



25th
ANNUAL
REPORT
2023

Super Fine Knitters Limited

Regd. Office: C-5, Phase V, Focal Point, Ludhiana – 141010, Punjab
Tel: 0161-5049900, E-mail: cs@superfineknitters.com
Website: 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,
ajitlakra@superfineknitters.com

SECRETARIAL AUDITOR

P D M & Associates
Company Secretaries

REGISTRAR & TRANSFER AGENT

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

GENERAL INFORMATION

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

25th Annual General Meeting

Date: 30th September 2023, Saturday

Time: 10:00 A.M.

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

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of SUPER FINE KNITTERS LIMITED will be held on Saturday, 30th day of September, 2023 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 31st March, 2023 along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Gita Lakra (DIN - 01067233) who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible, offers herself for re-appointment.

SPECIAL RESOLUTION:

3. **To Regularization of Appointment of Ms. Shruti Gupta (DIN: 10310259) as an Independent Non-Executive Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Shruti Gupta (DIN: 10310259), who was appointed as additional director (non-executive independent director) of the Company w.e.f. 08th September, 2023, who has submitted a declaration that she meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation under section 152 of the Companies Act, 2013 and to hold office for a term of 5 (five) consecutive years, with effect from September 30, 2023.”

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

4. **To Regularization of Appointment of Ms. Ambika Jindal (DIN: 10310252) as an Independent Non-Executive Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Ambika Jindal (DIN: 10310252), who was appointed as additional director (non-executive independent director) of the Company w.e.f. 08th September, 2023, who has submitted a declaration that she meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation under section 152 of the Companies Act, 2013 and to hold office for a term of 5 (five) consecutive years, with effect from September 30, 2023.”

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

5. **To Regularization of Appointment of Ms. Shruti Arora (DIN: 10310241) as an Independent Non-Executive Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Shruti Arora (DIN: 10310241), who was appointed as additional director (non-executive independent director) of the Company w.e.f. 08th September, 2023, who has submitted a declaration that she meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation under section 152 of the Companies Act, 2013 and to hold office for a term of 5 (five) consecutive years, with effect from September 30, 2023.”

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

For and on behalf of the Board
Super Fine Knitters Limited

Date: 08thSeptember, 2023
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. 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.
- 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.** 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.
- 4.** An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of business to be transacted at the Annual General Meeting (AGM), as set out under Item no. 3, 4 and 5 above as and required by Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and as required under Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed hereto.
- 5. Book Closure:**
The Register of Members and Share Transfer Books of the Company will be closed from Monday, 25th September, 2023 to Saturday, 30th September, 2023 (both days inclusive).

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.
8. 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 seven days in advance of the meeting, so that the information, to the extent practicable, can be made available at the meeting.
9. Annual accounts and related documents referred to in the accompanying Notice and the Statement are open for inspection between 10.30 A.M. to 12.30 P.M. upto the date of the Annual General Meeting at the Registered Office of the Company.
10. In support of the Green Initiative and in compliance with the MCA general circular no. 10/2022 dated 28.12.2022 and SEBI circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05.01.2023 and pursuant to 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, the Annual Report 2022-23 is being sent through electronic mode to those Members whose email addresses are registered with the Company/Depository Participant. Members may note that Annual Report 2022-23 along with Notice of the 25th Annual General Meeting is also available on the Company's website www.superfineknitters.com
11. 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.
12. 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 25th 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 instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on Wednesday 27th September 2023 at 10.00 a.m. and ends on Friday 29th September 2023 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 22nd September, 2023 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 09th December, 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"> 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 https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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 & 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. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be 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. |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on 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 & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number 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 & voting during the meeting. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 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 & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at 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 CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in 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.
 - 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 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:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|--------------------------------|---|
| 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 | 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. |
| OR Date of Birth (DOB) | 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 230907003](#)** 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 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.
 - 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 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, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

1. 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, 22nd September, 2023**
2. 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.
3. 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, under help section or write an email to 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, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

For and on behalf of the Board
Super Fine Knitters Limited

Date: 08th September, 2023
Place: Ludhiana

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

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

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

Item No.3

Based on the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its meeting held on 08th September, 2023 recommended to appoint Ms. Shruti Gupta (DIN: 10310259) as an Independent Director of the Company, not liable to retire by rotation for a period of 5(five) years with effect from 30th September, 2023.

