----------|---------------|---------|---------------|
| Profit/losses before depreciation and tax | 6.32     | 0.14          | 286.14  | 3.11          |
| Depreciation                              | 153.47   | 3.34          | 161.77  | 1.76          |
| Profit/losses before tax                  | (147.14) | (3.21)        | 124.37  | 1.35          |
| Tax (Previous year)                       | 2.75     | 0.06          | 136.04  | 1.49          |
| Profit/losses after Tax                   | (144.39) | (3.15)        | (11.68) | (0.14)        |

**Risk and Concerns**

Open free trade (duty free imports) from Bangladesh are the only risks so far. Government policies are critical to the success of the Textile Industry. Further, increase in the power cost, raw materials prices and non-availability of skilled labour has become hindrance in the long term sustainability of the textile industry. Moreover, depreciation of Indian rupee against US dollar has seriously impacted Textile Industry.

In spite of the above-mentioned facts, we are of the firm opinion that the future of the Textile Industry is quite promising. We hope that with the recoveries in economies of U.S.A and European Union will propel the growth of the Textile Industry and moreover domestic market is also continuously improving.

**Opportunities and threats**

Opportunities remains immense as India is one of the highest growing economy, at just below than \$3trillion economy, on the way to reach near the developed economies, as India grows, highest booster will be on Housing , Clothing, food grade items as all 3 fall in direct consumption category and we at Superfine fall in Clothing supply chain. International supply base and domestic competition is the only threat.

**Adequacy of Internal Control Systems**

The Company has a benefit of Internal Control Systems developed over years which ensured that all transactions are satisfactorily recorded and reported and all assets are protected against loss from an unauthorized use or otherwise. The Internal control system is adequate and commensurate with the nature of its business and size of its operations, though continuous efforts are being made to strengthening the same. The management also reviews the internal control systems and procedures to ensure its application.

**Material Development in terms of Human Resources**

Human Resources are considered to be a form of capital and wealth of the Company. It has been the focus of the management to improve and expand the contribution of its human resources towards attainment of organizational goals and values.

**Cautionary Statement**

Statements made on Management Discussion & Analysis, describing the Company's expectations or predictions are "forward-looking statements". These statements are based on certain assumptions and expectation of future events. The actual results may differ from those expected or predicted. Prime factors that may make a difference to the company's performance include market conditions, input cost, Government policies/regulations, economic conditions, and other incidental factors and above all elimination of apprehension of CORONA 3 wave.



**FORM NO. AOC -2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

## 1. Details of contracts or arrangements or transactions not at Arm's length basis.

| SL. No. | Particulars   | Details |
|---------|---|---------|
|         | Name (s) of the related party & nature of relationship  | N.A.    |
|         | Nature of contracts/arrangements/transaction  | -       |
|         | Duration of the contracts/arrangements/transaction  | -       |
|         | Salient terms of the contracts or arrangements or transaction including the value, if any                         | -       |
|         | Justification for entering into such contracts or arrangements or transactions'                                   | -       |
|         | Date of approval by the Board   | -       |
|         | Amount paid as advances, if any   | -       |
|         | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | -       |

## 2. (A) Details of contracts or arrangements or transactions at Arm's length basis.

| SL. No. | Particulars   | Details  |
|---------|---|--|
|         | Name (s) of the related party & nature of relationship                                    | Details of Related Party Transactions are disclosed in point no. N of Notes to Accounts. |
|         | Nature of contracts/arrangements/transaction  | -  |
|         | Duration of the contracts/arrangements/transaction  | -  |
|         | Salient terms of the contracts or arrangements or transaction including the value, if any | -  |
|         | Date of approval by the Board   | -  |
|         | Amount paid as advances, if any   | -  |

For and on behalf of the Board  
Super Fine Knitters Limited

Place: Ludhiana  
Date: 30<sup>th</sup> June, 2021

Ajit Kumar Lakra  
Managing Director  
DIN: 01067195  
269, Industrial Area-A,  
Ludhiana, 141003

Vivek Lakra  
Whole Time Director  
DIN: 01067219  
269, Industrial Area-A,  
Ludhiana, 141003

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As at the end of financial year 31.03.2021**

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

**I. REGISTRATION & OTHER DETAILS:**

|    |  |   |
|----|--|---|
| 1. | CIN  | L18101PB1998PLC021814   |
| 2. | Registration Date  | 18/09/1998  |
| 3. | Name of the Company  | SUPER FINE KNITTERS LIMITED   |
| 4. | Category/Sub-category of the Company                                       | Company Limited by Shares   |
| 5. | Address of the Registered office & contact details                         | 269, Industrial Area – A, Ludhiana - 141003   |
| 6. | Whether listed company   | Yes   |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | CAMEO CORPORATE SERVICES LIMITED.,<br>Subramanian Building,<br>No. 1 Club House Road,<br>Chennai – 600 002.<br>Tel: +91 – 44 – 2846 0390 / 1989; Fax: +91 – 44 – 2846 0129<br>E mail:- cameo@cameoindia.com |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1      | KNITTED GARMENTS                                 | 99882230                        | 100%                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

| Sr.No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|---|----------------------------------|------------------------------------|
|        | NIL   |                                  | ---                                |

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

**A) Category-wise Share Holding**

| Category of Shareholders                  | No. of Shares held at the beginning of the year[As on 31-March-2020] |          |                  |                   | No. of Shares held at the end of the year[As on 31-March-2021] |          |                  |                   | % Change during the year |
|---|--|----------|------------------|-------------------|--|----------|------------------|-------------------|--------------------------|
|   | Demat  | Physical | Total            | % of Total Shares | Demat  | Physical | Total            | % of Total Shares |                          |
| <b>A. Promoters</b>                       |  |          |                  |                   |  |          |                  |                   |                          |
| (1) <b>Indian</b>                         |  |          |                  |                   |  |          |                  |                   |                          |
| a) Individual/ HUF                        | 68,24,638  | 0        | 68,24,638        | 55.07             | 68,24,638  | 0        | 68,24,638        | 55.07             | NIL                      |
| b) Central Govt                           | 0  | 0        | 0                | 0                 | 0  | 0        | 0                | 0                 | NIL                      |
| c) State Govt(s)                          | 0  | 0        | 0                | 0                 | 0  | 0        | 0                | 0                 | NIL                      |
| d) Bodies Corp.                           | 0  | 0        | 0                | 0                 | 0  | 0        | 0                | 0                 | NIL                      |
| e) Banks / FI                             | 0  | 0        | 0                | 0                 | 0  | 0        | 0                | 0                 | NIL                      |
| f) Any other                              | 0  | 0        | 0                | 0                 | 0  | 0        | 0                | 0                 | NIL                      |
| (2) <b>Foreign</b>                        |  |          |                  |                   |  |          |                  |                   |                          |
| a) Individual/ HUF                        | 9,55,570   | 0        | 9,55,570         | 7.71              | 9,55,570   | 0        |                  | 7.71              | NIL                      |
| <b>Total shareholding of Promoter (A)</b> | <b>77,80,208</b>   | <b>0</b> | <b>77,80,208</b> | <b>62.78</b>      | <b>77,80,208</b>   | <b>0</b> | <b>77,80,208</b> | <b>62.78</b>      | <b>NIL</b>               |
| <b>B. Public</b>                          |  |          |                  |                   |  |          |                  |                   |                          |

| Shareholding   |                    |                 |                   |              |                   |          |                   |              |   |            |
|--|--------------------|-----------------|-------------------|--------------|-------------------|----------|-------------------|--------------|---|------------|
| 1. Institutions  |                    | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0 | NIL        |
| a) Mutual Funds  |                    | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0 | NIL        |
| b) Banks / FI  |                    | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0 | NIL        |
| c) Central Govt  |                    | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0 | NIL        |
| d) State Govt(s)   |                    | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0 | NIL        |
| e) Venture Capital Funds   |                    | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0 | NIL        |
| f) Insurance Companies   |                    | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0 | NIL        |
| g) FIs   |                    | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0 | NIL        |
| h) Foreign Venture Capital Funds   |                    | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0 | NIL        |
| i) Others (specify)  |                    | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0 | NIL        |
| <b>Sub-total (B)(1):-</b>  |                    | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            | 0 | NIL        |
| <b>2. Non-Institutions</b>   |                    |                 |                   |              |                   |          |                   |              |   |            |
| a) Bodies Corp.  |                    |                 |                   |              |                   |          |                   |              |   |            |
| i) Indian  | 18,50,000          | 0               | 18,50,000         | 14.93        | 17,40,000         | 0        | 17,40,000         | 14.04        |   | -0.89      |
| ii) Overseas   | 0                  | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            |   | NIL        |
| b) Individuals   |                    |                 |                   |              |                   |          |                   |              |   |            |
| i) Individual shareholders holding nominal share capital upto Rs. 2 lakh         | 8,30,000           | 0               | 8,30,000          | 6.7          | 8,40,000          | 0        | 8,40,000          | 6.78         |   | 0.08       |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 11,77,500          | 3,88,262        | 15,65,762         | 12.63        | 16,95,762         | 0        | 16,95,762         | 13.68        |   | 1.05       |
| c) Others (specify)  | 0                  | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            |   | NIL        |
| Non Resident Indians   | 30,000             | 0               | 30,000            | 0.24         | 30,000            | 0        | 30,000            | 0.24         |   | NIL        |
| Overseas Corporate Bodies  | 0                  | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            |   | NIL        |
| Foreign Nationals  | 0                  | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            |   | NIL        |
| Clearing Members   | 0                  | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            |   | NIL        |
| Trusts   | 0                  | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            |   | NIL        |
| Foreign Bodies - D R   |                    |                 |                   |              |                   |          |                   |              |   | NIL        |
| HUF  | 3,37,100           | 0               | 3,37,100          | 2.72         | 3,07,100          | 0        | 3,07,100          | 2.48         |   | -0.24      |
| <b>Sub-total (B)(2):-</b>  | <b>42,24,600</b>   | <b>3,88,262</b> | <b>46,12,862</b>  | <b>37.22</b> | <b>46,12,862</b>  | <b>0</b> | <b>46,12,862</b>  | <b>37.22</b> |   | <b>NIL</b> |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)                                     |                    |                 |                   |              |                   |          |                   |              |   |            |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | 0                  | 0               | 0                 | 0            | 0                 | 0        | 0                 | 0            |   | NIL        |
| <b>Grand Total (A+B+C)</b>   | <b>1,20,04,808</b> | <b>3,88,262</b> | <b>123,93,070</b> | <b>100</b>   | <b>123,93,070</b> | <b>0</b> | <b>123,93,070</b> | <b>100</b>   |   | <b>NIL</b> |

