



# Superfine Knitters Limited

AN INTEGRATED UNIT OF : HOSIERY KNITTED FABRICS & GARMENTS

09<sup>th</sup> September, 2022

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

**Sub: - Conveying of 24<sup>th</sup> Annual General Meeting of the Company**

Dear Sirs,

We wish to inform you that the **24<sup>th</sup> Annual General Meeting** of the Members of the Company will be held on Friday, **30<sup>th</sup> September 2022 at 10:00 am** at its registered office C-5, Phase V, Focal Point, Ludhiana.

The Register of Members and Share transfer books of the Company will remain closed during the period from Thursday 22<sup>nd</sup> September, 2022 to Friday 30<sup>th</sup> September, 2022 (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 24<sup>th</sup> AGM along with Annual Report for the financial year 2021-22.

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 24<sup>th</sup> AGM along with Annual Report for the financial year 2021-22, through email, on 08<sup>th</sup> September, 2022, to all its shareholders, holding equity shares of the Company as on 02<sup>nd</sup> September, 2022 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

  
Vivek Lakra  
Director



sf

24<sup>th</sup>

**ANNUAL  
REPORT**

**2022**

**Super Fine Knitters Limited**

Regd. Office: C-5, Phase V, Focal Point, Ludhiana – 141010, Punjab  
Tel: 0161-5049900, E-mail: [cs@superfineknitters.com](mailto:cs@superfineknitters.com)  
Website: [www.superfineknitters.com](http://www.superfineknitters.com)

## CORPORATE INFORMATION

### Board of Directors

**Mr. Ajit Kumar Lakra**  
**Mr. Vivek Lakra**  
**Mrs. Gita Lakra**  
**Mr. Naveen Malhotra**  
**Mr. Rohit Malhotra**  
**Mr. Chandan Patel**

**Managing Director**  
**Whole-Time Director**  
**Whole-Time Director**  
**Independent Director**  
**Independent Director**  
**Independent Director**

### CHIEF FINANCIAL OFFICER

Mr. Davinder Pal Singh

### COMPANY SECRETARY

Mrs. Nancy Singla

### STATUTORY AUDITORS

M/s. R.K. Deepak & Co.  
Chartered Accountants  
Flat No.4, 1st Floor, Khurana Complex,  
Kocher Market Chowk, Ludhiana (Pb.)-  
141002

### REGISTERED OFFICE/UNIT – I

C-5, Focal point, Phase - V,  
Ludhiana – 141003  
e-mail: [cs@superfineknitters.com](mailto:cs@superfineknitters.com),  
[ajitlakra@superfineknitters.com](mailto:ajitlakra@superfineknitters.com)

### SECRETARIAL AUDITOR

Narang G & Associates  
Company Secretaries

### REGISTRAR & TRANSFER AGENT

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

### GENERAL INFORMATION

- a. Company's Corporate Identification Number(CIN):  
L18101PB1998PLC021814
- b. Company's Shares Listed at BSE  
SME.
- c. ISIN : INE459U01018

### 24<sup>th</sup> Annual General Meeting

Date: 30<sup>th</sup> September, 2022, Friday

Time: 10:00 A.M.

Venue: C-5, Phase -V, Focal Point, Ludhiana, 141010

**NOTICE**

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of SUPER FINE KNITTERS LIMITED will be held on Friday, 30<sup>th</sup> day of September, 2022 at Registered Office of the Company at C-5, Phase V, Focal Point, 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, 2022 along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vivel Lakra (DIN - 01067219) who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible, offers himself for re-appointment.

For and on behalf of the Board  
Super Fine Knitters Limited

Date: 07<sup>th</sup> September, 2022  
Place: Ludhiana

Sd/-  
Nancy Singla  
Company Secretary  
C-5, Phase V, Focal Point,  
Ludhiana 141010

**NOTES:**

1. **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.
2. 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.
3. 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.
4. **Book Closure:**  
The Register of Members and Share Transfer Books of the Company will be closed from Thursday, 22<sup>nd</sup> September, 2022 to Friday, 30<sup>th</sup> September, 2022 (both days inclusive).
5. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
6. 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.
7. 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.
8. 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.
9. 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.

10. 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.
11. 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.
12. 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 2021-22 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. Members may note that Annual Report 2021-22 along with Notice of the 24<sup>th</sup> Annual General Meeting is also available on the Company's website [www.superfineknitters.com](http://www.superfineknitters.com)
13. 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.
14. 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.
15. **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 Tuesday 27<sup>th</sup> September 2022 at 10.00 a.m. and ends on Thursday 29<sup>th</sup> September 2022 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 23<sup>rd</sup> September, 2022 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 <b>NSDL</b>	<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 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.</li> <li>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/IdeasDirectReq.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReq.jsp</a></li> <li>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.</li> </ol>
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)	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders)  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.  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. 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.

16. 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 Friday, 23<sup>rd</sup> September, 2022**

17. M/s PDM & Associates, Company Secretaries has been appointed as the Scrutinizer of the Company to scrutinize the e-voting process in a fair and transparent manner.

18. 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](mailto: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, 2022  
Place: Ludhiana

Sd/-  
Nancy Singla  
Company Secretary  
C-5, Phase V, Focal Point,  
Ludhiana 141010



**BOARD'S REPORT**

To,  
The Members,

Your Directors have pleasure in presenting their 24<sup>th</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, 2022.

The summarised financial performance of the Company is as under:

Particulars	(Rs. in Lakhs)	
	Current Yr.	Previous Yr.
Turnover (Including Exports Incentives)	5468.24	4590.39
Other Income	1.24	2.72
Profit/(loss) before Depreciation and Taxation	(82.05)	6.33
Provision for Depreciation	137.15	153.47
Profit/(Loss) before taxation	(219.20)	(147.14)
Less: Provision for Taxation	32.22	2.75
<b>Profit/(Loss) after tax</b>	<b>(186.99)</b>	<b>(144.39)</b>
Balance carried to Balance Sheet	(186.99)	(144.39)

**STATE OF COMPANY'S AFFAIRS**

During the year under review, the Company's turnover of INR 5468.24 Lakhs as compared to INR 4590.39 Lakhs for the previous year. The Company has however suffered loss of INR 186.99 Lakhs as compared to loss of INR 144.39 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) Independent Directors, two (2) Whole-time Directors and one (1) Managing Director.

Name of Directors	Category	No. of Other Directorship held in	
		Public Ltd. Company	Membership of the Committee
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/ Independent Director	Nil	3
Naveen Malhotra	Non-Executive/ Independent Director	Nil	2
Chandan Patel	Non-Executive/ Independent Director	Nil	3

**Retirement By Rotation:**

In accordance with the provisions of the Articles of Associations and 152 (6) of Companies Act, 2013 Mr. Vivek Lakra (DIN - 01067219), Whole Time Director will be retiring by rotation at the ensuring Annual General Meeting and being eligible, has offered himself 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 24<sup>th</sup> Annual General Meeting.

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

Mr. Rohit Malhotra (DIN: 0009071224) appointed as an Independent Director in the 23<sup>rd</sup> Annual General Meeting for a period up to 14<sup>th</sup> February, 2026 not liable to retire by rotation.

Mr. Naveen Malhotra (DIN: 0009071224) appointed as an Independent Director in the 23<sup>rd</sup> Annual General Meeting for a period up to 14<sup>th</sup> February, 2026 not liable to retire by rotation.

Mr. Chandan Patel (DIN: 0009088843) appointed as an Independent Director in the 23<sup>rd</sup> Annual General Meeting for a period up to 02<sup>nd</sup> March, 2026 not liable to retire by rotation.

**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, 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 01st May, 2021 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 nine (09) Board Meetings were held and the gap between two meetings did not exceed the prescribed limits. During the year under review, Company did not passed any resolution by way of Circulation.

The dates on which the Board Meetings were held are as follows:-- 01<sup>st</sup> May 2021, 10<sup>th</sup> May 2021, 30<sup>th</sup> June 2021, 07<sup>th</sup> September 2021, 10<sup>th</sup> November 2021, 16<sup>th</sup> November 2021, 20<sup>th</sup> December, 2021, 05<sup>th</sup> March, 2022 and 23<sup>rd</sup> March, 2022.