The Company has also received from Ms. Shruti Gupta (DIN: 10310259)(i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

In opinion of the Board, Ms. Shruti Gupta (DIN: 10310259) possesses appropriate skills, experience & knowledge and fulfils the conditions for appointment as an Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and that he is independent of the management.

The Company has also received notice in writing, from member under section 160 of the Act, proposing his candidature for appointment as an Independent Director of the Company. Copy of Appointment Letter setting out terms and conditions of his appointment is available for inspection by Members.

The profile and specific areas of expertise of Ms. Shruti Gupta (DIN: 10310259) are provided as annexure to this Notice.

Except the proposed appointee, none of the Promoters, Directors and Key Managerial Persons (KMPs) of the Company or any relatives of such Promoters, Directors or KMPs, are in any way concerned or interested, financially or otherwise, in the matter set out at Item No. 3 of this Notice.

Item No.4

Based on the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its meeting held on 08th September, 2023 recommended to appoint Ms. Ambika Jindal (DIN: 10310252) as an Independent Director of the Company, not liable to retire by rotation for a period of 5(five) years with effect from 30th September, 2023.

The Company has also received from Ms. Ambika Jindal (DIN: 10310252) (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

In opinion of the Board, Ms. Ambika Jindal (DIN: 10310252) possesses appropriate skills, experience & knowledge and fulfils the conditions for appointment as an Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and that he is independent of the management.

The Company has also received notice in writing, from member under section 160 of the Act, proposing his candidature for appointment as an Independent Director of the Company. Copy of Appointment Letter setting out terms and conditions of his appointment is available for inspection by Members.

The profile and specific areas of expertise of Ms. Ambika Jindal (DIN: 10310252) are provided as annexure to this Notice.

Except the proposed appointee, none of the Promoters, Directors and Key Managerial Persons (KMPs) of the Company or any relatives of such Promoters, Directors or KMPs, are in any way concerned or interested, financially or otherwise, in the matter set out at Item No. 4 of this Notice.

Item No.5

Based on the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its meeting held on 08th September, 2023 recommended to appoint Ms. Shruti Arora (DIN: 10310241) as an Independent Director of the Company, not liable to retire by rotation for a period of 5(five) years with effect from 30th September, 2023.

The Company has also received from Ms. Shruti Arora (DIN: 10310241) (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

In opinion of the Board, Ms. Shruti Arora (DIN: 10310241) possesses appropriate skills, experience & knowledge and fulfils the conditions for appointment as an Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and that he is independent of the management.

The Company has also received notice in writing, from member under section 160 of the Act, proposing his candidature for appointment as an Independent Director of the Company. Copy of Appointment Letter setting out terms and conditions of his appointment is available for inspection by Members.

The profile and specific areas of expertise of Ms. Shruti Arora (DIN: 10310241) are provided as annexure to this Notice.

Except the proposed appointee, none of the Promoters, Directors and Key Managerial Persons (KMPs) of the Company or any relatives of such Promoters, Directors or KMPs, are in any way concerned or interested, financially or otherwise, in the matter set out at Item No. 5 of this Notice.

ADDITIONAL INFORMATION ‘ANNEXURE’ TO NOTICE

Details of Directors seeking appointment as required under regulation 36 of the SEBI (listing obligations and disclosure requirements) Regulations 2015 (as amended from time to time), and Secretarial Standard on general Meetings (SS-2) for item no. 3, 4 and 5.

| Name of the Director | Ms. Shruti Gupta | Ms. Ambika Jindal | Mr. Shruti Arora |
|--|---|---|--|
| Director Identification No | 10310259 | 10310252 | 10310241 |
| Date of first appointment on the Board | 08 th September, 2023 | 08 th September, 2023 | 08 th September, 2023 |
| Relationship between directors inter-se | - | - | - |
| Nature of expertise in specific functional area | Ms. Shruti Gupta aged 33 years, is an associate member of Institute of Company Secretaries of India. She has a rich experience of five years in the field of corporate laws and Finance department. | Ms. Ambika Jindal aged 33 years, has completed Masters in Computer Science. She has a rich experience of three years in the field of Manufacturing of Garments. | Ms. Shruti Arora, aged 43 years, is post graduated. She has done Masters in Commerce. She has a rich experience in the field of Accounting management. |
| Directorship in other Listed Companies | - | - | - |
| Membership of Committees of other Listed Companies | - | - | - |
| Shareholding in the Company as on date | - | - | - |

BOARD'S REPORT

**To,
The Members,**

Your Directors have pleasure in presenting their 25th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2023.