**B) Shareholding of Promoter**

| SN | Shareholder's Name     | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|----|------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|    |                        | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1  | Ajit Kumar Lakra       | 19,51,898                                 | 15.75                            | NIL  | 19,51,898                           | 15.75                            | NIL  | NIL                                      |
| 2  | Ajit Kumar Lakra (HUF) | 29,81,370                                 | 24.06                            | NIL  | 29,81,370                           | 24.06                            | NIL  | NIL                                      |
| 3  | Vivek Lakra            | 12,26,900                                 | 9.90                             | NIL  | 12,26,900                           | 9.90                             | NIL  | NIL                                      |
| 4  | Gita Lakra             | 6,64,470                                  | 5.36                             | NIL  | 6,64,470                            | 5.36                             | NIL  | NIL                                      |
| 5  | Yash Pal Lakra         | 9,55,570                                  | 7.71                             | NIL  | 9,55,570                            | 7.71                             | NIL  | NIL                                      |

**C) Change in Promoters' Shareholding**

| SN | Name of Shareholder          | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|------------------------------|---|----------------------------------|---|----------------------------------|
|    |                              | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1  | Ajit Kumar Lakra             |   |                                  |   |                                  |
|    | At the beginning of the year | 19,51,898                                 | 15.75                            | --                                      | --                               |
|    | Transaction during the year  | --  | --                               | --                                      | --                               |
|    | At the end of the year       | --  | --                               | 19,51,898                               | 15.75                            |
| 2  | Ajit Kumar Lakra (HUF)       |   |                                  |   |                                  |
|    | At the beginning of the year | 29,81,370                                 | 24.06                            | --                                      | --                               |
|    | Transaction during the year  | --  | --                               | --                                      | --                               |

|   |                              |           |      |           |       |
|---|------------------------------|-----------|------|-----------|-------|
|   | At the end of the year       | --        | --   | 29,81,370 | 24.06 |
| 3 | VivekLakra                   |           |      |           |       |
|   | At the beginning of the year | 12,26,900 | 9.90 | --        | --    |
|   | Transaction during the year  | --        | --   | --        | --    |
|   | At the end of the year       | --        | --   | 12,26,900 | 9.90  |
| 4 | Gita Lakra                   |           |      |           |       |
|   | At the beginning of the year | 6,64,470  | 5.36 | --        | --    |
|   | Transaction during the year  | --        | --   | --        | --    |
|   | At the end of the year       | --        | --   | 6,64,470  | 5.36  |
| 5 | Yash Pal Lakra               |           |      |           |       |
|   | At the beginning of the year | 9,55,570  | 7.71 | --        | --    |
|   | Transaction during the year  | --        | --   | --        | --    |
|   | At the end of the year       | --        | --   | 9,55,570  | 7.71  |

**D) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| S. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|-------------------------------------|---|----------------------------------|---|----------------------------------|
|        |                                     | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1      | WAYS VINIMAY PRIVATE LIMITED        | 770000                                    | 6.21                             | 710000                                  | 5.73                             |
| 2      | ORIENT CRAFT LIMITED                | 400000                                    | 3.23                             | 400000                                  | 3.23                             |
| 3      | ROHIT MALHOTRA                      | 357262                                    | 2.88                             | 357262                                  | 2.88                             |
| 4      | NU HEIGHTS AGENCY PRIVATE LIMITED   | 220000                                    | 1.8                              | 290000                                  | 2.34                             |
| 5      | SUDESH DAMODAR SABOO                | 0   | 0                                | 170000                                  | 1.37                             |
| 6      | SANJAY GARG                         | 170000                                    | 1.37                             | 170000                                  | 1.37                             |
| 7      | SUDARSHAN KUMAR JAIN                | 150000                                    | 1.21                             | 150000                                  | 1.21                             |
| 8      | PURSHOTTAM AGARWAL                  | 120000                                    | 0.97                             | 130000                                  | 1.05                             |
| 9      | ANIL KUMAR & SONS HUF               | 117100                                    | 0.94                             | 117100                                  | 0.94                             |
| 10     | GUINNESS SECURITIES LIMITED         | 110000                                    | 0.89                             | 110000                                  | 0.89                             |

**E) Shareholding of Directors and Key Managerial Personnel**

| S. No. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1.     | Mr. Ajit Kumar Lakra,<br>Managing Director                       | 19,51,898                                 | 15.75                            | 19,51,898                               | 15.75                            |
| 2.     | Mrs. Gita Lakra<br>Whole Time Director                           | 6,64,470                                  | 5.36                             | 6,64,470                                | 5.36                             |
| 3.     | Mr. VivekLakra<br>Whole Time Director                            | 12,26,900                                 | 9.90                             | 12,26,900                               | 9.90                             |
| 4.     | Mr. Baljit Kumar Trikha<br>Non-Executive Director<br>(Resigned)  | 0   | 0                                | 0                                       | 0                                |
| 5.     | Mr. Amit Gupta<br>Non-Executive Director<br>(Resigned)           | 0   | 0                                | 0                                       | 0                                |
| 6.     | Mr. Vipin Sehgal<br>Non-Executive Director<br>(Resigned)         | 0   | 0                                | 0                                       | 0                                |
| 7.     | Mr. Davinder Pal Singh<br>Chief Financial Officer                | 0   | 0                                | 0                                       | 0                                |
| 8.     | Mrs. Nancy Singla<br>Company Secretary                           | 0   | 0                                | 0                                       | 0                                |

**V) INDEBTEDNESS-Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

|  | Secured Loans excluding deposits | Unsecured Loans    | Deposits | Total Indebtedness  |
|--|----------------------------------|--------------------|----------|---------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                    |          |                     |
| i) Principal Amount  | 26,39,29,424                     | 4,47,25,103        | 0        | 30,86,54,527        |
| ii) Interest due but not paid                              | -                                | -                  | -        | -                   |
| iii) Interest accrued but not due                          | -                                | -                  | -        | -                   |
| <b>Total (i+ii+iii)</b>                                    | <b>26,39,29,424</b>              | <b>4,47,25,103</b> | <b>0</b> | <b>30,86,54,527</b> |

| Change in Indebtedness during the financial year |              |             |   |              |
|--|--------------|-------------|---|--------------|
| * Addition                                       | 5,40,93,335  | -           | 0 | 5,40,93,335  |
| * Reduction                                      | -            | 34,64,850   | - | 34,64,850    |
| <b>Net Change</b>                                | 5,40,93,335  | 34,64,850   | 0 | 5,06,28,485  |
| Indebtedness at the end of the financial year    |              |             |   |              |
| i) Principal Amount                              | 31,80,22,759 | 4,12,60,253 | 0 | 35,92,83,012 |
| ii) Interest due but not paid                    | -            | -           | - | -            |
| iii) Interest accrued but not due                | -            | -           | - | -            |
| <b>Total (i+ii+iii)</b>                          | 31,80,22,759 | 4,12,60,253 | 0 | 35,92,83,012 |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| SN. | Particulars of Remuneration   | Ajit Kumar Lakra                             | Vivek Lakra           | Gita Lakra            | Total     |
|-----|---|--|-----------------------|-----------------------|-----------|
|     |   | (Managing Director)                          | (Whole-Time Director) | (Whole-Time Director) |           |
|     | Gross salary  | 9,00,000                                     | 8,40,000              | 7,50,000              | 24,90,000 |
| 1   | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | ----   | ----                  | ----                  | ----      |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | ----   | ----                  | ----                  | ----      |
|     | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | ----   | ----                  | ----                  | ----      |
| 2   | Stock Option  | ----   | ----                  | ----                  | ----      |
| 3   | Sweat Equity  | ----   | ----                  | ----                  | ----      |
| 4   | Commission  | ----   | ----                  | ----                  | ----      |
|     | - as % of profit  | ----   | ----                  | ----                  |           |
|     | - others, specify...  | ----   | ----                  | ----                  |           |
| 5   | Others, please specify  | ----   | ----                  | ----                  | ----      |
|     | Total (A)   | 9,00,000                                     | 8,40,000              | 7,50,000              | 24,90,000 |
|     | Ceiling as per the Act  | As per Schedule V of the Companies Act, 2013 |                       |                       |           |

### B. Remuneration to other Directors

| SN. | Particulars of Remuneration                  | Name Of Directors |              |               | Total |
|-----|--|-------------------|--------------|---------------|-------|
|     |  | Amit Gupta        | Vipin Sehgal | Baljit Trikha |       |
| 1   | Independent Directors                        | Amit Gupta        | Vipin Sehgal | Baljit Trikha | ----  |
|     | Fee for attending board & committee meetings | ----              | ----         | ----          | ----  |
|     | Commission                                   | ----              | ----         | ----          | ----  |
|     | Others, please specify                       | ----              | ----         | ----          | ----  |
|     | Total (1)                                    | ----              | ----         | ----          | ----  |
| 2   | Other Non-Executive Directors                | ----              | ----         | ----          | ----  |
|     | Fee for attending board & committee meetings | ----              | ----         | ----          | ----  |
|     | Commission                                   | ----              | ----         | ----          | ----  |
|     | Others, please specify                       | ----              | ----         | ----          | ----  |
|     | Total (2)                                    | ----              | ----         | ----          | ----  |
|     | Total (B)=(1+2)                              | ----              | ----         | ----          | ----  |
|     | Total Managerial Remuneration                | ----              | ----         | ----          | ----  |
|     | Overall Ceiling as per the Act               | ----              | ----         | ----          | ----  |

### C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

| SN | Particulars of Remuneration   | Key Managerial Personnel |          |          |          |
|----|---|--------------------------|----------|----------|----------|
|    |   | CEO                      | CS       | CFO      | Total    |
| 1  | Gross salary  | --                       | 2,58,000 | 2,58,000 | 5,16,000 |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | --                       | --       | --       | --       |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | --                       | --       | --       | ----     |
|    | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | --                       | --       | --       | ---      |

|   |                        |    |          |          |          |
|---|------------------------|----|----------|----------|----------|
| 2 | Stock Option           | -- | --       | --       | ---      |
| 3 | Sweat Equity           | -- | --       | --       | ---      |
| 4 | Commission             | -- | --       | --       | ---      |
|   | - as % of profit       | -- | --       | --       | ---      |
|   | others, specify...     | -- | --       | --       | ---      |
| 5 | Others, please specify | -- | --       | --       | ---      |
|   | Total                  | -- | 2,58,000 | 2,58,000 | 5,16,000 |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                              |                                    |
| Penalty                             |                              |                   | None  |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                              |                                    |
| Penalty                             |                              |                   | None  |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |
| Penalty                             |                              |                   | None  |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |