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

<b>Name of Directors</b>	<b>Category</b>	<b>Number of Board Meetings Eligible to Attend</b>	<b>No. of Board Meetings attended</b>	<b>Attendance of Last AGM</b>
Ajit Kumar Lakra	Promoter/Executive Director	9	9	Yes
Vivek Lakra	Promoter/Executive Director	9	9	Yes
Gita Lakra	Promoter/Executive Director	9	9	Yes
Rohit Malhotra	Non-Executive/ Independent	9	9	Yes
Naveen Malhotra	Non-Executive/ Independent	9	9	Yes
Chandan Patel	Non-Executive/ Independent	9	9	Yes

**GENERAL BODY MEETINGS:**

The last three Annual General Meetings were held as under:

Financial Year	Date of A.G.M.	Time	Venue
2019-20	21/09/2019	10:30A.M.	269, Industrial Area – A, Ludhiana
2020-21	30/09/2020	10:00 A.M.	Through Video Conferencing
2021-22	30/09/2021	10:00 A.M	269, Industrial Area – A, Ludhiana

Extra-Ordinary General Meeting (E.G.M.) during period of 2021-22

Financial Year	Date of E.G.M.	Time	Venue
2021-22	02/12/2021	10:00 A.M.	269, Industrial Area – A, Ludhiana

**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 audit committee was re-constituted in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. Further, 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:

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Chanten Patel	Chairman	Independent Director
2.	Mr. Rohit Malhotra	Member	Independent Director
3.	Mr Vivek Lakra	Member	Executive Director

During the year under the review, The Audit Committee met four times on 30<sup>th</sup> June 2021, 06<sup>th</sup> November 2021, 16<sup>th</sup> November 2021 and 05<sup>th</sup> March 2022.

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.

**NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee was re-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:

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Chanten Patel	Chairman	Independent Director
2.	Mr. Rohit Malhotra	Member	Independent Director
3.	Mr Naveen Malhotra	Member	Independent Director

Details of Remuneration paid to Managing Director/Whole-time Director for the year ended 31<sup>st</sup> March, 2022 is given below:

Name	Sitting Fees (Rs.)	Salary (Rs.)	Perquisites and allowances etc.(Rs.)	Commission (paid) (Rs)	Total (Rs.)
Mr. Ajit Kumar Lakra	Nil	3,00,000	Nil	Nil	3,00,000
Mr. Vivek Lakra	Nil	3,00,000	Nil	Nil	3,00,000
Mrs. Gita Lakra	Nil	3,00,000	Nil	Nil	3,00,000

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 30-06-2021 and all members were duly present in the meeting.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee was re-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:-

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Chanten Patel	Chairman	Independent Director
2.	Mr. Rohit Malhotra	Member	Independent Director
3.	Mr Naveen Malhotra	Member	Independent Director

The Company has an investor base of over 129 shareholders as on 31st March, 2022. 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 01<sup>st</sup> May, 2021 and 16<sup>th</sup> November, 2021 during the year.

## PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Nomination and Remuneration Committee has carried out an Annual Performance Evaluation of the Board and of the Individual Directors has been made. During the year, the Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. The Evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience, performance of duties and governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as contribution, independent judgment and guidance and support provided to the Management. The results of the evaluation were shared with the Board, Chairman of respective Committees and individual Directors.

## 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 obligated 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.

## 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. R.K. Deepak & Co., Chartered Accountants (Registration No. 003145N), had been appointed as Statutory Auditors of the Company at the 23<sup>rd</sup> Annual General Meeting held on 30<sup>th</sup> September, 2021 to hold office from the conclusion of this Annual General Meeting till conclusion of 27<sup>th</sup> Annual General Meeting of the Company.

### 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 2021-2022 to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2022 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, 2022 for the year 2022-2023.

**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. 0.25 Lakh 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. 39.99 lakh has been taken as unsecured loan from Mrs. Gita Lakra, Director of the Company, making a total unsecured loan of Rs 272.68 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.

### **DETAILS OF APPLICATION / ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

Neither any application was made nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.

### **FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12), OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT.**

The Statutory Auditors have not reported any incident of fraud to the Board of Directors of the Company.

### **DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.**

As Company has not done any one time settlement during the year under review hence no disclosure is required.

### **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: 07<sup>th</sup> September, 2022

Ajit Kumar Lakra  
Managing Director  
DIN: 01067195  
C-5, Phase V, Focal Point,  
Ludhiana, 141010

Vivek Lakra  
Whole Time Director  
DIN: 01067219  
C-5, Phase V, Focal Point,  
Ludhiana, 141010

**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, 2022.

**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 0.50 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 2021-22 (Rs. In lakhs)	% increase in Remuneration in the financial year 2021-22	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Ajit Kumar Lakra Managing Director	3.00	N.A.	13.95
2	Mr. Vivek Lakra Whole Time Director	3.00	N.A.	13.95
3	Mrs. Gita Lakra Whole Time Director	3.00	N.A.	13.95
4	Mr. Chandan Patel Independent Director	N.A.	N.A.	N.A.
5	Mr. Naveen Malhotra Independent Director	N.A.	N.A.	N.A.
6	Mr. Rohit Malhotra Independent Director	N.A.	N.A.	N.A.
7	Mr. Davinder Pal Singh Chief Financial Officer	2.58	N.A.	12
8	Mrs. Nancy Singla Company Secretary	2.58	N.A.	12

\*computed on annualized remuneration

(b) The median remuneration of employees of the Company during the financial year 2021-22 was Rs. 21,500/- (approx).

(c) There were 61 permanent employees on the roll of the Company as on 31<sup>st</sup> March, 2022.

(d) there was no increment in the salaries of the employees in the financial year 2021-22.

(f) It is hereby affirmed that the remuneration paid during the year ended 31<sup>st</sup> March, 2022 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****GLOBAL ECONOMY**

The Global Economy started witnessing a sharp recovery after unprecedented disruptions in 2020-21 due to COVID-19 Pandemic. The vaccination of people in big way and continued fiscal and monetary stimulus by the various countries, the Global Economy started its upwards journey towards growth. However, the growth prospects again weakened in the course of the year with the emergence of second wave of COVID-19 and unprecedented increase in the prices of commodities because of the ongoing conflict between Russia & Ukraine which has put breaks on the growth of the Global economies. The sharp rise in the fuel and food prices, high rate of inflation and tightening of Monetary policy in several countries has further aggravated the problems for the Global Economies. In addition frequent and wider-ranging lockdown in china including in key manufacturing hubs have also slow down the economic activity and has thus caused new bottlenecks in Global supply chain. Because of the prevailing Economic and Business scenario, the International Monetary Fund (IMF), in the World Economic Outlook published in April, 2022, has revised the Global growth prospects for the financial year 2022 and 2023 to 3.6%. This is 0.8% and 0.2% points lower for 2022 and 2023 than projected in January, 2022.

**INDIAN ECONOMY**

The Indian economy too has been severally impacted because of prevailing geopolitical situation which is not conducive for the Global Trade. The ongoing conflict between Russia and Ukraine and subsequent sanction by U.S. and European Union has affected India's exports. The rising risk of new Covid variant has the potential to prolong the Pandemic and thus causing fresh economic impact on the economy. As a result, India's GDP is expected to grow at a slower pace.

To put the economy on faster lane of growth and sustainable development, Government and Policy makers have introduced several path breaking initiatives and policies in the area of Health Care, Infrastructure and Social Welfare to support the economic activities. The government is also encouraging private industries to invest through various PLI schemes. The government has also resumed negotiations with the European Unions (EU) for agreement on Trade and Investment which will help in tapping uncharted export markets. Thus, in the short term, the economic growth might appear to be weak but it is likely to stabilize and recover quickly. Despite these Global uncertainties on Trade front India is likely to register a reasonable growth in the current year. We are also hopeful that the Government through its Monetary Policy and other policy initiatives will support the industry so that it could meet the challenges and emerge as a winner.