The summarised financial performance of the Company is as under:

| (Rs. in Lakhs) | | |
|--|-------------|-----------------|
| Particulars | Current Yr. | Previous Yr. |
| Turnover (Including Exports Incentives) | 2785.76 | 5468.24 |
| Other Income | 1.59 | 1.24 |
| Profit/(loss) before Depreciation and Taxation | 142.05 | (82.05) |
| Provision for Depreciation | 88.11 | 137.15 |
| Profit/(Loss) before taxation | 53.94 | (219.20) |
| Less: Provision for Taxation | 48.8 | 32.22 |
| Profit/(Loss) after tax | 5.14 | (186.99) |
| Balance carried to Balance Sheet | 5.14 | (186.99) |

STATE OF COMPANY'S AFFAIRS

During the year under review, the Company's turnover of INR2785.76 Lakhs as compared to INR5468.24 Lakhs for the previous year. The Company has earned profit of INR5.14 Lakhs as compared to loss of INR186.99 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 as on 31st March, 2023.

| Name of Directors | Category | No. of Other Directorship held in | Membership of the Committee |
|-------------------|-----------------------------|-----------------------------------|-----------------------------|
| | | Public Ltd. Company | |
| Ajit Kumar Lakra | Promoter/Executive Director | Nil | 0 |
| Vivek Lakra | Promoter/Executive Director | Nil | 1 |

| | | | |
|-----------------|-------------------------------------|-----|---|
| Gita Lakra | Promoter/Executive Director | Nil | 0 |
| Rohit Malhotra | Non-Executive/ Independent Director | Nil | 3 |
| Naveen Malhotra | Non-Executive/ Independent Director | Nil | 2 |
| Chandan Patel | Non-Executive/ Independent Director | Nil | 3 |

Appointment/Reappointment/Resignation from Board of Directors/Key Managerial Personnel as on 31st March, 2023

Retirement By Rotation:

In accordance with the provisions of the Articles of Associations and 152 (6) of Companies Act, 2013 Mrs. Gita Lakra (DIN - 01067233), Whole Time Director will be retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

The relevant details, as required under the Regulation 36 (3) of Listing Regulations and Secretarial Standards, of the person seeking re-appointment as Director are also provided in the Notice convening the 25th Annual General Meeting.

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 10th May, 2022, interalia to discuss:

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

BOARD MEETINGS

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

During the period under review five (05) 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:--

30th May 2022, 11th July 2022, 07th September 2022, 14th November 2022 and 28th December, 2022.

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

| Name of Directors | Category | Number of Board Meetings Eligible to Attend | No. of Board Meetings attended | Attendance of Last AGM |
|-------------------|-----------------------------|---|--------------------------------|------------------------|
| Ajit Kumar Lakra | Promoter/Executive Director | 5 | 5 | Yes |
| Vivek Lakra | Promoter/Executive Director | 5 | 5 | Yes |
| Gita Lakra | Promoter/Executive Director | 5 | 4 | Yes |

| | | | | |
|-----------------|----------------------------|---|---|-----|
| Rohit Malhotra | Non-Executive/ Independent | 5 | 4 | Yes |
| Naveen Malhotra | Non-Executive/ Independent | 5 | 4 | Yes |
| Chandan Patel | Non-Executive/ Independent | 5 | 4 | Yes |

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 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 half yearly financial results 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 30thMay2022, 07thSeptember 2022, 14th November 2022 and 24thFebruary, 2023.

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 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 | IndependentDirector |
| 3. | Mr Naveen Malhotra | Member | IndependentDirector |

Details of Remuneration paid to Managing Director/Whole-time Director for the year ended 31st March, 2023 is given below:

| Name | Sitting Fees (Rs.) | Salary (Rs.) | Perquisites and allowances etc.(Rs.) | Commission (paid) (Rs) | Total (Rs.) |
|----------------------|--------------------|--------------|--------------------------------------|------------------------|-------------|
| Mr. Ajit Kumar Lakra | Nil | 9,00,000 | Nil | Nil | 9,00,000 |
| Mr. Vivek Lakra | Nil | 9,00,000 | Nil | Nil | 9,00,000 |
| Mrs. Gita Lakra | Nil | 6,00,000 | Nil | Nil | 6,00,000 |

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 21st December, 2022 and all members were duly present in the meeting.