For and on behalf of the Board  
Super Fine Knitters Limited

Place: Ludhiana  
Date: 30<sup>th</sup> June, 2021

Ajit Kumar Lakra  
Managing Director  
DIN: 01067195  
269, Industrial Area-A,  
Ludhiana, 141003

Vivek Lakra  
Whole Time Director  
DIN: 01067219  
269, Industrial Area-A,  
Ludhiana, 141003

## Form No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

To,  
The Members,  
Super Fine Knitters Limited  
269, Industrial Area – A,  
Ludhiana - 141003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Super Fine Knitters Limited** having CIN - L18101PB1998PLC021814 (hereinafter referred as 'The Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my 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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 1956 & The Companies Act, 2013 (hereinafter referred as the Corporate Laws) and the rules made there under; complied with subject to some observations mentioned in our report.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') -
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 -Not Applicable to the company during the period under review.
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-Not Applicable to the company during the period under review.
  - (g) 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;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-Not Applicable to the company during the period under review
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998-Not Applicable to the company during the period under review
- (vi) Other Applicable Laws
  1. The Shops & Establishment Act, 1954
  2. The Factories Act
  3. Payment of Gratuity Act
  4. Minimum Wages Act, 1948
  5. Maternity Benefit Act, 1961
  6. The Employees State Insurance Act, 1948
  7. Employees Provident Fund and Miscellaneous Provisions Act
  8. The Contract labour (Regulation & Abolition) Act 1970
  9. The Payment of Bonus Act, 1965

## 10. The Sexual Harassment of Women at Workplace (Prevention, Prohibition &amp; Redressal) Act, 2013

With reference to aforesaid specific Acts of the Company, we have relied on the Compliance Certificates placed before the Board by the respective Department heads. With regard to compliance system relating to direct tax, indirect tax and other tax laws, we have relied on the reports of Internal as well as the Statutory Auditors of the Company for. Our report of compliance would be limited to their reporting and subject to the observations and comments made by them in their report.

**We have also examined compliance with the applicable clauses of the following:**

(i) Secretarial Standards issued by The Institute of Company Secretaries of India: Secretarial Standards issued by The Institute of Company Secretaries of India for Board Meetings and General Meetings are applicable w.e.f. 1<sup>st</sup> July, 2015 and have been duly complied.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s): During the period under review the Company has generally complied with the provisions of the Corporate Laws and applicable Rules, Regulations, Guidelines, Standards, etc.

1. The Company has kept and maintained all Registers as per the provisions of the Corporate Laws and the Rules made there under and all entries therein have been recorded.
2. The Company if as required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the provision of the Act during the said year.
3. There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or other punishment was imposed on the Company during the financial year, for offences under the Corporate Laws.
4. Based on the Audit Procedures performed and the information and explanations given to us, we report that no fraud on or by the Company was noticed or reported during the year.
5. Management has informed us that the website of the Company ([www.superfineknitters.com](http://www.superfineknitters.com)) is being updated regularly as per the provisions of the Companies Act, 2013.

**We further report that**

The Board of Directors of the Company was duly constituted with a proper balance of Executive, Non-Executive Directors and Independent Director on the Board during the financial year. The Independent directors of the company have resigned in the month of March, 2021. Three Additional Directors have been appointed, hold the office till forthcoming Annual General Meeting. Further, the Audit Committee, Nomination and Remuneration committee and stakeholder committee will reconstitute after the forthcoming Annual General Meeting.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decisions are carried through and there were no dissenting members' views during the year.

**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 review of quarterly compliance reports by respective department heads/ Company Secretary taken on record by the Board of Directors of the Company, in our opinion, 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 Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**Narang G and & Associates**  
Company Secretaries

Place: Sonipat  
Date: 30<sup>th</sup> June, 2021

**(Garisha Narang)**  
Proprietor  
ACS 43779  
C. P. No.: 16383



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF SUPER FINE KNITTERS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **SUPER FINE KNITTERS LIMITED** ("the Company"), which comprise the Balance Sheet as at **31<sup>st</sup> March, 2021**, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31<sup>st</sup> March 2021**, its Profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

2. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on **31st March 2021** taken on record by the Board of Directors, none of the directors is disqualified as on **31<sup>st</sup> March 2021** 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 A**".
  - (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 does not have any pending litigations which would impact its financial position in its financial statements.
    - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by the Companies (Auditor's Report) Order , 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act , we give in "**Annexure B**" a statement on the matters specified in paragraph 3 and 4 of the Order

**FOR MEHTA SHARMA AND ASSOCIATES**  
**(Chartered Accountants)**  
**Reg No. :018946N**

Date :02/09/2021  
Place : LUDHIANA

**(MOHIT SHARMA)**  
**Partner**  
**M.No. : 501072**

**“Annexure A” to the Independent Auditor’s Report of even date on the Financial Statements of SUPER FINE KNITTERS LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of SUPER FINE KNITTERS LIMITED (“The Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls 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. 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 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 amount the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon on the auditor’s judgment, including the assessment of the risks of material misstatement of the 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 over Financial Reporting**

A company’s internal financial control over financial reporting 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 control over financial reporting includes 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

**Opinion**

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 March 31, 2021, 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 issues by the Institute of Chartered Accountants of India.

**FOR MEHTA SHARMA AND ASSOCIATES**  
**(Chartered Accountants)**  
**Reg No. :018946N**

**(MOHIT SHARMA)**  
**Partner**  
**M.No. : 501072**

Date :02/09/2021  
Place : LUDHIANA

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**  
**Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016) for the year ended on**  
**31st March 2021**  
**To The Members of SUPER FINE KNITTERS LIMITED**

**(1) In Respect of Fixed Assets**

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company has a phased programme of physical verification of its fixed assets which in our opinion is reasonable having regard to the size of the company and nature of its assets. As explained to us, as per company's policy discrepancies, if any, noticed on such verification as compared to book records is properly adjusted in the books of accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deed of the Immovable Properties is held in the name of the company.

**(2) In Respect of Inventories**

As explained to us, physical verification of inventory has been conducted by the management at reasonable intervals in respect of Raw Material, consumables and Finished goods. In our opinion the frequency of such verification is reasonable and no material discrepancies were noticed on such physical verification

**(3) Compliance under section 189 of The Companies Act, 2013**

The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013. thus paragraph 3(iii) of the order is not applicable to the company

**(4) Compliance under section 185 and 186 of The Companies Act , 2013**

In our opinion and according to the information and explanations given to us, the company while doing transaction for loans, investments, guarantees, and security has complied with the provisions of section 185 and 186 of the Companies Act, 2013.

**(5) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits**

The company has not accepted any Deposits from the Public as per the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed thereunder.

**(6) Maintenance of cost records**

As per information and explanations given to us, the Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

**(7) Deposit of Statutory Dues**

In our opinion and according to the information and explanations given to us and according to the records of the Company, the amounts deducted or accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employee State Insurance , Income Tax, Sales Tax/ Value Added Tax, Custom Duty, GST and other material statutory dues wherever applicable, the company is regular in depositing with appropriate authorities and there is no undisputed statutory dues payable for a period more than six months from the date they became payable as on 31<sup>st</sup> March 2021 except Labour Welfare Fund .

**8) Repayment of Loans and Borrowings**

According to the information and explanations given to us and as per the books and records examined by us, the company has not defaulted in repayment of dues to financial institution, bank or debenture holders.

**(9) Utilization of Money Raised by Public Offers and Term Loan For which they Raised**

The company has not raised any money by way of Initial Public offer during the year under consideration.

**(10) Reporting of Fraud During the Year**

According to the information and explanations given to us, no material fraud by the company or on the company by its officers or its employees has been noticed or reported during the course of our audit.

**(11) Managerial Remuneration**

As per information and explanations given to us and based on our examination of the records of the company, the company has paid/provided Managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

**(12) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio**

In our opinion and according to the information and explanations given to us and as per records available, the company is not a Nidhi Company. Accordingly paragraph (xii) of the CARO 2016 order is not applicable.

**(13) Related party compliance with Section 177 and 188 of companies Act – 2013**

According to information and explanations given to us, based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, and the details of related party transactions have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

**(14) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures**

According to information and explanations given to us, based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the company

**(15) Compliance under section 192 of Companies Act - 2013**

According to information and explanations given to us, based on our examination of the records of the company, the company has not entered into non-cash transaction with the directors or persons connected with him. Accordingly paragraph 3(xv) of the order is not applicable.

**(16) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934**

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**FOR MEHTA SHARMA AND ASSOCIATES**  
**(Chartered Accountants)**  
**Reg No. :018946N**