**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. India is one of the largest manufacturer and exporter in the world and has a share of 5% of global trade in textiles. But Industry has been more challenging since last two years, consequences of demonetisation and systematic regime of GST, CORONA Pandemic are the main contributors of overall slowdown in the economy, throwing challenges down the line. The ongoing global slowdown coupled with sharp increase in the prices of raw cotton are posing serious challenges to the Textile Industry. Beside, the increase in the interest rates and re-emergence of COVID-19 has aggravated the problems for the Industry. In case the situation persists for the longer period then earning a reasonable margin will become a challenging task for the Textile Industry.

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 2022-23**

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. The Indian Textile Exports surpassed the export figures of last year.

The sector needs more support so that it can enhance its competitive advantage in terms of technology upgradation so as to achieve sustained growth in Exports as well as Domestic markets. The Industry on their part is also continuously modernizing and upgrading its Technology to maintain its core competence and convert it into the competitive edge over others.

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

**Financial Analysis**

Revenue Break – up:

(INR. in lakhs)

Particulars	2021-22	% to Total Income	2020-21	% to Total Income
Revenue	5468.25	97.77	4590.39	99.94
Other Income	124.96	2.23	2.71	0.06
<b>Total Turnover</b>	<b>5593.21</b>	<b>100</b>	<b>4593.10</b>	<b>100</b>

The net turnover of the Company has increased from INR 4590.39 lakhs in the year 2020-21 to INR 5593.21 lakhs in the 2021-22.

Profitability/Losses:

(INR. in lakhs)

Particulars	2021-22	% of turnover	2020-21	% of turnover
Profit/losses before depreciation and tax	(82.05)	(1.47)	6.32	0.14
Depreciation	137.15	2.45	153.47	3.34
Profit/losses before tax	(219.20)	(3.92)	(147.14)	(3.21)
Tax (Previous year)	32.22	0.58	2.75	0.06
Profit/losses after Tax	(186.99)	(3.43)	(144.39)	(3.15)

**Risk and Concerns**

No industry is free from normal business risk and concerns. Indian Textile Industry continues to face stiff competition from China, Bangladesh, Taiwan Sri Lanka and other emerging economies. The primary raw material for the manufacturing of yarn is cotton which is an agriculture produce. Its supply and quality are subject to forces of nature i.e. Monsoon. Any increase in the prices of raw cotton will make the things difficult for the Textile Industry resulting weak demand and thin margins. Thus availability of raw cotton at the reasonable prices is crucial for the spinning industry. Any significant change in the raw cotton prices can affect the performance of the Industry. Beside, the prevailing weak economic scenario, supply chain disturbance and rise in prices of oil and energy, high inflation has started causing significant disturbance and slow down of the Global economies. The future is still uncertain and no one knows where it lead to us? Thus, the Company consider it a possible concern resulting into a treat to the Industry.

**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.

**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: 07<sup>th</sup> September, 2022

Ajit Kumar Lakra  
Managing Director  
DIN: 01067195  
C-5, Phase V, Focal Point,  
Ludhiana, 141010

Vivek Lakra  
Whole Time Director  
DIN: 01067219  
C-5, Phase V, Focal Point,  
Ludhiana, 141010

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As at the end of financial year 31.03.2022**

**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	C-5, Phase V, Focal Point, Ludhiana 141010
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	CAMEO CORPORATE SERVICES LIMITED., Subramanian Building, No. 1 Club House Road, Chennai – 600 002. Tel: +91 – 44 – 2846 0390 / 1989; Fax: +91 – 44 – 2846 0129 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-2021]				No. of Shares held at the end of the year[As on 31-March-2022]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	68,24,638	0	68,24,638	55.07	70,59,900	0	70,59,900	56.97	1.90
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
<b>(2) Foreign</b>									
a) Individual/ HUF	9,55,570	0	9,55,570	7.71	9,55,570	0	9,55,570	7.71	NIL
<b>Total shareholding of</b>	<b>77,80,208</b>	<b>0</b>	<b>77,80,208</b>	<b>62.78</b>	<b>80,15,470</b>	<b>0</b>	<b>80,15,470</b>	<b>64.68</b>	<b>1.90</b>



<b>Promoter (A)</b>									
<b>B. Public Shareholding</b>									
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>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NIL</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	17,40,000	0	17,40,000	14.04	18,30,000	0	18,30,000	14.77	0.73
ii) Overseas	0	0	0	0	0	0	0	0	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	8,40,000	0	8,40,000	6.78	9,00,000	0	9,00,000	7.26	0.48
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	16,95,762	0	16,95,762	13.69	13,50,500	0	13,50,500	10.90	-2.79
c) Others (specify)	0	0	0	0	0	0	0	0	NIL
Non Resident Indians	30,000	0	30,000	0.24	0	0	0	0	-0.24
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	3,07,100	0	3,07,100	2.48	2,97,100	0	2,97,100	2.40	-0.08
<b>Sub-total (B)(2):-</b>	<b>46,12,862</b>	<b>0</b>	<b>46,12,862</b>	<b>37.22</b>	<b>43,77,600</b>	<b>0</b>	<b>43,77,600</b>	<b>35.22</b>	<b>-1.90</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NIL</b>
<b>Grand Total (A+B+C)</b>	<b>123,93,070</b>	<b>0</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**

S N	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	8,99,732	7.26	2,35,262	1.90
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	--	--	2,35,262	1.90
	At the end of the year	--	--	8,99,732	7.26
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	7,10,000	5.73	5,70,000	4.60
2	MACRO COMMODEAL PRIVATE LIMITED	0	0	480000	3.87
3	ORIENT CRAFT LIMITED	400000	3.23	400000	3.23
4	SANJAY GARG	170000	1.37	170000	1.37
5	SUDARSHAN KUMAR JAIN	150000	1.21	150000	1.21
6	ROHIT MALHOTRA	357262	2.88	122000	0.98
7	ANIL KUMAR & SONS HUF	117100	0.94	117100	0.94
8	GUINNESS SECURITIES LIMITED	110000	0.89	110000	0.89
9	PURSHOTTAM AGARWAL	130000	1.05	100000	0.81
10	HARISH KUMAR GUPTA	100000	0.81	100000	0.81

**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, Managing Director	19,51,898	15.75	19,51,898	15.75
2.	Mrs. Gita Lakra Whole Time Director	6,64,470	5.36	8,99,732	7.26
3.	Mr. VivekLakra Whole Time Director	12,26,900	9.90	12,26,900	9.90
4	Mr. Rohit Malhotra Non-Executive Director	357262	2.88	122000	0.98
5.	Mr. Naveen Malhotra Non-Executive Director	0	0	0	0
6	Mr. Chandan Patel Non-Executive Director	0	0	0	0
7	Mr. Davinder Pal Singh Chief Financial Officer	0	0	0	0
8	Mrs. Nancy Singla 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	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
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	21,95,23,183	1,35,96,595	0	23,31,19,778
<b>Net Change</b>	21,95,23,183	1,35,96,595	0	23,31,19,778
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	9,84,99,576	2,76,63,657	0	12,61,63,234
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	9,84,99,576	2,76,63,657	0	12,61,63,234

**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	3,00,000	3,00,000	3,00,000	9,00,000
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)	3,00,000	3,00,000	3,00,000	9,00,000
	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
1	Independent Directors	Rohit Malhotra	Naveen Malhotra	Chandan Patel	----
	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			<b>None</b>		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					

For and on behalf of the Board  
Super Fine Knitters Limited

Place: Ludhiana  
Date: 07<sup>th</sup> September, 2022

Ajit Kumar Lakra  
Managing Director  
DIN: 01067195  
C-5, Phase V, Focal Point,  
Ludhiana, 141010

Vivek Lakra  
Whole Time Director  
DIN: 01067219  
C-5, Phase V, Focal Point,  
Ludhiana, 141010

Form No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022  
[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, 2022**

To,  
The Members,  
Super Fine Knitters Limited  
C-5, Phase V, Focal Point,  
Ludhiana - 141010

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, 2022 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, 2022 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
3. 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 & 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 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.

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.