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The Committee performs following functions:

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

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

| 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 114shareholders as on 31st March, 2023. 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 07th September, 2022 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 31stMarch, 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 31stMarch, 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 23rdAnnual General Meeting held on 30th September, 2021 to hold office till conclusion of 28thAnnual 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 PDM and Associates (CP No.: 25003, ACS: A25988), Company Secretaries for the financial year 2022-2023 to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report for the financial year ended 31st March, 2023 is annexed with Board Report.

Internal Auditors

M/s. Budh Kumar & Associates, Chartered Accountant has been re-appointed as Internal Auditor in the Board meeting held on 07th September, 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 INR 9,00,000 p.a.

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.

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 INR 26.20 lakh has been taken as unsecured loan from Directors of the Company, making a total unsecured loan of Rs 215.36lakhs 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: 08th September, 2023

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 31st March, 2023.

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

There is no foreign Currency Fluctuation debited/ credited during the year.

Annexure-II

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 2022-23 (Rs. In lakhs) | % increase in Remuneration in the financial year 2022-23 | Ratio of remuneration of each Director/to median remuneration of employees |
|---------|---|--|--|--|
| 1 | Mr. Ajit Kumar Lakra Managing Director | 9.00 | N.A. | 41.86 |
| 2 | Mr. Vivek Lakra Whole Time Director | 9.00 | N.A. | 41.86 |
| 3 | Mrs. Gita Lakra Whole Time Director | 6.00 | N.A. | 27.90 |
| 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 2022-23 was Rs. 21,500/- (approx).
- (c) There were 62 permanent employees on the roll of the Company as on 31st March, 2023.
- (d) There was no increment in the salaries of the employees in the financial year 2022-23.
- (f) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2023 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

Global growth is projected to slow significantly amid high inflation, tight monetary policy, and more restrictive credit conditions. The possibility of more widespread bank turmoil and tighter monetary policy could result in even weaker global growth and lead to financial dislocations in the most vulnerable emerging market and developing economies (EMDEs). Comprehensive policy action is needed to foster macroeconomic and financial stability. Among many EMDEs, and especially in low-income countries, bolstering fiscal sustainability will require generating higher revenues, making spending more efficient, and improving debt management practices. Continued international cooperation is also necessary to tackle climate change, support populations affected by crises and hunger, and provide debt relief where needed.

(Source: Global Economic Prospectus -2023 June)

INDIAN ECONOMY

The Indian economy, however, appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target. However, the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increases in policy rates by the US Fed. The widening of the CAD may also continue as global commodity prices remain elevated and the growth momentum of the Indian economy remains strong. The loss of export stimulus is further possible as the slowing world growth and trade shrinks the global market size in the second half of the current year. Despite these, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilisation across sectors. The rebound in consumption was engineered by the near-universal vaccination coverage overseen by the government that brought people back to the streets to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, among others.

(Source: RBI Economic Survey 2022-23)

INDUSTRY STRUCTURE

GLOBAL TEXTILE INDUSTRY

The global **textile market size** was valued at **USD 1,695.13 billion in 2022** and is anticipated to grow at a compound annual growth rate (CAGR) of 7.6% in terms of revenue from 2023 to 2030. The ever-increasing apparel demand from the fashion industry, coupled with the meteoric growth of e-commerce platforms, is expected to drive market growth over the forecast period. The textile industry works on three major principles, namely the design, production, and distribution of different flexible materials such as yarn and clothing. Many processes, such as knitting, crocheting, weaving, and others, are primarily used to manufacture a wide range of finished and semi-finished goods in bedding, clothing, apparel, medical, and other accessories.

(Source: <https://www.grandviewresearch.com>)

INDIAN TEXTILES INDUSTRY

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparel. India is the world's largest producer of cotton. Estimated production stood at 362.18 lakh bales during cotton season 2021-22. Domestic consumption for the 2021-22 cotton season is estimated to be at 338 lakh bales. Cotton production in India is projected to reach 7.2 million tonnes by 2030, driven by increasing demand from consumers. In FY23, exports of readymade garments (RMG) cotton including accessories stood at US\$ 7.68 billion till January 2023. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.

India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. During April-October in FY23, the total exports of textiles stood at US\$ 21.15 billion. India's textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY22. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.