**(MOHIT SHARMA)**  
**Partner**  
**M.No. : 501072**

Date :02/09/2021  
Place : LUDHIANA

**Balance Sheet**  
**AS ON MARCH 31, 2021**

| Particulars                                      | Note No. | As at<br>31.03.2021   | As at<br>31.03.2020   |
|--|----------|-----------------------|-----------------------|
| <b>EQUITY AND LIABILITIES</b>                    |          |                       |                       |
| <b>Shareholders' Funds</b>                       |          |                       |                       |
| Share Capital                                    | 2        | 123,930,700.00        | 123,930,700.00        |
| Reserve and Surplus                              | 3        | 122,190,672.92        | 136,629,750.89        |
| Money received against share warrants            |          | -                     | -                     |
| <b>Share Application Pending Allotment</b>       |          |                       |                       |
|  |          | -                     | -                     |
| <b>Non Current Liabilities</b>                   |          |                       |                       |
| Long Tem Borrowings                              | 4        | 106,521,738.50        | 81,433,244.09         |
| Deferred Tax Liabilities ( Net )                 | 5        | 15,468,589.00         | 15,743,962.00         |
| Other Long Tem Borrowings                        |          |                       |                       |
| Long-term provisions                             |          |                       |                       |
| <b>Current Liabilities</b>                       |          |                       |                       |
| Short- term Borrowings                           | 6        | 252,761,274.25        | 227,221,283.07        |
| Trade Payables                                   | 7        | 45,663,146.22         | 68,404,627.50         |
| Other Current Liabilities                        | 8        | 54,440,551.73         | 73,901,353.45         |
| Short Term Provisions                            | 9        | -                     | 1,996,144.00          |
| <b>TOTAL</b>                                     |          | <b>720,976,672.62</b> | <b>729,261,065.00</b> |
| <b>ASSETS</b>                                    |          |                       |                       |
| <b>Non Current Assets</b>                        |          |                       |                       |
| <b>Fixed Assets</b>                              |          |                       |                       |
| Tangible assets                                  | 10       | 192,061,048.98        | 204,384,757.46        |
| Intangible assets                                |          | -                     | -                     |
| Capital work-in-progress                         |          | -                     | -                     |
| Intangible assets under development              |          | -                     | -                     |
| Non Current Investments                          |          | -                     | -                     |
| Long-term loans and advances                     |          | -                     | -                     |
| Other non-current assets                         |          | -                     | -                     |
| <b>Current Assets</b>                            |          |                       |                       |
| Current investments                              |          | 239,800.00            | 923,505.00            |
| Inventories                                      | 11       | 349,392,754.00        | 314,274,991.00        |
| ( As taken, valued and certified by management.) |          |                       |                       |
| Trade Receivables                                | 12       | 131,437,343.23        | 169,770,533.27        |
| Cash and Cash Equivalents                        | 13       | 1,097,939.55          | 5,126,681.18          |
| Short Term Loans and Advances                    | 14       | 36,233,594.49         | 24,890,895.43         |
| Other Current Assets                             | 15       | 10,514,192.37         | 9,889,701.66          |
| <b>TOTAL</b>                                     |          | <b>720,976,672.62</b> | <b>729,261,065.00</b> |

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As per our report of even date  
**FOR MEHTA SHARMA & ASSOCIATES**  
Firm Reg. No.018946N  
Chartered Accountants

For and on Behalf of Board

**(Mohit Sharma)**  
Partner  
M.No. 501072

**(Ajit Kumar Lakra)**  
Managing Director  
DIN 01067195

**(Vivek Lakra)**  
Whole Time Director  
DIN 01067219

Date: 30/06/2021  
Place: Ludhiana

**(Davinder Pal Singh)**  
Chief Financial Officer

**( Nancy Singla )**  
Company Secretary

**STATEMENT OF PROFIT & LOSS  
FOR THE YEAR ENDED MARCH 31, 2021**

| <b>Particulars</b>   | <b>Note No.</b> | <b>31.03.2021</b>      | <b>31.03.2020</b>     |
|--|-----------------|------------------------|-----------------------|
| <b>Revenue</b>   |                 |                        |                       |
| Revenue From Operations  | <b>16</b>       | 459,038,668.86         | 919,096,723.50        |
| Other Income   | <b>17</b>       | 271,677.60             | 827,673.40            |
| <b>Total Revenue</b>   |                 | <b>459,310,346.46</b>  | <b>919,924,396.90</b> |
| <b>Expenses</b>  |                 |                        |                       |
| Cost of Materials Consumed   | <b>18</b>       | 325,674,385.09         | 583,243,579.85        |
| Change in inventories of finished goods ,<br>work in progress and stock in trade | <b>19</b>       | (39,326,420.00)        | (72,329,264.00)       |
| Other Manufacturing Expenses   | <b>20</b>       | 121,215,795.72         | 305,335,650.25        |
| Employee Benefits Expenses   | <b>21</b>       | 5,739,803.00           | 23,088,502.46         |
| Finance Costs  | <b>22</b>       | 30,389,149.21          | 27,024,117.23         |
| Depreciation and amortization exp.   |                 | 15,347,140.14          | 16,176,683.05         |
| Other Expenses   | <b>23</b>       | 14,984,944.27          | 22,830,338.94         |
| <b>Total Expenses</b>  |                 | <b>474,024,797.43</b>  | <b>905,369,607.78</b> |
| Profit before exceptional and extraordinary items<br>and Tax                     |                 | (14,714,450.97)        | 14,554,789.12         |
| Less: Exceptional items  |                 |                        |                       |
| Profit Before extraordinary items  |                 | (14,714,450.97)        | 14,554,789.12         |
| Less: Extraordinary items  |                 |                        | 2,117,810.32          |
| Profit Before Tax  |                 | (14,714,450.97)        | 12,436,978.80         |
| Less : Provisions for  |                 |                        |                       |
| --Income Tax Current   |                 |                        | 1,996,144.00          |
| --Deferred tax   |                 | 275,373.00             | 594,256.00            |
| --Income Tax adjustments for earlier years                                       |                 |                        | (612,684.23)          |
| --Prior Period Adjustments   |                 |                        | -                     |
| Profit ( Loss) for the Period  |                 | <b>(14,439,077.97)</b> | <b>10,459,263.03</b>  |
| <b>Earning Per Equity Share of face value of Rs<br/>10each</b>                   |                 |                        |                       |
| Basic & Diluted  |                 | <b>-1.17</b>           | <b>0.84</b>           |

As per our report of even date  
**FOR MEHTA SHARMA & ASSOCIATES**  
Firm Reg. No.018946N  
Chartered Accountants

**For and on Behalf of Board**

**(Mohit Sharma)**  
Partner  
M.No. 501072

**(Ajit Kumar Lakra)**  
Managing Director  
DIN 01067195

**(Vivek Lakra)**  
Whole Time Director  
DIN 01067219

Date: 30/06/2021  
Place: Ludhiana

**(Davinder Pal Singh)**  
Chief Financial Officer

**( Nancy Singla )**  
Company Secretary



**CASH FLOW STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2021**

|           | Particulars   | 31.03.2021             | 31.03.2020            |
|-----------|---|------------------------|-----------------------|
| <b>A</b>  | <b>Cash flow from Operating Activities</b>                |                        |                       |
|           | Net Profit/(Loss) before Tax and extraordinary items      | (14,714,450.97)        | 14,554,789.12         |
|           | Adjustment for  |                        |                       |
|           | Depreciation  | 15,347,140.14          | 16,176,683.05         |
|           | (Profit)/Loss on Sale of Asset & Shares                   | 1,865.10               | 85,070.92             |
|           | Rental Income   | (167,299.00)           | (156,906.74)          |
|           | Interest & Dividend Received                              | (6,168.60)             | (100,767.36)          |
|           | Interest expenses   | 30,004,114.95          | 26,638,932.60         |
|           | Operating Profit/Loss before Working Capital Changes      | <b>30,465,201.62</b>   | <b>57,197,801.59</b>  |
|           | Adjustment for  |                        |                       |
|           | (Increase)/Decrease in Trade & Other receivables          | 37,708,699.33          | 32,739,671.39         |
|           | (Increase)/Decrease in Inventory                          | (35,117,763.00)        | (60,467,576.00)       |
|           | Increase/(Decrease) in Trade Payables & Other Liabilities | (42,202,283.00)        | (18,127,659.51)       |
|           | Increase/(Decrease) in Loan & Advances                    | (11,342,699.06)        | 3,617,838.78          |
|           | Cash generated from operations                            | <b>(20,488,844.11)</b> | <b>14,960,076.25</b>  |
|           | Income Tax Paid   | -                      | (2,968,149.91)        |
|           | loss from extraordinary activities                        | -                      | (400,000.00)          |
|           | Previous Year Taxes (Net )                                | (1,998,009.10)         | 612,684.23            |
|           | Net Cash from Operating Activities                        | <b>(22,486,853.21)</b> | <b>12,204,610.57</b>  |
| <b>B.</b> | <b>Cash Flow from Investing Activities</b>                |                        |                       |
|           | (Purchase) of Fixed/Capital Expenditure                   | (3,023,431.66)         | (8,652,515.37)        |
|           | Sale of Fixed Assets                                      | 683,705.00             | 3,668,745.00          |
|           | Rental Income   | 167,299.00             | 156,906.74            |
|           | Interest & Dividend Received                              | 6,168.60               | 100,767.36            |
|           | Net Cash used in Investing Activities                     | <b>(2,166,259.06)</b>  | <b>(4,726,096.27)</b> |
| <b>C.</b> | <b>Cash Flow from Finance Activities</b>                  |                        |                       |
|           | Proceeds from Share capital /Share Application            | -                      | -                     |
|           | Proceeds from Long Term Borrowing (Net)                   | 25,088,494.41          | (2,647,343.86)        |
|           | Short Term Loans Movement                                 | 25,539,991.18          | 23,674,228.71         |
|           | Interest Payment  | (30,004,114.95)        | (26,638,932.60)       |
|           | <b>Net Cash from Financing Activities</b>                 | <b>20,624,370.64</b>   | <b>(5,612,047.75)</b> |
|           | Net increase in Cash and Equivalents (A+B+C)              | (4,028,741.63)         | 1,866,466.55          |
|           | Opening Balance of Cash and Cash Equivalents              | 5,126,681.18           | 3,260,214.63          |
|           | <b>Closing Balance of Cash and Cash Equivalents</b>       | <b>(1,097,939.55)</b>  | <b>5,126,681.18</b>   |

**SIGNIFICANT ACCOUNTING POLICIES** 1  
See accompanying notes forming part of the financial statements

As per our report of even date

**FOR MEHTA SHARMA & ASSOCIATES**

Firm Reg. No.018946N  
Chartered Accountants

For and on Behalf of Board

**(Mohit Sharma)**  
Partner  
M.No. 501072

**(Ajit Kumar Lakra)**  
Managing Director  
DIN 01067195

**(Vivek Lakra)**  
Whole Time Director  
DIN 01067219

Date: 30/06/2021  
Place: Ludhiana

**(Davinder Pal Singh)**  
Chief Financial Officer

**( Nancy Singla )**  
Company Secretary

**ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS****A) Corporate Information :**

Super Fine Knitters Ltd having its registered office at Ludhiana is a textile unit engaged in the business of manufacturing knitted apparels/fabrics for itself as well as for national and international brands and is a well-known supplier of knitted fabrics for large companies in India involved in manufacturing and exporting knitted apparels.

**B) Basis of Preparation:**

These Financial Statements have been prepared in accordance with the Accounting Standard notified under section 133 of the Companies Act and in accordance with the accounting principles generally accepted in India. The contents of the said financial statements are in accordance with the requirement Rule 10 of the Companies (Accounts) Rules, 2014. The accounting policies as set out in the annual financial statements have been consistently applied, by the Company, to all the periods presented.