Place: Sonipat  
Date: 07<sup>th</sup> September, 2022

**Narang G and & Associates**  
Company Secretaries

**(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, 2022**, 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 2022**, 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 2022** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March 2022** from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure 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 , 2020 ("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 R.K Deepak & Co.**  
**(Chartered Accountants)**  
**Reg No. :003145N**

**(SANJIV KHURANA)**  
**Partner**  
**M.No. : 082873**

Date : 07/09/2022  
Place : LUDHIANA

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

**FOR R.K Deepak & Co.**  
**(Chartered Accountants)**  
**Reg No. :003145N**

**(SANJIV KHURANA)**  
**Partner**  
**M.No. : 082873**

Date : 07/09/2022  
Place : LUDHIANA

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1 under ‘Report On Other Legal And Regulatory Requirements’ section of our report to the members of SUPER FINE KNITTERS LIMITED of even date)

On the basis of the information and explanation given to us during the course of our audit, we report that:

- (i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of all fixed assets.  
  
(B) The Company has maintained proper records showing full particulars of Intangible Assets.
- b) Pursuant to the company’s programme of verifying fixed assets in a phased manner, physical verification of fixed assets was conducted during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us there is no such case where any immovable properties, classified as fixed assets, are not held in the name of the company.
- d) According to the information and explanations given to us the company has not revalued its Property, Plant, and Equipment during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the order are not applicable to the company
- e) According to the information and explanations given to us no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.
- (ii) a) According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the management are appropriate. No material discrepancies were noticed on such verification.
- b) According to the information and explanations given to us the company has been sanctioned working capital limits in excess of Rs. 5.00 crores, by banks or financial institutions on the basis of security of current assets. However we are not in a position to comment the whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, as the required information for verification have not been provided by the company.
- (iii) According to the information and explanations given to us the company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships, or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and(c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of representations of the management which we have relied upon, the loans given by the company during the financial year 2021-22 are in compliance with the provisions of Section 185 and Section 186 of the Companies Act, 2013.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public in terms of provisions of sections 73 to 76 of the Companies Act, 2013 therefore reporting under this clause is not applicable.
- (vi) 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.
- (vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing statutory dues as applicable, with the appropriate authorities like ESI, Provident Fund and GST except Labour Welfare Fund . However, there are no statutory dues that are outstanding as of March 31, 2022, for a period of more than six months.

- b) According to the information and explanations given to us and according to the records of the Company, there are no disputed statutory dues outstanding on the company as on 31.03.2022..
- (viii) In our opinion and according to the information and explanations given to us, there is no transaction that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) that is not recorded in the books of account
- (ix) a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any loans from the financial institution and debenture holders therefore reporting of repayments of such loans under this clause is not applicable.
- b) In our opinion and according to the information and explanations given to us, the company has not been a declared wilful defaulter by any bank or financial institution or other lender.
- c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.
- d) In our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been utilised for long-term purposes.
- e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) According to the information and explanations given to us, on an overall basis, the company has not raised any money by way of initial public offer or further public offer including debt instruments
- (xi) a) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. c) As auditors, we did not receive any whistle-blower complaints during the year.
- (xii) Since the company is not a Nidhi company, therefore this clause is not applicable.
- (xii) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of The Companies Act, 2013 as applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us the company has an internal audit system commensurate with the size and nature of its business; and the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;
- (xv) According to the information and explanations given to us based on our examination of the record of the company, the company has not entered into any non cash transactions with directors or persons connected with him. Therefore the provisions of clause 3(xv) of the order are not applicable.
- (xvi) a) According to the information and explanations given to us and based on our examination of the record of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) As per the information and explanations received, the group does not have any CIC as part of the group.

(xvii) Based on the overall review of standalone financial statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. The details of the same are as follows:

(Rs. In Hundred)

<b>Particulars</b>	<b>March 31, 2022 (Current year)</b>	<b>March 31, 2021 (Previous Year)</b>
Loss as per Profit & Loss Statement	219206.21	N.A
ADD: Non Cash Items- Depreciation	137154.97	
Net Cash Loss	82051.24	N.A

- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) There is no liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.
- (xxi) The company has not made investments in the subsidiary company. Therefore, the company does not require to prepare a consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company.

**FOR R.K Deepak & Co.**  
**(Chartered Accountants)**  
**Reg No. :003145N**

**(SANJIV KHURANA)**  
**Partner**  
**M.No. : 082873**

Date : 07/09/2022  
 Place : LUDHIANA

**Balance Sheet**  
AS ON MARCH 31, 2022

RS. in Hundred

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	2	1,239,307.00	1,239,307.00
(b) Reserve and Surplus	3	1,034,920.51	1,221,906.73
(c) Money received against share warrants		-	-
<b>2. Share Application Pending Allotment</b>			
		-	-
<b>3. Non Current Liabilities</b>			
(a) Long Tem Borrowings	4	284,097.83	1,065,217.39
(b) Deferred Tax Liabilities ( Net )	5	122,465.89	154,685.89
(c) Other Long Tem Borrowings			
(d) Long-term provisions			
<b>4. Current Liabilities</b>			
(a) Short- term Borrowings	6	977,534.50	2,527,612.74
(b) Trade Payables	7		
(i) Total outstanding dues of micro enterprises and small enterprises		54,881.49	111,651.20
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		282,059.59	344,980.26
(c) Other Current Liabilities	8	402,685.59	544,405.52
(d) Short Term Provisions	9	-	-
<b>TOTAL</b>		<b>4,397,952.41</b>	<b>7,209,766.73</b>
<b>II. ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Property, Plant and Equipement and Intangible assets			
(i) Property , Plant and Equipment	10	1,089,160.99	1,920,610.49
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non Current Investments		-	-
(c) Deffered Tax Assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
<b>2. Current Assets</b>			
(a) Current investments		-	2,398.00
(b) Inventories	11	2,479,345.35	3,493,927.54
(c) Trade Receivables	12	612,050.57	1,314,373.43
(d) Cash and Cash Equivalents	13	4,715.52	10,979.40
(e) Short Term Loans and Advances	14	120,201.39	362,335.94
(f) Other Current Assets	15	92,478.59	105,141.92
<b>TOTAL</b>		<b>4,397,952.41</b>	<b>7,209,766.73</b>

As per our report of even date

**FOR R.K DEEPAK & CO.**

Firm Reg. No.003145N

Chartered Accountants

For and on Behalf of Board

**(CA Sanjiv Khurana)**  
Partner  
M.No. 082873

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

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

Date: 07/09/2022  
Place: Ludhiana

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

**( Nancy Singla )**  
Company Secretary

**STATEMENT OF PROFIT & LOSS  
FOR THE YEAR ENDED MARCH 31, 2022**

RS. in Hundred

Particulars	Note No.	31.03.2022	31.03.2021
<b>Revenue</b>			
Revenue From Operations	<b>16</b>	5,468,248.10	4,590,386.69
Other Income	<b>17</b>	124,961.66	2,716.78
<b>Total Revenue</b>		<b>5,593,209.76</b>	<b>4,593,103.46</b>
<b>Expenses</b>			
Cost of Materials Consumed	<b>18</b>	3,154,740.43	3,256,743.85
Change in inventories of finished goods , work in progress and stock in trade	<b>19</b>	1,091,264.39	(393,264.20)
Other Manufacturing Expenses	<b>20</b>	1,031,149.04	1,212,157.96
Employee Benefits Expenses	<b>21</b>	43,553.37	57,398.03
Finance Costs	<b>22</b>	246,212.26	303,891.49
Depreciation and amortization exp.		137,154.97	153,471.40
Other Expenses	<b>23</b>	108,341.52	149,849.44
<b>Total Expenses</b>		<b>5,812,415.97</b>	<b>4,740,247.97</b>
Profit before exceptional and extraordinary items and Tax		(219,206.21)	(147,144.51)
Less: Exceptional items			
Profit Before extraordinary items		(219,206.21)	(147,144.51)
Less: Extraordinary items			
Profit Before Tax		(219,206.21)	(147,144.51)
Less : Provisions for			
--Income Tax Current			
--Deferred tax		32,220.00	(2,753.73)
--Income Tax adjustments for earlier years			-
--Prior Period Adjustments			-
Profit ( Loss) for the Period		<b>(186,986.21)</b>	<b>(144,390.78)</b>
<b>Earning Per Equity Share of face value of Rs 10each</b>			
Basic & Diluted		<b>-0.02</b>	<b>-0.01</b>