(Source: <https://www.ibef.org/industry/textiles>)

COMPANY OVERVIEW & ROLE

Super Fine Knitters Limited manufactures knitted garments in India with the highest quality. The entire team of the company is proficient in technical and management skills. The Company always target to offer unique and quality knitting fabrics and garments to customers. Superfine Knitters Ltd. has a laboratory which is fully equipped for tests and fabric dyeing houses under contract. The fabrics range from 100% cotton to cotton Lycra, mercerized to plain and washed to overdyed and other blended fabrics.

FINANCIAL ANALYSIS (ON STANDALONE BASIS):

Revenue Break – up: (INR. in lakhs)

| Particulars | 2022-23 | % to Total Income | 2021-22 | % to Total Income |
|-----------------------|----------------|-------------------|----------------|-------------------|
| Revenue | 2785.75 | 99.94 | 5468.25 | 97.77 |
| Other Income | 1.59 | 0.06 | 124.96 | 2.23 |
| Total Turnover | 2787.35 | 100 | 5593.21 | 100 |

The net turnover of the Company has decreased 5593.21 lakhs in the 2021-22 to INR 2787.35 lakhs in the 2022-23.

Profitability/Losses: (INR. in lakhs)

| Particulars | 2022-23 | % of turnover | 2021-22 | % of turnover |
|---|---------|---------------|---------|---------------|
| Profit/losses before depreciation and tax | 142.05 | 5.1 | -82.05 | -1.47 |
| Depreciation | 88.11 | 3.16 | 137.15 | 2.45 |
| Profit/losses before tax | 53.94 | 1.94 | -219.2 | -3.92 |
| Tax (Previous year) | 48.8 | 1.75 | 32.22 | 0.58 |
| Profit/losses after Tax | 5.14 | 0.18 | -186.99 | -3.43 |

OPPORTUNITIES AND THREATS

OPPORTUNITIES

The textile industry in India is very strong as it has a variety of natural and man-made fibres and yarns. India's textile industry plays a technological and capital-intensive role and is compared with industries like heavy machinery, automobiles etc. Since the pattern of industrialisation in trade has become common in consumer goods industries and labour-intensive industries there is immense opportunity in the textile industry. India is estimated to be the second most appealing market by the year 2025. India is one of the fastest-growing economies and this creates a boost in the purchasing power of the people while it also spurs the demand for products of the textile industry. This boost results in a wide range of capacity to manufacture different products that can be transported within India as well as across the world.

THREATS

Though there are many opportunities and investments in the textile industry, like any other industry, the textile industry of India also undergoes certain challenges. The frequently changing policies stated by the government at the central and state levels create immense pressure on the textile industry. Another challenge that the textile industry faces is the limitation to access the latest and best technology while also failing to meet the global standards in the competitive export market. Apart from these issues like competition from neighbouring countries regarding low-cost garments is also the challenge the Indian textile industry faces.

OUTLOOK

The Company continues to maintain its relatively stable and progressive growth outlook. The initiative taken by your Company for technology up gradation, reducing overheads and finance costs, improving operating parameters and optimizing operating costs will enable the company to face challenges in coming times.

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.

ADEQUACY OF INTERNAL CONTROL SYSTEMS

The Company has adequate systems of internal control meant to ensure proper accounting controls, monitoring cost- cutting measures, efficiency of operation and protecting assets from their unauthorized use. The Internal Audit department of the Company reviews control measures in the management of risks and opportunities and ensures adherence to operating guidelines and compliance with regard to regulatory and legal requirements. The Company's budgetary control system aims to ensure adequate control on the expenditure. The management reviews the actual performance with reference to the predetermined norms and standard on monthly basis. The Company has to work hard to maintain its market share without compromising on the quality of its products.

SIGNIFICANT KEY FINANCIAL RATIOS

| S. No. | Particulars | FY 2022-23 | FY 2021-22 |
|--------|---|------------|------------|
| 1 | Current Ratio(in Times) | 3.04 | 1.89 |
| 2 | Debt-Equity Ratio(in Times) | 0.29 | 0.12 |
| 3 | Return on Equity Ratio (in %) | 0.23% | -8.22% |
| 4 | Trade Receivable turnover Ratio(In Times) | 4.30 | 12.65 |
| 5 | Net Capital Turnover Ratio(In Times) | 1.39 | 3.59 |
| 6 | Net Profit Ratio (In %) | 0.18% | -3.42% |

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONSFRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company believes in establishing and building a strong performance and competency driven culture amongst its employees with greater sense of accountability and responsibility. The Company has taken various steps for strengthening organizational competency through the involvement and development of employees as well as installing effective systems for improving their productivity and accountability at functional levels. The Company acknowledges that its principal asset is its employees. Ongoing in-house and external training is provided to the employees at all levels to update their knowledge and upgrade their skills and abilities.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis report, describing the Company's objectives projections, estimates, expectations or predictions may be "Forward looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and Indian demand-supply conditions, cyclical demand and pricing in the Company's principal markets raw material cost and availability, changes in the Government regulations tax regimes, economic development within India and the countries within which the Company conducts business and other factors such as litigation and industrial relations.