**C) Significant Accounting Policies:**

- i) Fixed Assets  
Fixed Assets are stated at cost of acquisition and subsequent improvement thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation. Appreciation for acquisition of fixed assets, if any is added to the respective asset.
- ii) Depreciation  
Depreciation is provided on Straight –Line Method at the rate and in the manner prescribed in schedule II of the Companies Act, 2013.
- iii) Inventories  
The method of determining inventories is on FIFO basis. The basis of determining cost for various categories of inventories is as follows:
  - 1) Raw Material At Cost
  - 2) Finished Goods At cost or Net realizable value whichever is lower
  - 3) Work in Progress At cost or Net realizable value whichever is lower
  - 4) Store & Spares At Cost
- iv) Revenue Recognition
  - a) Sale of Goods on Mercantile Basis.
  - b) Job Work/ Labour Earned is charged only when the finished goods are dispatched to the customers.
  - c) Foreign Currency fluctuations are recognized to revenue at the time of actual realization subject to AS -11
  - d) VAT/GST refunds/ Liabilities are accounted for on the basis of VAT/GST returns filed by the company. Additional liability/Refund if any arises at time of assessment or filing the claim with respective Departments.
- v) Retirement Benefits  
Retirement benefits in the form of Provident Fund, Family Pension Scheme and Contribution to ESIC are accounted for on accrual basis and charged to Profit & Loss Account and Provision for Gratuity is not provided in the books as required by AS- 15.
- vi) Foreign Exchange Transactions  
The export sales transactions are accounted for at the rates prevailing at the time of execution of documents with the bank and Import of stores & spares and capital goods are accounted for on the basis of actual payments made by bank. Foreign currency liabilities are being accounted for on the basis of the date of transactions.
- vii) Insurance claims are being accounted for on receipt basis.

**Other Notes**

- a) In the opinion of the Board of Directors, Current Assets Loans & Advances have the value at which these are stated in the Balance Sheet, if realized in the ordinary course of business.
- b) Debit and Credit Balances are subject to confirmation & reconciliation, if any.
- c) The provision of the Income Tax has been made as per the Income Tax Act 1961.
- d) The Company has not received information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the yearend together with interest paid/payable under this Act has not been given.
- e) Consequent to the issuance of AS-22 "Accounting for Taxes on Income" by the Institute of Chartered Accountants of India, the Company has recognized Deferred tax, Subject to the Consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**Deferred Tax Liability:-**

|   |                    |
|---|--------------------|
| Deferred Tax Liability as on 31.03.2020                           | Rs. 1,57,43,962.00 |
| Addition/Reduce of D.T.A. due to timing difference of Deprecation | Rs. (2,75,373.00)  |
| Deferred Tax Liability as on 31.03.2021                           | Rs. 1,54,68,589.00 |

- f) Contingent Liability not provided for

| S. No. | Particulars            | 2020-21<br>(Rs. In Lacs) | 2019-20<br>(Rs. In Lacs) |
|--------|------------------------|--------------------------|--------------------------|
| i)     | Inland Bill discounted | NIL                      | NIL                      |
| ii)    | ILC for purchase       | NIL                      | NIL                      |
| iii)   | FLC for Import         | NIL                      | NIL                      |

- g) Directors' salary represents only the basic salary and no perks have been paid.

- h) The payment made to Directors is as under:-

| Nature of Payment | Name of Director | Amount (in Rs.)<br>2020-21 | Amount (in Rs.)<br>2019-20 |
|-------------------|------------------|----------------------------|----------------------------|
| Salary            | Mr. Ajit Lakra   | 9,00,000.00                | 15,00,000.00               |
| Salary            | Mrs. Gita Lakra  | 7,50,000.00                | 12,00,000.00               |
| Salary            | Mr. Vivek Lakra  | 8,40,000.00                | 13,80,000.00               |

- i) The Earning per Share (EPS) in accordance with Accounting Standards (AS)-20 on Earning per share issued by The Institute of Chartered Accountants of India is as under:-

| Particulars  | For the Year<br>Ended 31.03.2021 | For the Year<br>Ended 31.03.2020 |
|--|----------------------------------|----------------------------------|
| Earning<br>-Profit available to equity share holders | Rs. (144.39) lacs                | Rs. 104.59 lacs                  |
| Shares   | 12393070                         | 12393070                         |
| -Weighted average Number of Equity Share- Basic      | 12393070                         | 12393070                         |
| -Weighted average Number of Equity Share-Diluted     | 12393070                         | 12393070                         |
| Earning per Share – Basic                            | -1.17                            | 0.84                             |
| Earning per Share- Diluted                           | -1.17                            | 0.84                             |
| Nominal Value of Share                               | Rs. 10/-                         | Rs. 10/-                         |

- j) In Compliance to the provisions of Accounting Standard 11 (AS-11) Rs. 8,83,015.26/- has been debited in foreign Currency Fluctuation and Balances of Respective Parties are restated.
- k) The provision for Bonus amounting to Rs. 7,34,233/- has been recognized on mercantile basis for the years ending 2021.
- l) Figures of the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary, to make them comparable with the current year figure.
- m) As the Company operates only in one segment i.e. Knitted Cloth and Garment, as primary business segment, the disclosure requirement of Accounting Standard (AS-17) on "Segment Reporting" issued by The Institute of Chartered Accountants of India are not Applicable

- n) Related Party Disclosure ( AS-18)  
a. Related parties where control exists or with whom transactions have taken place during the year, as informed by the Managing Director of the Company.

**KEY MANAGERIAL PERSONNEL REPRESENTED ON THE BOARD**

|                   |                        |
|-------------------|------------------------|
| o Mr. Ajit Lakra  | Managing Director      |
| o Mrs. Gita Lakra | Director               |
| o Mr. Vivek Lakra | Director               |
| Others            |                        |
| Ajit Lakra (HUF)  | Mr. Ajit Lakra, Karta  |
| Vivek Lakra (HUF) | Mr. Vivek Lakra, Karta |

- b. The following is a summary of significant related party transactions.

| Sr. No. | Name of Company/Firm/ Individual | Nature of Transaction | 31.03.2020<br>(Rs. In Lacs) | 31.03.2020<br>(Rs. In Lacs) |
|---------|----------------------------------|-----------------------|-----------------------------|-----------------------------|
| 1.      | Mr. Ajit Lakra                   | Loan Received         | 60.00                       | 83.90                       |
|         |                                  | Loan Repaid           | 48.53                       | 32.58                       |
|         |                                  | Salary Paid           | 9.00                        | 15.00                       |
| 2.      | Mrs. Gita Lakra                  | Loan Received         | -                           | 17.35                       |
|         |                                  | Loan Repaid           | 10.31                       | 5.71                        |
|         |                                  | Salary paid           | 7.50                        | 12.00                       |
| 3.      | Mr. Vivek Lakra                  | Loan Received         | 13.75                       | 187.55                      |
|         |                                  | Loan Repaid           | 69.59                       | 131.76                      |
|         |                                  | Salary Paid           | 8.40                        | 13.80                       |
| 4.      | Ajit Lakra ( HUF)                | Loan Received         | 18.65                       | 6.61                        |
|         |                                  | Loan Repaid           | 3.11                        | 3.58                        |
|         |                                  | Interest Paid         | 2.61                        | -                           |
| 5.      | Mr. Vivek Lakra (HUF)            | Loan Received         | 2.73                        | -                           |
|         |                                  | Loan Repaid           | 0.62                        | -                           |
|         |                                  | Interest Paid         | 0.04                        | -                           |

- c. Amount due To Related Parties

| Sr. No. | Particulars   | As On<br>31.03.2021<br>( Rs. In Lacs) | As On<br>31.03.2020<br>( Rs. In Lacs) |
|---------|---|---------------------------------------|---------------------------------------|
|         | Due to Related Parties<br>( included in Current Liabilities & Unsecured Loans ) |                                       |                                       |
| 1       | -Mr. Ajit Lakra   | 109.00                                | 97.53                                 |
| 2       | -Mrs. Gita Lakra  | 80.00                                 | 90.31                                 |
| 3       | -Ajit Lakra HUF   | 95.55                                 | 77.65                                 |
| 4       | -Mr. Vivek Lakra  | 125.89                                | 181.74                                |
| 5       | -Vivek Lakra HUF  | 2.15                                  | -                                     |

- o) Leases ( AS-19)

| Sr. No. | Particulars  | 31.03.2021                      | 31.03.2020                      |
|---------|--|---------------------------------|---------------------------------|
| a.      | The Total of future minimum lease payments under non-cancelable operating leases for each of the following periods;<br>1. Not later than one year:<br>2. Later than one year and not later than five year.<br>3. Later than five year: | Rs. Nil/<br>Rs Nil/<br>Rs Nil/- | Rs. Nil/<br>Rs Nil/<br>Rs Nil/- |
| b.      | The total of future minimum sub-leases payment expected to be received under non-cancelable sub-leases at the balance sheet  | -                               | -                               |

|    |  |   |   |
|----|--|---|---|
| c. | Lease payments recognized in the statement of profit and loss for the minimum lease payments   | -   | -   |
| d. | Sub-lease payments received (or receivable ) recognized in the statement of profit and loss for the period   | Rs. 1,67,299/-  | Rs. 1,56,906/-  |
| e. | A general description of the lessee's significant leasing arrangements including the following:<br>The existence and terms of renewal or purchase options and escalations clauses: and restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing | The lease agreement renewable every year or every three years subject to escalation of 15% respectively | The lease agreement renewable every year or every three years subject to escalation of 15% respectively |

| 2 | Particulars                         | As at 31.03.2021     |                       | As at 31.03.2020     |                       |
|---|-------------------------------------|----------------------|-----------------------|----------------------|-----------------------|
|   |                                     | Number               | Amount                | Number               | Amount                |
|   | <b>Authorised</b>                   |                      |                       |                      |                       |
|   | Equity Shares of Rs. 10/- each      | 13,000,000.00        | 130,000,000.00        | 13,000,000.00        | 130,000,000.00        |
|   | <b>Total</b>                        | <b>13,000,000.00</b> | <b>130,000,000.00</b> | <b>13,000,000.00</b> | <b>130,000,000.00</b> |
|   | <b>Issued</b>                       |                      |                       |                      |                       |
|   | Equity Shares of Rs.10/-each        | 12,393,070.00        | 123,930,700.00        | 12,393,070.00        | 123,930,700.00        |
|   | <b>Total</b>                        | <b>12,393,070.00</b> | <b>123,930,700.00</b> | <b>12,393,070.00</b> | <b>123,930,700.00</b> |
|   | <b>Subscribed and Fully Paid up</b> |                      |                       |                      |                       |
|   | Opening -                           |                      |                       |                      |                       |
|   | Equity Shares of Rs.10/-each        | 12,393,070.00        | 123,930,700.00        | 12,393,070.00        | 123,930,700.00        |
|   | Additions                           | -                    | -                     | -                    | -                     |
|   | Deductions                          | -                    | -                     | -                    | -                     |
|   | <b>Total</b>                        | <b>12,393,070.00</b> | <b>123,930,700.00</b> | <b>12,393,070.00</b> | <b>123,930,700.00</b> |