As per our report of even date

**FOR R.K DEEPAK & CO.**

Firm Reg. No.003145N

Chartered Accountants

For and on Behalf of Board

**(CA Sanjiv Khurana)**  
Partner  
M.No. 082873

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

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

**Date: 07/09/2022**  
**Place: Ludhiana**

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

**( Nancy Singla )**  
Company Secretary



**CASH FLOW STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2022**

		RS. in Hundred	
	Particulars	31.03.2022	31.03.2021
<b>A</b>	<b>Cash flow from Operating Activities</b>		
	Net Profit/(Loss) before Tax and extraordinary items	(219,206.21)	(147,144.51)
	Adjustment for		
	Depreciation	137,154.97	153,471.40
	(Profit)/Loss on Sale of Asset & Shares	(104,102.53)	18.65
	Rental Income	(1,520.90)	(1,672.99)
	Interest & Dividend Received	(1,001.64)	(61.69)
	Interest expenses	243,144.14	300,041.15
	Operating Profit/Loss before Working Capital Changes	<b>54,467.82</b>	<b>304,652.02</b>
	Adjustment for		
	(Increase)/Decrease in Trade & Other receivables	714,986.19	377,086.99
	(Increase)/Decrease in Inventory	1,014,582.19	(351,177.63)
	Increase/(Decrease) in Trade Payables & Other Liabilities	(261,410.31)	(422,022.83)
	Increase/(Decrease) in Loan & Advances	242,134.55	(113,426.99)
	Cash generated from operations	<b>1,764,760.45</b>	<b>(204,888.44)</b>
	Income Tax Paid	-	-
	loss from extraordinary activities	-	-
	Previous Year Taxes (Net )	-	(19,980.09)
	Net Cash from Operating Activities	<b>1,764,760.45</b>	<b>(224,868.53)</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>		
	(Purchase) of Fixed/Capital Expenditure	(98,809.43)	(30,234.32)
	Sale of Fixed Assets	899,604.50	6,837.05
	Rental Income	1,520.90	1,672.99
	Interest & Dividend Received	1,001.64	61.69
	Net Cash used in Investing Activities	<b>803,317.60</b>	<b>(21,662.59)</b>
<b>C.</b>	<b>Cash Flow from Finance Activities</b>		
	Proceeds from Share capital /Share Application	-	-
	Proceeds from Long Term Borrowing (Net)	(781,119.55)	250,884.94
	Short Term Loans Movement	(1,550,078.24)	255,399.91
	Interest Payment	(243,144.14)	(300,041.15)
	<b>Net Cash from Financing Activities</b>	<b>(2,574,341.93)</b>	<b>206,243.71</b>
	Net increase in Cash and Equivalents (A+B+C)	(6,263.87)	(40,287.42)
	Opening Balance of Cash and Cash Equivalents	10,979.40	51,266.81
	<b>Closing Balance of Cash and Cash Equivalents</b>	<b>4,715.52</b>	<b>10,979.40</b>

**SIGNIFICANT ACCOUNTING POLICIES 1**

See accompanying notes forming part of the financial statements

As per our report of even date

**FOR R.K DEEPAK & CO.**

Firm Reg. No.003145N

Chartered Accountants

For and on Behalf of Board

(CA Sanjiv Khurana)  
Partner  
M.No. 082873

(Ajit Kumar Lakra)  
Managing Director  
DIN 01067195

(Vivek Lakra)  
Whole Time Director  
DIN 01067219

Date: 07/09/2022  
Place: Ludhiana

(Davinder Pal Singh)  
Chief Financial Officer

( Nancy Singla )  
Company Secretary

**1. 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.

2	Particulars	As at 31.03.2022		As at 31.03.2021	
		Number	Amount	Number	Amount
	<b>Authorised</b>				
	Equity Shares of Rs. 10/- each	13,000,000	1,300,000.00	13,000,000	1,300,000.00
	<b>Total</b>	<b>13,000,000</b>	<b>1,300,000.00</b>	<b>13,000,000</b>	<b>1,300,000.00</b>
	<b>Issued</b>				
	Equity Shares of Rs.10/-each	12,393,070	1,239,307.00	12,393,070	1,239,307.00
	<b>Total</b>	<b>12,393,070</b>	<b>1,239,307.00</b>	<b>12,393,070</b>	<b>1,239,307.00</b>
	<b>Subscribed and Fully Paid up</b>				
	Opening -				
	Equity Shares of Rs.10/-each	12,393,070	1,239,307.00	12,393,070	1,239,307.00
	Additions				
	Deductions				
	<b>Total</b>	<b>12,393,070</b>	<b>1,239,307.00</b>	<b>12,393,070</b>	<b>1,239,307.00</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 **Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	Classification	As at 31.03.2022		As at 31.03.2021	
		No. of shares held	% of Holding	No. of shares held	% of Holding
<b>Equity Shares</b>					
Sh. Ajit Kumar Lakra	Promoter	1,951,898	15.75	1,951,898	15.75
Ajit Lakra & Sons ( HUF)	Promoter	2,981,370	24.06	2,981,370	24.06
Sh. Vivek Lakra	Promoter	1,226,900	9.90	1,226,900	9.90
Dr. Yashpal Lakra	Promoter	955,570	7.71	955,570	7.71
Way Vinimay Pvt Ltd		770,000	6.21	770,000	6.21
Geeta Lakra	Promoter	899,732	7.26	664,470	5.36
<b>Total</b>		<b>8,895,470</b>	<b>71.78</b>	<b>8,660,208</b>	<b>69.88</b>

3 **Reserve & Surplus**

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Capital Reserve</b>		
Opening Balance	26,870.00	26,870.00
Closing Balance	26,870.00	26,870.00
<b>Investment Allowance Reserve</b>		
Opening Balance	2,962.67	2,962.67
Closing Balance	2,962.67	2,962.67

<b>Securities Premium</b>		
Opening Balance	187,975.00	187,975.00
Addition		
<b>Closing Balance</b>	<b>187,975.00</b>	<b>187,975.00</b>
<b>Surplus in Statement of Profit &amp; Loss</b>		
Opening Balance	1,004,099.06	1,148,489.84
Add: Net Profit / ( Net Loss) For the Current Year	(186,986.21)	(144,390.78)
Previous Years Tax Adjustments		
Less: Effect of Depreciation as per co. act 2013		
Amount Available for Appropriation	<b>817,112.84</b>	<b>1,004,099.06</b>
<b>Closing Balance</b>	<b>817,112.84</b>	<b>1,004,099.06</b>
<b>Total</b>	<b>1,034,920.51</b>	<b>1,221,906.73</b>

#### 4 Long Term Borrowings

Particulars	As at 31.03.2022		As at 31.03.2021	
	Secured	Unsecured	Secured	Unsecured
Term Loans - From Banks	7,461.26	-	652,614.85	-
From Directors	-	199,876.43	-	314,896.53
From Others	-	76,760.14	-	97,706.00
<b>Total</b>	<b>7,461.26</b>	<b>276,636.57</b>	<b>652,614.85</b>	<b>412,602.53</b>
<b>Grand Total</b>		<b>284,097.83</b>		<b>1,065,217.39</b>

#### 4.1 Secured:-

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Term Loans from Banks</b>		
<b>HDFC Bank Ltd</b>		
T/L - 82254624 **		
<b>Balance Outstanding</b>	-	<b>1,517.04</b>
Current Maturity		1,379.46
Non - Current Amount	-	137.59
T/L - 82106871 **		
<b>Balance Outstanding</b>	-	<b>8,659.26</b>
Current Maturity		631.73
Non - Current Amount	-	8,027.53
T/L - 83126551 **		
<b>Balance Outstanding</b>	-	<b>178,805.94</b>
Current Maturity		163,936.53
Non - Current Amount	-	14,869.41
T/L - 82254620 **		
<b>Balance Outstanding</b>	-	<b>23,667.04</b>
Current Maturity		21,520.22
Non - Current Amount	-	2,146.81