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. Nof 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: 08th September, 2023

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 31.03.2023**

**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-2022] | | | | No. of Shares held at the end of the year [As on 31-March-2023] | | | | % Change during the year |
|---|--|----------|------------------|-------------------|---|----------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 70,59,900 | 0 | 70,59,900 | 56.97 | 70,59,900 | 0 | 70,59,900 | 56.97 | NIL |
| b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| d) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| (2) Foreign | | | | | | | | | |
| a) Individual/ HUF | 9,55,570 | 0 | 9,55,570 | 7.71 | 9,55,570 | 0 | 9,55,570 | 7.71 | NIL |
| Total shareholding of Promoter (A) | 80,15,470 | 0 | 80,15,470 | 64.68 | 80,15,470 | 0 | 80,15,470 | 64.68 | NIL |

| | | | | | | | | | |
|--|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|------------|
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| b) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| g) FIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| Sub-total (B)(1):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 18,30,000 | 0 | 18,30,000 | 14.77 | 18,20,000 | 0 | 18,20,000 | 14.69 | -0.08 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 2 lakh | 9,00,000 | 0 | 9,00,000 | 7.26 | 7,90,000 | 0 | 7,90,000 | 6.37 | -0.89 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 13,50,500 | 0 | 13,50,500 | 10.90 | 15,40,500 | 0 | 15,40,500 | 12.43 | 1.53 |
| c) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| Non Resident Indians | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| Overseas Corporate Bodies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| Clearing Members | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| Foreign Bodies - D R | | | | | | | | | NIL |
| HUF | 2,97,100 | 0 | 2,97,100 | 2.40 | 2,27,100 | 0 | 2,27,100 | 1.83 | -0.56 |
| Sub-total (B)(2):- | 43,77,600 | 0 | 43,77,600 | 35.32 | 43,77,600 | 0 | 43,77,600 | 35.32 | NIL |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | | | | | | | | | |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NIL |
| Grand Total (A+B+C) | 123,93,070 | 0 | 123,93,070 | 100 | 123,93,070 | 0 | 123,93,070 | 100 | NIL |

B) Shareholding of Promoter

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|----|------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Ajit Kumar Lakra | 19,51,898 | 15.75 | NIL | 19,51,898 | 15.75 | NIL | NIL |
| 2 | Ajit Kumar Lakra (HUF) | 29,81,370 | 24.06 | NIL | 29,81,370 | 24.06 | NIL | NIL |
| 3 | Vivek Lakra | 12,26,900 | 9.90 | NIL | 12,26,900 | 9.90 | NIL | NIL |
| 4 | Gita Lakra | 8,99,732 | 7.26 | NIL | 8,99,732 | 7.26 | NIL | NIL |
| 5 | Yash Pal Lakra | 9,55,570 | 7.71 | NIL | 9,55,570 | 7.71 | NIL | NIL |