- 2.1 The Company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder is entitled to one vote per share  
The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company , the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distributions of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.2 **The Following hold more than 5% shares:**

| Particulars              | As at 31.03.2021   |              | As at 31.03.2020   |              |
|--------------------------|--------------------|--------------|--------------------|--------------|
|                          | No. of shares held | % of Holding | No. of shares held | % of Holding |
| <b>Equity Shares</b>     |                    |              |                    |              |
| Sh. Ajit Lakra           | 1951898            | 15.75        | 1951898            | 15.75        |
| Ajit Lakra & Sons ( HUF) | 2981370            | 24.06        | 2981370            | 24.06        |
| Sh. Vivek Lakra          | 1226900            | 9.90         | 1226900            | 9.90         |
| Dr. Yashpal Lakra        | 955570             | 7.71         | 955570             | 7.71         |
| Guiness Securities Ltd   | 110000             | 0.89         | 110000             | 0.89         |
| Way Vinimay Pvt Ltd      | 770000             | 6.21         | 770000             | 6.21         |
| Geeta Lakra              | 664470             | 5.36         | 664470             | 5.36         |
| <b>Total</b>             | <b>8660208.00</b>  | <b>69.88</b> | <b>8660208.00</b>  | <b>69.88</b> |

3 **Reserve & Surplus**

| Particulars  | As at 31.03.2021      | As at 31.03.2020      |
|--|-----------------------|-----------------------|
| <b>Capital Reserve</b>                             |                       |                       |
| Opening Balance                                    | 2,687,000.00          | 2,687,000.00          |
| Closing Balance                                    | 2,687,000.00          | 2,687,000.00          |
| <b>Investment Allowance Reserve</b>                |                       |                       |
| Opening Balance                                    | 296,267.00            | 296,267.00            |
| Closing Balance                                    | 296,267.00            | 296,267.00            |
| <b>Securities Premium</b>                          |                       |                       |
| Opening Balance                                    | 18,797,500.00         | 18,797,500.00         |
| Addition   | -                     | -                     |
| <b>Closing Balance</b>                             | <b>18,797,500.00</b>  | <b>18,797,500.00</b>  |
| <b>Surplus in Statement of Profit &amp; Loss</b>   |                       |                       |
| Opening Balance                                    | 114,848,983.89        | 104,389,720.86        |
| Add: Net Profit / ( Net Loss) For the Current Year | (14,439,077.97)       | 10,459,263.03         |
| Previous Years Tax Adjustments                     | -                     | -                     |
| Less: Effect of Depreciation as per co. act 2013   | -                     | -                     |
| Amount Available for Appropriation                 | <b>100,409,905.92</b> | <b>114,848,983.89</b> |
| <b>Closing Balance</b>                             | <b>100,409,905.92</b> | <b>114,848,983.89</b> |
| <b>Total</b>                                       | <b>122,190,672.92</b> | <b>136,629,750.89</b> |

4 **Long Term Borrowings**

| Particulars             | As at 31.03.2021     |                       | As at 31.03.2020     |                      |
|-------------------------|----------------------|-----------------------|----------------------|----------------------|
|                         | Secured              | Unsecured             | Secured              | Unsecured            |
| Term Loans - From Banks | 65,261,485.20        | -                     | 36,708,140.79        | -                    |
| From Directors          | -                    | 31,489,653.30         | -                    | 36,959,683.30        |
| From Others             | -                    | 9,770,600.00          | -                    | 7,765,420.00         |
| <b>Total</b>            | <b>65,261,485.20</b> | <b>41,260,253.30</b>  | <b>36,708,140.79</b> | <b>44,725,103.30</b> |
| <b>Grand Total</b>      |                      | <b>106,521,738.50</b> |                      | <b>81,433,244.09</b> |

#### 4.2 Vehicle Purchased Under Hire Purchase

| Particulars                    | As at 31.03.2021    | As at 31.03.2020  |
|--------------------------------|---------------------|-------------------|
| <b>HDFC Bank Ltd. - Innova</b> |                     |                   |
| <b>Balance Outstanding</b>     | <b>438,995.59</b>   | <b>916,287.42</b> |
| Current Maturity               | 438,995.59          | 534,180.83        |
| Non - Current Amount           | -                   | 382,106.59        |
| <b>HDFC Bank Ltd. - Brezza</b> |                     |                   |
| <b>Balance Outstanding</b>     | <b>162,948.57</b>   | <b>480,565.40</b> |
| Current Maturity               | 161,238.56          | 354,918.40        |
| Non - Current Amount           | 1,710.01            | 125,647.00        |
| <b>HDFC Bank Ltd. - Creta</b>  |                     |                   |
| <b>Balance Outstanding</b>     | <b>1,328,903.00</b> |                   |
| Current Maturity               | -                   |                   |
| Non - Current Amount           | 1,328,903.00        |                   |
| <b>HDFC Bank Ltd. - Truck</b>  |                     |                   |
| <b>Balance Outstanding</b>     | <b>570,695.62</b>   | <b>704,138.74</b> |
| Current Maturity               | 365,060.93          | 351,070.59        |
| Non - Current Amount           | 205,634.69          | 353,068.15        |

#### 4.3 Unsecured:-

| Particulars                                     | As at 31.03.2021     | As at 31.03.2020     |
|---|----------------------|----------------------|
| <b>Loans From Directors and their Relatives</b> |                      |                      |
| <b>Balance Outstanding</b>                      | <b>31,489,653.30</b> | <b>36,959,683.30</b> |
| Current Maturity                                |                      |                      |
| Non - Current Amount                            | 31,489,653.30        | 36,959,683.30        |
| <b>Others</b>                                   |                      |                      |
| <b>Balance Outstanding</b>                      | <b>9,770,600.00</b>  | <b>7,765,420.00</b>  |
| Current Maturity                                |                      |                      |
| Non - Current Amount                            | 9,770,600.00         | 7,765,420.00         |

#### 5 Deferred Tax Liabilities (Net)

| Particulars                               | As at 31.03.2021     | As at 31.03.2020     |
|---|----------------------|----------------------|
| Deferred Tax Liabilities , on account of: |                      |                      |
| - Depreciation and amortisation           | 15,468,589.00        | 15,743,962.00        |
| <b>Total</b>                              | <b>15,468,589.00</b> | <b>15,743,962.00</b> |

## 6 Short Term Borrowings

| Particulars                                    | As at<br>31.03.2021   | As at<br>31.03.2020   |
|--|-----------------------|-----------------------|
| Working Capital Facility from Banks            |                       |                       |
| - HDFC BANK LTD.-CC                            | 252,761,258.59        | 42,233,675.61         |
| - HDFC BANK LTD.-WCDL A/C                      | -                     | 165,000,000.00        |
| - HDFC Bill Discounted                         | -                     | 18,670,858.09         |
| - Union Bank of India- CC                      | 15.66                 |                       |
| State Bank Of India C/A 10072871549,<br>MUMBAI | -                     | 212,524.78            |
| - HDFC Credit Card                             | -                     | 1,104,224.59          |
| <b>Total</b>                                   | <b>252,761,274.25</b> | <b>227,221,283.07</b> |

**Note: Secured Against Hypothecation of Current Assets inclusive of stocks , Book Debts & other immovable assets of the Company i.e Plot No.269 ,279 , Industrial Area A, B-XXII 2475/853 (P) , Near RK Road , Ludhiana & Plot No. C-5 , Focal Point , Dhandari Kalan , Phase V, Near GT Road , Ludhiana and personal guarantee of the Directors.**

## 7 Trade Payables

| Particulars       | As at<br>31.03.2021  | As at<br>31.03.2020  |
|-------------------|----------------------|----------------------|
| (a) Capital Goods | 929,371.00           | 395,237.00           |
| (b) Others        | 44,733,775.22        | 68,009,390.50        |
| <b>Total</b>      | <b>45,663,146.22</b> | <b>68,404,627.50</b> |

## 8 Other Current Liabilities

| Particulars                              | As at<br>31.03.2021  | As at<br>31.03.2020  |
|--|----------------------|----------------------|
| (a) Current maturities of Long Term Debt | 42,763,227.90        | 19,673,780.68        |
| (b) Cheques Issued but passed later on   | 45,755.00            | 31,682,995.26        |
| ( c ) Advance From Customers             | 3,998,793.58         | 8,683,211.70         |
| (d) Other Payables                       |                      |                      |
| - Security Deposit ( Received)           | 32,685.75            | 32,685.75            |
| - Statutory Dues                         |                      |                      |
| TDS Payable                              | 45,121.00            | 375,575.00           |
| TCS Payable                              | 142,152.00           |                      |
| - Employees benefits Payable             | 5,754,716.50         | 11,765,342.06        |
| - Electricity Expenses Payable           | 597,880.00           | 797,890.00           |
| - Advance against Car sale               | 730,000.00           | 440,000.00           |
| - Audit Fees Payable                     | 130,000.00           | 197,400.00           |
| - Professional Fees Payable              | 45,000.00            |                      |
| - Telephone Expenses Payable             | -                    | 5,098.00             |
| - DN sood HUF                            | 78,750.00            | 78,750.00            |
| - Vig India                              | 76,470.00            | 76,470.00            |
| - Other expenses Payable                 | -                    | 92,155.00            |
| <b>Total</b>                             | <b>54,440,551.73</b> | <b>73,901,353.45</b> |

## 9 Short- Term Provisions

| Particulars              | As at<br>31.03.2021 | As at<br>31.03.2020 |
|--------------------------|---------------------|---------------------|
| Provision For Income Tax | -                   | 1,996,144.00        |
| <b>Total</b>             | <b>-</b>            | <b>1,996,144.00</b> |