T/L - 82254675 **		
<b>Balance Outstanding</b>	-	<b>16,003.30</b>
Current Maturity		14,530.57
Non - Current Amount	-	1,472.73
T/L - 82565002 **		
<b>Balance Outstanding</b>	-	<b>23,432.97</b>
Current Maturity		12,592.17
Non - Current Amount	-	10,840.79
T/L - 82254617 **		
<b>Balance Outstanding</b>	-	
Current Maturity		
Non - Current Amount	-	-
T/L - 82721832 **		
<b>Balance Outstanding</b>	-	<b>179,389.99</b>
Current Maturity		81,460.30
Non - Current Amount	-	97,929.69
ECLGS- 8499880		
<b>Balance Outstanding</b>	-	<b>570,147.78</b>
Current Maturity		100,133.35
Non - Current Amount	-	470,014.43
T/L - 82880432 **		
<b>Balance Outstanding</b>	-	<b>53,608.39</b>
Current Maturity		21,795.00
Non - Current Amount	-	31,813.39

\*\* (Secured Against Hypothecation of Plant & machinery , Building and personal Guarantee of Directors)

#### 4.2 Hire Purchase

Particulars	As at 31.03.2022	As at 31.03.2021
<b>HDFC Bank Ltd. - Innova</b>		
<b>Balance Outstanding</b>	-	<b>4,389.96</b>
Current Maturity		4,389.96
Non - Current Amount	-	-
<b>HDFC Bank Ltd. - Brezza</b>		
<b>Balance Outstanding</b>	-	<b>1,629.49</b>
Current Maturity		1,612.39
Non - Current Amount	-	17.10
<b>HDFC Bank Ltd. - Creta</b>		
<b>Balance Outstanding</b>	<b>11,059.58</b>	<b>13,289.03</b>
Current Maturity	3,598.32	-
Non - Current Amount	7,461.26	13,289.03

<b>HDFC Bank Ltd. - Truck</b>		
<b>Balance Outstanding</b>	<b>2,056.35</b>	<b>5,706.96</b>
Current Maturity	2,056.35	3,650.61
Non - Current Amount	-	2,056.35

**4.3 Unsecured:-**

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Loans From Directors and their Relatives</b>		
<b>Balance Outstanding</b>	<b>199,876.43</b>	<b>314,896.53</b>
Current Maturity		
Non - Current Amount	199,876.43	314,896.53
<b>Others</b>		
<b>Balance Outstanding</b>	<b>76,760.14</b>	<b>97,706.00</b>
Current Maturity		
Non - Current Amount	76,760.14	97,706.00

**5 Deferred Tax Liabilities (Net)**

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred Tax Liabilities , on account of: - Depreciation and amortisation	122,465.89	154,685.89
<b>Total</b>	<b>122,465.89</b>	<b>154,685.89</b>

**6 Short Term Borrowings**

Particulars	As at 31.03.2022	As at 31.03.2021
Working Capital Facility from Banks		
- HDFC BANK LTD.-CC	977,537.52	2,527,612.59
- Union Bank of India	(3.02)	0.16
<b>Total</b>	<b>977,534.50</b>	<b>2,527,612.74</b>

**Note: Secured Against Hypothecation of Current Assets inclusive of stocks , Book Debts & other immovable assets of the Company i.e 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 31.03.2022	As at 31.03.2021
(a) Total outstanding dues of micro enterprises and small enterprises	54,881.49	111,651.20
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	282,059.59	344,980.26
<b>Total</b>	<b>336,941.08</b>	<b>456,631.46</b>

7.1 Trade Payables Ageing Schedule as on 31.03.2022

Particulars	Outstanding for following period from due date of payment				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(a) MSME	54,881.49	-	-	-	54,881.49
(b) Others	221,216.29	11,961.40	48,117.19	764.70	282,059.59
(c) Dispute dues-MSME	-	-	-	-	-
(b) Dispute duesOthers	-	-	-	-	-
<b>Total</b>	<b>276,097.78</b>	<b>11,961.40</b>	<b>48,117.19</b>	<b>764.70</b>	<b>336,941.08</b>

7.2 Trade Payables Ageing Schedule as on 31.03.2021

Particulars	Outstanding for following period from due date of payment				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(a) MSME	108,853.95	2,797.25	-	-	111,651.20
(b) Others	263,414.30	80,255.05	182.22	1,128.69	344,980.26
(c) Dispute dues-MSME	-	-	-	-	-
(b) Dispute dues Others	-	-	-	-	-
<b>Total</b>	<b>372,268.25</b>	<b>83,052.30</b>	<b>182.22</b>	<b>1,128.69</b>	<b>456,631.46</b>

7.3 Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31.03.2022	As at 31.03.2021
(A)(i) Principal amount remaining unpaid	54,881.49	1,11,651.20
(A)(ii) Interest amount remaining unpaid		
(B) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day		
(C) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006		
(D) Interest accrued and remaining unpaid		
(E) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises		
<b>Total</b>	<b>54,881.49</b>	<b>1,11,651.20</b>

8 Other Current Liabilities

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Current maturities of Long Term Debt	5,654.67	427,632.28
(b) Cheques Issued but passed later on		457.55
( c ) Advance From Customers	371,341.19	39,987.94
(d) Other Payables		
- Security Deposit ( Received)	326.86	326.86
- Statutory Dues		
TDS Payable	1,220.79	451.21
TCS Payable	-	1,421.52
- Employees benefits Payable	11,423.09	575.47
- Electricity Expenses Payable	-	5,978.80
- Advance against Car sale	9,200.00	7,300.00
- Audit Fees Payable	1,750.00	1,300.00
- Professional Fees Payable	440.00	450.00
- DN sood HUF	1,329.00	787.50
- Vig India		764.70
<b>Total</b>	<b>402,685.59</b>	<b>544,405.52</b>

9 Short- Term Provisions

Particulars	As at 31.03.2022	As at 31.03.2021
Provision For Income Tax	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



PROPERTY, PLANT AND EQUIPMENT

Note No : 10

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION					NET BLOCK	
	As at April 1,2021	Addition during the year	Ded/Adj during the year	As at March 31,2022	Upto March 31, 2021	For the year	Ded/Adj during the year	Effect on Deprn as per Co. Act,2013	Upto March 31, 2022	As at March 31,2022	As at March 31,2021
TANGIBLE ASSETS											
BUILDINGS	30122415.40	0.00	22968538.90	7153876.5	13966457.49	845506.00	11750650.63	0.00	3061312.86	4092563.64	16155957.91
PLANT AND MACHINERY	264200111.29	9103353.22	132289706.03	141013758.48	146705815.48	10403335.00	87262273.41	-0.56	69846876.51	71166881.97	117494295.81
FURNITURE AND FITTINGS	10720284.21	601598.00	2677058.71	8644823.5	7594704.12	405733.00	2543200.71	-1.48	5457234.93	3187588.57	3125580.09
MOTOR VEHICLES	13573303.36	0.00	0.00	13573303.36	8102255.64	902463.00	0.00	-0.41	9004718.23	4568585.13	5471047.72
OFFICE EQUIPMENT	10180512.56	175991.99	7533332.62	2823171.93	8460205.15	600335.00	6689061.81	0.00	2371478.34	451693.59	1720307.41
COMPUTERS AND DATA PROCESSING UNITS	6089152.62	0.00	0.00	6089152.62	6110859.20	82587.00	0.00	-0.79	6193445.41	-104292.79	-21706.58
ELECTRICAL INSTALLATIONS AND EQUIPMENT	8302124.85	0.00	4889437.55	3412687.3	4905974.23	475535.00	3182900.82	-0.11	2198608.3	1214079.00	3396150.62
LAND	44719416.00	0.00	20380416.00	24339000	0.00	0.00	0.00	0.00	0	24339000.00	44719416.00
<b>Total :</b>	<b>387907320.29</b>	<b>9880943.21</b>	<b>190738489.81</b>	<b>207049773.69</b>	<b>195846271.31</b>	<b>13715494</b>	<b>111428087.38</b>	<b>-3.35</b>	<b>98133674.58</b>	<b>108916099.11</b>	<b>192061048.98</b>
Previous Year Total	384883888.63	3023431.66	0	387907320.29	180499131.17	15347142	0	0.00	195846271.31	192061048.98	204384757.46

11 Inventories \*

Particulars	As at 31.03.2022	As at 31.03.2021
Raw Material, Stock in process, Finished Goods	2,458,845.35	3,473,427.54
Others	20,500.00	20,500.00
<b>Total</b>	<b>2,479,345.35</b>	<b>3,493,927.54</b>

\* As taken, valued and certified by management .