## Super Fine Knitters Limited

### PROPERTY, PLANT AND EQUIPMENT

**Note No : 10**

| Particulars                            | GROSS BLOCK        |                          |                         |                     | DEPRECIATION / AMORTIZATION |              |                         |                                     |                     | NET BLOCK           |                     |
|--|--------------------|--------------------------|-------------------------|---------------------|-----------------------------|--------------|-------------------------|-------------------------------------|---------------------|---------------------|---------------------|
|  | As at April 1,2020 | Addition during the year | Ded/Adj during the year | As at March 31,2021 | Upto March 31, 2020         | For the year | Ded/Adj during the year | Effect on Deprn as per Co. Act,2013 | Upto March 31, 2021 | As at March 31,2021 | As at March 31,2020 |
| TANGIBLE ASSETS                        |                    |                          |                         |                     |                             |              |                         |                                     |                     |                     |                     |
| BUILDINGS                              | 30122415.40        | 0.00                     | 0.00                    | 30122415.4          | 13009678.49                 | 956779.00    | 0.00                    | 0.00                                | 13966457.49         | 16155957.91         | 17112736.91         |
| PLANT AND MACHINERY                    | 263619111.29       | 581000.00                | 0.00                    | 264200111.29        | 134869492.86                | 11836323.00  | 0.00                    | -0.38                               | 146705815.48        | 117494295.81        | 128749618.43        |
| FURNITURE AND FITTINGS                 | 10214412.14        | 505872.07                | 0.00                    | 10720284.21         | 7156070.59                  | 438635.00    | 0.00                    | -1.47                               | 7594704.12          | 3125580.09          | 3058341.55          |
| MOTOR VEHICLES                         | 11684879.36        | 1888424.00               | 0.00                    | 13573303.36         | 7310090.85                  | 792165.00    | 0.00                    | -0.21                               | 8102255.64          | 5471047.72          | 4374788.51          |
| OFFICE EQUIPMENT                       | 10132376.97        | 48135.59                 | 0.00                    | 10180512.56         | 7811397.15                  | 648808.00    | 0.00                    | 0.00                                | 8460205.15          | 1720307.41          | 2320979.82          |
| COMPUTERS AND DATA PROCESSING UNITS    | 6089152.62         | 0.00                     | 0.00                    | 6089152.62          | 5955230.20                  | 155629.00    | 0.00                    | 0.00                                | 6110859.2           | -21706.58           | 133922.42           |
| ELECTRICAL INSTALLATIONS AND EQUIPMENT | 8302124.85         | 0.00                     | 0.00                    | 8302124.85          | 4387171.03                  | 518803.00    | 0.00                    | 0.20                                | 4905974.23          | 3396150.62          | 3914953.82          |
| LAND                                   | 44719416.00        | 0.00                     | 0.00                    | 44719416            | 0.00                        | 0.00         | 0.00                    | 0.00                                | 0                   | 44719416.00         | 44719416.00         |
| Total :                                | 384883888.63       | 3023431.66               | 0.00                    | 387907320.29        | 180499131.17                | 15347142     | 0.00                    | -1.86                               | 195846271.31        | 192061048.98        | 204384757.46        |
| Previous Year Total                    | 376734449.26       | 8652515.37               | 503076                  | 384883888.63        | 164322448.12                | 16190740     | 14058                   | 0.00                                | 180499131.17        | 204384757.46        | 212412001.14        |

## 11 Inventories \*

| Particulars                                    | As at 31.03.2021      | As at 31.03.2020      |
|--|-----------------------|-----------------------|
| Raw Material, Stock in process, Finished Goods | 347,342,754.00        | 311,969,279.00        |
| Others   | 2,050,000.00          | 2,305,712.00          |
| <b>Total</b>                                   | <b>349,392,754.00</b> | <b>314,274,991.00</b> |

\* As taken, valued and certified by management .

## 12 Trade Receivables

| Particulars       | As at 31.03.2021      | As at 31.03.2020      |
|-------------------|-----------------------|-----------------------|
| Trade Receivables | 131,437,343.23        | 169,770,533.27        |
| <b>Total</b>      | <b>131,437,343.23</b> | <b>169,770,533.27</b> |

## 13 Cash and Cash Equivalents

| Particulars                | As at 31.03.2021    | As at 31.03.2020    |
|----------------------------|---------------------|---------------------|
| a. Cash & Cash Equivalents |                     |                     |
| Cash in hand               | 299,069.85          | 1,630,363.85        |
| Cheques in Hand (Net)      | 31,869.14           | 31,869.14           |
| Balance with banks in :    |                     |                     |
| - Current Accounts         | 717,000.56          | 3,414,448.19        |
| b. Other Bank Balances     |                     |                     |
| - Margin Money With Banks  | 50,000.00           | 50,000.00           |
| <b>Total</b>               | <b>1,097,939.55</b> | <b>5,126,681.18</b> |

## 14 Short Term Loans and Advances ( Unsecured Considered Good )

| Particulars                  | As at 31.03.2021     | As at 31.03.2020     |
|------------------------------|----------------------|----------------------|
| Vat Receivable (F.Y 2017-18) | 887,855.89           | 887,855.89           |
| Vat Receivable (F.Y 2016-17) | 567,976.94           | 567,976.94           |
| Vat Receivable (F.Y 2015-16) | 2,861,330.30         | 2,887,869.30         |
| Vat Receivable (F.Y 2014-15) | 1,684,351.70         | 1,684,351.70         |
| Staff Advance                | 1,212,089.44         | 23,000.00            |
| Rajat Associates             | 299,250.00           | -                    |
| Advances to Supplier         | 27,110,571.22        | 16,438,073.60        |
| Prepaid Expenses             | 250,512.00           | 1,031,753.00         |
| Duty Draw Back Receivable    | 1,226,632.00         | 1,236,990.00         |
| ROSL Receivable              | 133,025.00           | 133,025.00           |
| <b>Total</b>                 | <b>36,233,594.49</b> | <b>24,890,895.43</b> |

## 15 Other Current Assets

| Particulars                   | As at 31.03.2021     | As at 31.03.2020    |
|-------------------------------|----------------------|---------------------|
| Advance Income Tax AY 2020-21 | -                    | 1,195,000.00        |
| GST                           | 7,985,529.37         | 6,114,853.26        |
| TDS AY 2021-22                | 662,463.10           | -                   |
| TDS AY 2020-21                | 339,269.40           | 1,124,458.40        |
| TCS AY 2021-22                | 71,540.50            | -                   |
| Security Deposits             | 1,455,390.00         | 1,455,390.00        |
| <b>Total</b>                  | <b>10,514,192.37</b> | <b>9,889,701.66</b> |

## 16 Revenue From Operations

| Particulars          | 31.03.2021            | 31.03.2020            |
|----------------------|-----------------------|-----------------------|
| Revenue From Sales   |                       |                       |
| -Cloth               | 167,965,039.32        | 441,825,770.66        |
| -Garments (Export)   | 886,047.00            | 7,062,880.43          |
| -Garments (Domestic) | 220,965,357.97        | 395,723,049.85        |
| -Yarn                | 7,616,196.01          | 2,889,673.90          |
| -Labour Earned       | 59,510,327.75         | 69,789,023.40         |
| -Other Sales         | 2,095,700.81          | 1,806,325.26          |
| <b>Total</b>         | <b>459,038,668.86</b> | <b>919,096,723.50</b> |

## 17 Other Income

| Particulars                   | 31.03.2021        | 31.03.2020        |
|-------------------------------|-------------------|-------------------|
| Interest                      | -                 | 80,476.86         |
| Dividend                      | 6,168.60          | 20,290.50         |
| Duty Drawback                 | -                 | 154,851.00        |
| Rental Income                 | 167,299.00        | 156,906.74        |
| ROSL                          | -                 | 100,197.00        |
| Interest on Income tax Refund | 98,210.00         | 303,245.00        |
| Miscellaneous Income          | -                 | 11,706.30         |
| <b>Total</b>                  | <b>271,677.60</b> | <b>827,673.40</b> |

## 18 Cost of Materials Consumed

| Particulars         | 31.03.2021            | 31.03.2020            |
|---------------------|-----------------------|-----------------------|
| Opening Stock       | 16,255,245.00         | 25,697,850.00         |
| Add: Purchases      | 321,721,440.09        | 573,800,974.85        |
|                     | <b>337,976,685.09</b> | <b>599,498,824.85</b> |
| Less: Closing Stock | 12,302,300.00         | 16,255,245.00         |
| <b>Total</b>        | <b>325,674,385.09</b> | <b>583,243,579.85</b> |

## 19 Changes in Inventories of finished goods, work in progress and stock in trade

| Particulars                               | 31.03.2021             | 31.03.2020             |
|---|------------------------|------------------------|
| Opening Stock                             |                        |                        |
| - Stock in process                        | 4,773,863.00           | 5,587,250.00           |
| - Finished Goods                          | 290,940,171.00         | 217,797,520.00         |
|   | <b>295,714,034.00</b>  | <b>223,384,770.00</b>  |
| Closing Stock                             |                        |                        |
| - Stock in process                        | 4,148,592.00           | 4,773,863.00           |
| - Finished Goods                          | 330,891,862.00         | 290,940,171.00         |
|   | <b>335,040,454.00</b>  | <b>295,714,034.00</b>  |
| <b>Net Decrease ( Increase in Stock )</b> | <b>(39,326,420.00)</b> | <b>(72,329,264.00)</b> |

## 20 Other Manufacturing Expenses

| Particulars         | 31.03.2021            | 31.03.2020            |
|---------------------|-----------------------|-----------------------|
| Consumable Stores   | 21,644,185.44         | 39,147,496.55         |
| Dyeing Charges      | 19,537,672.43         | 52,037,774.86         |
| Dyes and Chemicals  | 3,819,341.40          | 14,303,720.39         |
| Freight and Cartage | 1,325,447.78          | 3,917,714.86          |
| Power & Fuel        | 14,157,831.65         | 18,379,676.78         |
| Oil and Lubricants  | 7,580,274.25          | 11,002,311.89         |
| Outside Labour      | 9,861,284.97          | 39,356,003.49         |
| Wages               | 38,743,288.00         | 112,234,838.00        |
| Packing Exp.        | 4,546,469.80          | 14,956,113.43         |
| <b>Total</b>        | <b>121,215,795.72</b> | <b>305,335,650.25</b> |

**21 Employee Benefits Expenses**

| <b>Particulars</b>  | <b>31.03.2021</b>   | <b>31.03.2020</b>    |
|---------------------|---------------------|----------------------|
| Salaries            | 3,989,775.00        | 10,695,785.00        |
| Bonus               | 734,233.00          | 5,246,480.00         |
| Diwali expenses     | -                   | 119,904.46           |
| Labour Welfare Fund | 58,920.00           | 234,695.00           |
| ESI                 | 310,902.00          | 2,221,230.00         |
| EPF                 | 645,973.00          | 4,570,408.00         |
| <b>Total</b>        | <b>5,739,803.00</b> | <b>23,088,502.46</b> |

**22 Finance Costs**

| <b>Particulars</b>             | <b>31.03.2021</b>    | <b>31.03.2020</b>    |
|--------------------------------|----------------------|----------------------|
| Bank and Processing Charges    | 385,034.26           | 385,184.63           |
| Interest on                    |                      |                      |
| - Bank interest on Cash Credit | 16,689,835.90        | 18,205,948.00        |
| - Bank interest on Term loan   | 7,242,888.52         | 5,667,591.24         |
| - Interest on Bill Discounted  | 1,125,259.66         | 653,903.53           |
| - Interest on WCDL             | 3,857,797.00         | -                    |
| - Interest on unsecured loan   | 731,829.00           | 661,125.00           |
| - Interest on Credit Card      | 22,528.87            | 93,829.59            |
| - Interest to others           | 224,535.66           | 1,195,738.84         |
| - Hire purchase charges        | 108,613.34           | 160,796.40           |
| - Interest                     | 827.00               | -                    |
| <b>Total</b>                   | <b>30,389,149.21</b> | <b>27,024,117.23</b> |

**23 Other Expenses**

| <b>Particulars</b>      | <b>31.03.2021</b>    | <b>31.03.2020</b>    |
|-------------------------|----------------------|----------------------|
| Administrative Expenses | 10,806,031.39        | 14,744,530.70        |
| Selling Expenses        | 45,524.78            | 1,996,760.19         |
| Repair and Maintenance  | 4,133,388.10         | 6,089,048.05         |
| <b>Total</b>            | <b>14,984,944.27</b> | <b>22,830,338.94</b> |

**23.1 Administrative Expenses**

| <b>Particulars</b>                | <b>31.03.2021</b> | <b>31.03.2020</b> |
|-----------------------------------|-------------------|-------------------|
| AMC Charges                       | 55,507.62         | 50,508.47         |
| Admn Charges                      | 30,458.00         | 267,810.00        |
| Attendance Machine Rental Exp     | -                 | 63,336.00         |
| Audit Fees                        | 130,000.00        | 175,000.00        |
| Computer Expenses                 | 16,988.00         | 900.00            |
| Consultants Fes                   | 25,000.00         | -                 |
| Director Salary                   | 2,490,000.00      | 4,080,000.00      |
| Donation                          | 350,000.00        | 55,500.00         |
| Electricity Expenses              | 172,756.00        | 186,640.00        |
| Exchange Fluctuation              | 883,015.26        | 207,907.93        |
| Fees and Taxes                    | 416,182.00        | 552,099.00        |
| Fine & Penalties                  | 3,726.00          | 289,911.00        |
| Insurance                         | 1,785,072.00      | 1,026,551.78      |
| Interest on TDS                   | 19,921.90         | 4,138.00          |
| Lab & Testing Fees                | 111,305.00        | 146,547.50        |
| Listing Charges                   | 25,000.00         | 25,000.00         |
| Loss on Sale of assets/investment | 1,865.10          | 85,070.92         |
| Medical Expenses                  | -                 | 3,874.04          |

|                           |                      |                      |
|---------------------------|----------------------|----------------------|
| Membership Fee            | 3,500.00             | 13,500.00            |
| Misc. Exp.                | 68,148.92            | 150,407.87           |
| Newspaper and Periodicals | -                    | 250.00               |
| Postage and Telegram      | 142,562.15           | 503,539.50           |
| Printing and Stationery   | 373,416.40           | 357,841.21           |
| Professional Charges      | 897,619.00           | 1,071,337.00         |
| Rebate & discount         | 1,943,347.79         | 3,989,449.63         |
| Rent                      | 693,300.00           | 840,000.00           |
| Round Off                 | -                    | 587.38               |
| Security Charges          | -                    | 290,199.70           |
| Staff Welfare Expenses    | 41,396.39            | 8,383.20             |
| Telephone Expenses        | 77,143.86            | 197,045.57           |
| Training Expenses         | 48,800.00            | 101,195.00           |
| <b>Total</b>              | <b>10,806,031.39</b> | <b>14,744,530.70</b> |

### 23.2 Selling Expenses

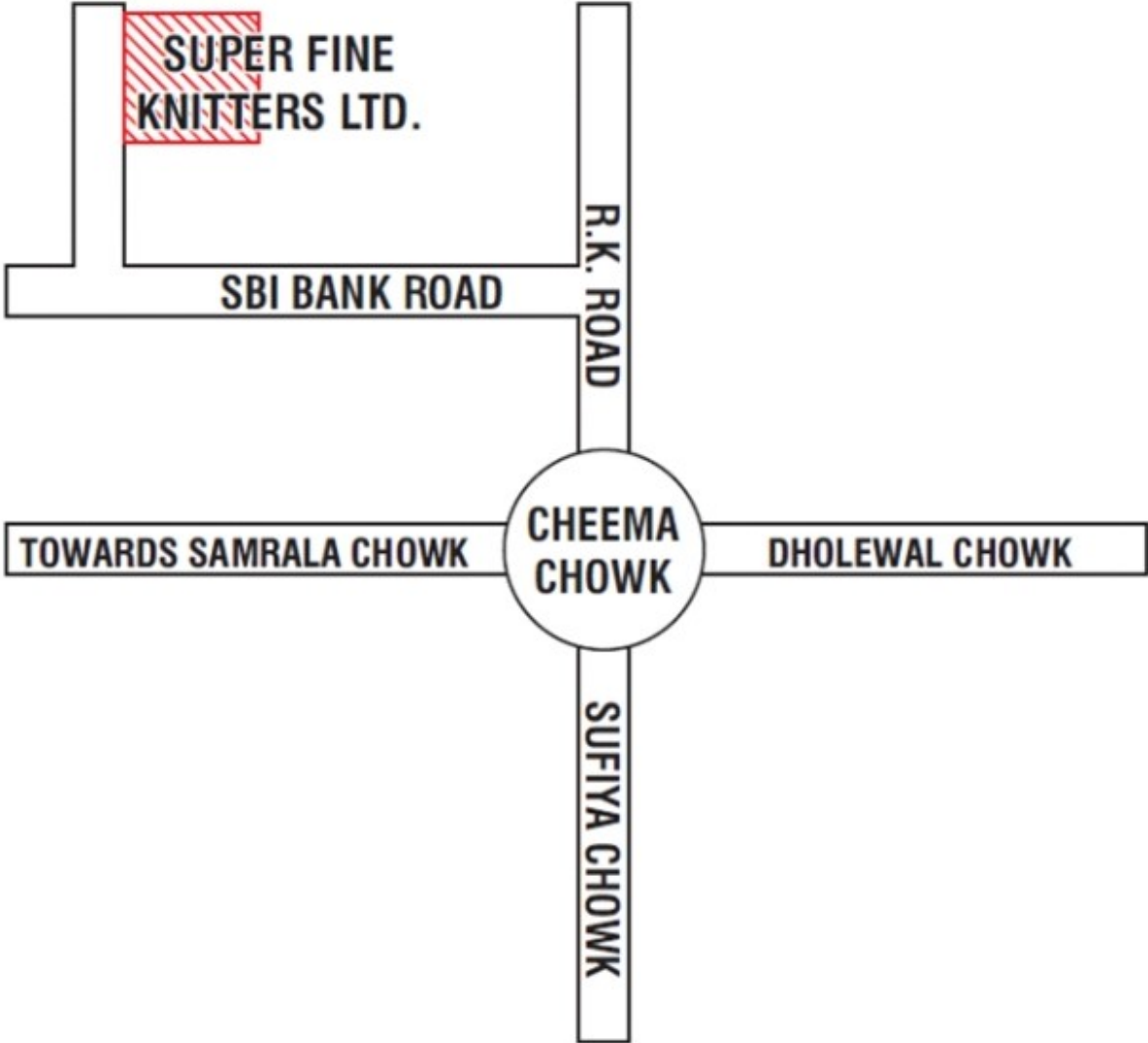
| Particulars               | 31.03.2021       | 31.03.2020          |
|---------------------------|------------------|---------------------|
| Advertisement             | 34,860.00        | 35,404.00           |
| Business Promotion        | 776.00           | 4,193.00            |
| Entertainment Expenses    | -                | 5,936.00            |
| Clearing and Forwarding   | 2,801.00         | 117,282.29          |
| Commission and Brokerage  | -                | 36,000.00           |
| Cash Discount             | -                | 1,234,848.55        |
| Sales Promotion           | -                | 1,697.00            |
| Travelling and Conveyance |                  |                     |
| -Director's Travelling    | 4,087.78         | 560,599.35          |
| - Others                  | 3,000.00         | 800.00              |
| <b>Total</b>              | <b>45,524.78</b> | <b>1,996,760.19</b> |

### 23.3 Repair and Maintenance

| Particulars                      | 31.03.2021          | 31.03.2020          |
|----------------------------------|---------------------|---------------------|
| Building Repair and Maintenance  | 26,144.00           | 492,608.80          |
| Machinery Repair and Maintenance | 3,540,469.85        | 4,158,322.79        |
| General Repair & Maintenance     | 94,117.00           | 708,833.90          |
| Vehicle Repair and Maintenance   | 472,657.25          | 729,282.56          |
| <b>Total</b>                     | <b>4,133,388.10</b> | <b>6,089,048.05</b> |

**ROUTE MAP:**

**23<sup>rd</sup> Annual General Meeting (AGM)**  
**Super Fine Knitters Limited**  
**269, Industrial Area – A,**  
**Ludhiana – 141003, Punjab**





# **Super Fine Knitters Limited**

Regd. Office: 269, Industrial Area – A, Ludhiana – 141003, Punjab

Tel: 0161-5049900, E-mail: [cs@superfineknitters.com](mailto:cs@superfineknitters.com)

Website: [www.superfineknitters.com](http://www.superfineknitters.com)