12 Trade Receivables

Particulars	As at 31.03.2022	As at 31.03.2021
Trade Receivables	612,050.57	1,314,373.43
	-	-
<b>Total</b>	<b>612,050.57</b>	<b>1,314,373.43</b>

12.1 Trade Receivables ageing schedule  
as on 31.03.2022

Particulars	Outstanding for following periods from due date of payments					TOTAL
	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Year	
(i) Undisputed Trade Receivables Considered Good	453,920.92	90,439.51	49,209.09	9,768.72	8,712.33	612,050.57
(ii) Undisputed Trade Receivables Considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables Considered Good	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>453,920.92</b>	<b>90,439.51</b>	<b>49,209.09</b>	<b>9,768.72</b>	<b>8,712.33</b>	<b>612,050.57</b>

12.2 Trade Receivables ageing schedule as on 31.03.2021

Particulars	Outstanding for following periods from due date of payments					TOTAL
	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Year	
(i) Undisputed Trade Receivables Considered Good	1,005,862.12	220,123.40	77,794.86	1,631.10	8,961.95	1,314,373.43
(ii) Undisputed Trade Receivables Considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables Considered Good	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>1,005,862.12</b>	<b>220,123.40</b>	<b>77,794.86</b>	<b>1,631.10</b>	<b>8,961.95</b>	<b>1,314,373.43</b>

13 Cash and Cash Equivalents

Particulars	As at 31.03.2022	As at 31.03.2021
a. Cash & Cash Equivalents		
Cash in hand	3,438.28	2,990.70
Cheques in Hand (Net)	318.69	318.69
Balance with banks in :		
- Current Accounts	408.55	7,170.01
b. Other Bank Balances		
- Margin Money With Banks	550.00	500.00
<b>Total</b>	<b>4,715.52</b>	<b>10,979.40</b>

14 Short Term Loans and Advances ( Unsecured Considered Good )

Particulars	As at 31.03.2022	As at 31.03.2021
Vat Receivable (F.Y 2017-18)	8,878.56	8,878.56
Vat Receivable (F.Y 2016-17)	5,679.77	5,679.77
Vat Receivable (F.Y 2015-16)	-	28,613.30
Vat Receivable (F.Y 2014-15)	16,843.52	16,843.52
Staff Advance	9,643.69	12,120.89
Rajat Associates	-	2,992.50
Gurmeet Grewal	-	-
Advances to Supplier	63,792.18	271,105.71
Prepaid Expenses	1,767.10	2,505.12
Duty Draw Back Receivable	12,266.32	12,266.32
ROSL Receivable	1,330.25	1,330.25
<b>Total</b>	<b>120201.392</b>	<b>362335.9449</b>

15 Other Current Assets

Particulars	As at 31.03.2022	As at 31.03.2021
GST	60,046.01	79,855.29
TDS AY 2021-22	7,745.73	6,624.63
TDS AY 2020-21	3,392.69	3,392.69
TCS AY 2021-22	1,192.24	715.41
TCS AY 2022-23	102.06	-
TDS AY 2022-23	3,814.04	-
Security Deposits	15,383.90	14,553.90
ADVANCE LOAN PAID	801.91	-
<b>Total</b>	<b>92,478.59</b>	<b>105,141.92</b>

16 Revenue From Operations

RS. in Hundred

Particulars	31.03.2022	31.03.2021
Revenue From Sales		
-Cloth	2,298,135.93	1,679,650.39
-Garments (Export)	11,099.98	8,860.47
-Garments (Domestic)	2,511,365.49	2,209,653.58
-Yarn	166,211.76	76,161.96
-Labour Earned	467,136.16	595,103.28
-Other Sales	14,298.77	20,957.01
<b>Total</b>	<b>5,468,248.10</b>	<b>4,590,386.69</b>

**17 Other Income**

Particulars	31.03.2022	31.03.2021
Dividend	-	61.69
Subsidy	16,969.70	-
Rental Income	1,520.90	1,672.99
Insurance Claim	1,366.89	-
Interest on tax Refund	1,001.64	982.10
Profit on sale of Fixed Assets	102,126.78	-
Profit on sale of SIP	1,975.75	-
<b>Total</b>	<b>124,961.66</b>	<b>2,716.78</b>

**18 Cost of Materials Consumed**

Particulars	31.03.2022	31.03.2021
<b>Opening Stock</b>	123,023.00	162,552.45
<b>Add: Purchases</b>	3,231,422.63	3,217,214.40
	<b>3,354,445.63</b>	<b>3,379,766.85</b>
<b>Less: Closing Stock</b>	199,705.20	123,023.00
<b>Total</b>	<b>3,154,740.43</b>	<b>3,256,743.85</b>

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

Particulars	31.03.2022	31.03.2021
Opening Stock		
- Stock in process	41,485.92	47,738.63
- Finished Goods	3,308,918.62	2,909,401.71
	<b>3,350,404.54</b>	<b>2,957,140.34</b>
Closing Stock		
- Stock in process	36,830.57	41,485.92
- Finished Goods	2,222,309.58	3,308,918.62
	<b>2,259,140.15</b>	<b>3,350,404.54</b>
<b>Net Decrease ( Increase in Stock )</b>	<b>1,091,264.39</b>	<b>(393,264.20)</b>

**20 Other Manufacturing Expenses**

Particulars	31.03.2022	31.03.2021
Consumable Stores	159,106.02	216,441.85
Dyeing Charges	237,607.43	195,376.72
Dyes and Chemicals	46,650.36	38,193.41
Freight and Cartage	4,155.28	13,254.48
Power & Fuel	165,830.61	141,578.32
Oil and Lubricants	101,853.02	75,802.74
Outside Labour	59,857.33	98,612.85
Wages	238,437.69	387,432.88
Packing Exp.	17,651.29	45,464.70
<b>Total</b>	<b>1,031,149.04</b>	<b>1,212,157.96</b>

**21 Employee Benefits Expenses**

Particulars	31.03.2022	31.03.2021
Salaries	35,799.57	39,897.75
Bonus	-	7,342.33
Diwali expenses	668.59	-
Labour Welfare Fund	360.80	589.20
ESI	2,182.95	3,109.02
EPF	4,541.46	6,459.73
<b>Total</b>	<b>43,553.37</b>	<b>57,398.03</b>

**22 Finance Costs**

Particulars	31.03.2022	31.03.2021
Bank and Processing Charges	3,068.12	3,850.34
Interest on		
- Bank interest on Cash Credit	178,992.24	166,898.36
- Bank interest on Term loan	57,288.20	72,428.89
- Interest on Bill Discounted	-	11,252.60
- Interest on WCDL	-	38,577.97
- Interest on unsecured loan	-	7,318.29
- Interest on Credit Card	-	225.29
- Interest to others	5,242.42	2,245.36
- Hire purchase charges	1,621.28	1,086.13
- Interest	-	8.27
<b>Total</b>	<b>246,212.26</b>	<b>303,891.49</b>

**23 Other Expenses**

Particulars	31.03.2022	31.03.2021
Administrative Expenses	56,191.02	108,060.31
Selling Expenses	2,254.90	455.25
Repair and Maintenance	49,895.59	41,333.88
<b>Total</b>	<b>108,341.52</b>	<b>149,849.44</b>

**23.1 Administrative Expenses**

Particulars	31.03.2022	31.03.2021
AMC Charges	-	555.08
Admn Charges	-	304.58
Audit Fees	1,750.00	1,300.00
Computer Expenses	304.09	169.88
Consultancy Fees	-	250.00
Director Salary	9,000.00	24,900.00
Donation	-	3,500.00
Electricity Expenses	1,901.20	1,727.56
Exchange Fluctuation	494.98	8,830.15
Fees and Taxes	4,070.93	4,161.82
Fine & Penalties	5.31	37.26
Insurance	10,572.74	17,850.72
Interest on TDS/GST/EPF	1,163.13	199.22
Lab & Testing Fees	-	1,113.05
Listing Charges	700.00	250.00
Loss on Sale of assets/investment	-	18.65
Medical Expenses	46.30	-
Membership Fee	35.00	35.00
Misc. Exp.	316.03	681.49
Postage and Telegram	1,412.11	1,425.62
Printing and Stationery	1,164.42	3,734.16
Professional Charges	7,321.21	8,976.19
Rebate & discount	6,872.91	19,433.48
Rent	7,989.50	6,933.00
Staff Welfare Expenses	-	413.96
Telephone Expenses	455.16	771.44
Training Expenses	616.00	488.00
<b>Total</b>	<b>56,191.02</b>	<b>108,060.31</b>

**23.2 Selling Expenses**

Particulars	31.03.2022	31.03.2021
Advertisement	670.18	348.60
Business Promotion	-	7.76
Clearing and Forwarding	235.35	28.01
Commission and Brokerage	734.32	-
Travelling and Conveyance	-	-
-Director's Travelling	615.05	40.88
- Others	-	30.00
<b>Total</b>	<b>2,254.90</b>	<b>455.25</b>

**23.3 Repair and Maintenance**

Particulars	31.03.2022	31.03.2021
Building Repair and Maintenance	5,196.05	261.44
Machinery Repair and Maintenance	34,225.21	35,404.70
General Repair & Maintenance	4,827.01	941.17
Vehicle Repair and Maintenance	5,647.33	4,726.57
<b>Total</b>	<b>49,895.59</b>	<b>41,333.88</b>

**Other Notes**

- 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.
- Debit and Credit Balances are subject to confirmation & reconciliation, if any.
- The provision of the Income Tax has been made as per the Income Tax Act 1961.
- 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.
- 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 31.03.2021	Rs. 1,54,68,589.00
Addition/Reduce of D.T.A. due to timing difference of Deprecation	Rs. (32,22,000.00)
Deferred Tax Liability as on 31.03.2022	Rs. 1,22,46,589.00

- Contingent Liability not provided for

S.No.	Particulars	2021-22 (Rs. In Lacs)	2020-21 (Rs. In Lacs)
i)	Inland Bill discounted	NIL	NIL
ii)	ILC for purchase	NIL	NIL
iii)	FLC for Import	NIL	NIL

- 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.) 2021-22	Amount (in Rs.) 2020-21
Salary	Mr. Ajit Lakra	3,00,000.00	9,00,000.00
Salary	Mrs. Gita Lakra	3,00,000.00	7,50,000.00
Salary	Mr. Vivek Lakra	3,00,000.00	8,40,000.00

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 Ended 31.03.2022	For the Year Ended 31.03.2021
Earning -Profit available to equity share holders	Rs. (186.98) lacs	Rs. (144.39) lacs
Shares -Weighted average Number of Equity Share- Basic	12393070	12393070
-Weighted average Number of Equity Share-Diluted	12393070	12393070
Earning per Share – Basic	-1.51	-1.17
Earning per Share- Diluted	-1.51	-1.17
Nominal Value of Share	Rs. 10/-	Rs. 10/-

j) In Compliance to the provisions of Accounting Standard 11 ( AS-11) Rs 49,498/- has been debited in foreign Currency Fluctuation and Balances of Respective Parties are restated.

k) The provision for Bonus amounting to Rs. 0/- has been recognized on mercantile basis for the years ending 2022.

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	31.03.2022 ( Rs. In Lacs)	31.03.2021 ( Rs. In Lacs)
1.	Mr. Ajit Lakra	Loan Received	-	60.00
		Loan Repaid	60.28	48.53
		Salary Paid	3.00	9.00
2.	Mrs. Gita Lakra	Loan Received	48.00	-
		Loan Repaid	8.01	10.31
		Salary paid	3.00	7.50
3.	Mr.Vivek Lakra	Loan Received	10.00	13.75
		Loan Repaid	104.00	69.59
		Salary Paid	3.00	8.40
4.	Ajit Lakra ( HUF)	Loan Received	60.00	18.65

		Loan Repaid	83.99	3.11
		Interest Paid	5.2	2.61
5.	Mr.Vivek Lakra (HUF)	Loan Received	-	2.73
		Loan Repaid	2.15	0.62
		Interest Paid	-	0.04

c. Amount due To Related Parties

Sr. No.	Particulars	As On 31.03.2022 ( Rs. In Lacs)	As On 31.03.2021 ( Rs. In Lacs)
	Due to Related Parties ( included in Current Liabilities & Unsecured Loans )		
1	-Mr. Ajit Lakra	48.72	109.00
2	-Mrs. Gita Lakra	119.99	80.00
3	-Ajit Lakra HUF	76.76	95.55
4	-Mr.Vivek Lakra	31.89	125.89
5	-Vivek Lakra HUF	-	2.15

o) Leases ( AS-19)

Sr. No.	Particulars	31.03.2022	31.03.2021
a.	The Total of future minimum lease payments under non- cancelable operating leases for each of the following periods; 1. Not later than one year: 2. Later than one year and not later than five year. 3. Later than five year:	Rs. Nil/- Rs Nil/- Rs Nil/-	Rs. Nil/- Rs Nil/- 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. 1,52,090/-	Rs. 1,67,299/-
e.	A general description of the lessee's significant leasing arrangements including the following:  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

As per our report of even date

**FOR R.K. Deepak & Co.**

Firm Reg. No.003145N

Chartered Accountants

**For and on Behalf of Board**

**(CA Sanjiv Khurana)**

Partner

M.No. 082873

**( Ajit Kumar Lakra )**

Managing Director

DIN 01067195

**( Vivek Lakra )**

Whole Time Director

DIN 01067219

Date: 07/09/2022

Place: Ludhiana

**(Davinder Pal Singh)**

Chief Financial

Officer

**( Nancy Singla )**

Company Secretary



**ATTENDANCE SLIP  
Super Fine Knitters Limited**

(CIN: L18101PB1998PLC021814)

Registered Office: C-5, Phase V, Focal Point, Ludhiana – 141010

24th Annual General Meeting, of Super Fine Knitters Limited held on Friday, 30th September, 2022 at 10:00 a.m.at Registered Office C-5, Phase V, Focal Point, Ludhiana – 141010.

Registered Address:

DP ID/Client ID/Ben. A/C:

No. of Shares held:

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 24<sup>th</sup> Annual General Meeting of the Company held on Friday, 30th September, 2022 at 10:00 a.m.at Registered Office C-5, Phase V, Focal Point, Ludhiana – 141010.

**Member's/Proxy's Name in Block Letter**

**Member's/Proxy's Signature**

Note: Please fill this attendance slip and hand it over at the entrance of the hall.

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014] **Super Fine Knitters Limited**

(CIN: L18101PB1998PLC021814)

Registered Office: C-5, Phase V, Focal Point, Ludhiana – 141010

Name of the Member

Registered Address:

DP ID/Client ID/Ben. A/C:

E-Mail ID:

I/ We being the member of Super Fine Knitters Limited, holding.....shares, hereby appoint

1. Name & Address .....Signature..... or failing him/her
2. Name & Address .....Signature..... or failing him/her
3. Name & Address .....Signature..... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 24<sup>th</sup> Annual General Meeting of the Company held on Friday, 30th September, 2022 at 10:00 a.m.at Registered Office C-5, Phase V, Focal Point, Ludhiana – 141010, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	ORDINARY BUSINESS
1.	To receive, consider and adopt the Audited Financial Statements of the Company for financial year ended 31 <sup>st</sup> March, 2022 together with the Report of the Board of Directors and the Auditors thereon.
2.	To appoint a Director in place of Mr. Vivek Lakra (DIN: 01067219), who retires by rotation and being eligible, offers himself for re-appointment.

Signed this ... .. day of..... 2022

Signature of Shareholder..... Signature of Proxy holder(s) .....

Affix Revenue Stamp of Rs. 1/-
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**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.**





**ROUTE MAP:**

**24<sup>th</sup> Annual General Meeting (AGM)**  
**Super Fine Knitters Limited**  
**C-5, Phase V, Focal Point**  
**Ludhiana – 141010, Punjab**





# **Super Fine Knitters Limited**

Regd. Office: C-5, Phase V, Focal Point, Ludhiana – 141010, Punjab  
Tel: 0161-5049900, E-mail: [cs@superfineknitters.com](mailto:cs@superfineknitters.com)  
Website: [www.superfineknitters.com](http://www.superfineknitters.com)