C) Change in Promoters' Shareholding

| SN | Name of Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Ajit Kumar Lakra | | | | |
| | At the beginning of the year | 19,51,898 | 15.75 | -- | -- |
| | Transaction during the year | -- | -- | -- | -- |
| | At the end of the year | -- | -- | 19,51,898 | 15.75 |
| 2 | Ajit Kumar Lakra (HUF) | | | | |
| | At the beginning of the year | 29,81,370 | 24.06 | -- | -- |
| | Transaction during the year | -- | -- | -- | -- |
| | At the end of the year | -- | -- | 29,81,370 | 24.06 |
| 3 | Vivek Lakra | | | | |
| | 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 | 8,99,732 | 7.26 | -- | -- |
| | Transaction during the year | -- | -- | -- | -- |
| | 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 | PADMAWATI REALCON PRIVATE LIMITED | 50,000 | 0.40 | 4,90,000 | 3.95 |
| 2 | ORIENT CRAFT LIMITED | 400000 | 3.23 | 400000 | 3.23 |
| 3 | KUBEIR KHERA | 0.00 | 0.00 | 3,50,000 | 2.82 |
| 4 | PARTON TRADERS PRIVATE LIMITED | 0.00 | 0.00 | 2,90,000 | 2.34 |
| 5 | TAPAS MANAGEMENT SERVICES PRIVATE LIMITED | 0.00 | 0.00 | 2,90,000 | 2.34 |
| 6 | SANJAY GARG | 1,70,000 | 1.37 | 1,70,000 | 1.37 |
| 7 | SUDARSHAN KUMAR JAIN | 1,50,000 | 1.21 | 1,50,000 | 1.21 |
| 8 | ROHIT MALHOTRA | 1,22,000 | 0.98 | 1,22,000 | 0.98 |
| 9 | ANIL KUMAR & SONS HUF | 1,17,100 | 0.94 | 1,17,100 | 0.94 |
| 10 | GUINNESS SECURITIES LIMITED | 1,10,000 | 0.89 | 1,10,800 | 0.89 |

E) Shareholding of Directors and Key Managerial Personnel

| S.No. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Mr. Ajit Kumar Lakra, Managing Director | 19,51,898 | 15.75 | 19,51,898 | 15.75 |
| 2. | Mrs. Gita Lakra, Whole Time Director | 8,99,732 | 7.26 | 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 | 1,22,000 | 0.98 | 1,22,000 | 0.98 |
| 5. | Mr. Naveen Malhotra, Non-Executive | 0 | 0 | 0 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| | Director | | | | |
| 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 |
|--|----------------------------------|--------------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 7,46,126.00 | 2,76,63,657 | 0 | 2,84,09,783 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 7,46,126.00 | 2,76,63,657 | 0 | 2,84,09,783 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 4,38,38,954 | - | 0 | 4,38,38,954 |
| * Reduction | - | 61,28,137 | 0 | 61,28,137 |
| Net Change | 4,38,38,954 | 61,28,137 | 0 | 3,77,10,817 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 4,45,85,080 | 2,15,35,520 | 0 | 6,61,20,600 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 4,45,85,080 | 2,15,35,520 | 0 | 6,61,20,600 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| SN. | Particulars of Remuneration | Ajit Kumar Lakra | Vivek Lakra | Gita Lakra | Total |
|-----|---|--|-----------------------|-----------------------|-----------|
| | | (Managing Director) | (Whole-Time Director) | (Whole-Time Director) | |
| | Gross salary | 9,00,000 | 9,00,000 | 6,00,000 | 24,00,000 |
| 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) | 9,00,000 | 9,00,000 | 6,00,000 | 24,00,000 |
| | 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) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |

For and on behalf of the Board
Super Fine Knitters Limited

Place: Ludhiana
Date: 08th September, 2023

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 31ST MARCH, 2023
[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

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 31st March, 2023 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 31st March, 2023 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.

I 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) is being updated regularly as per the provisions of the Companies Act, 2013.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc except that Mgt-14 for Director Report 2022 is not filed.

I further report that

The Board of Directors of the Company was duly constituted with a proper balance of Executive, Non-Executive Directors but with regard to the Independent Directors, Composition of Board of Directors of the Company is not adequate, Independent director appointed do not have valid certificate for their entry in Database of Independent Director.

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.

I 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.

I 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.

FOR PDM & ASSOCIATES

Place: Ludhiana
Date: July 12, 2023

CS Pooja Damir Miglani Company
Secretaries (Prop.)
M.No. A25988
C.P No. 25003
UDIN: L25112PB1995PLC017160
Peer Review
Number:S2021PB834000

**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 **31st March, 2023**, 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 **31st March 2023**, its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 2023** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March 2023** 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.
2. 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

Date : 08th September, 2023
Place : LUDHIANA

(SANJIV KHURANA)
Partner
M.No. : 082873

“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, 2023 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issues by the Institute of Chartered Accountants of India.

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

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

Date : 08th September, 2023
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 2022-23 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, 2023, for a period of more than six months except Labour welfare fund.
- 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 31.03.2023.
 - (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 noncash 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 standalone¹ 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 Lakh)

| Particulars | March 31, 2023 (Current year) | March 31, 2022 (Current year) |
|---|----------------------------------|----------------------------------|
| Profit/ (Loss) as per Profit & Loss Statement | 53.94 | (219.20) |
| ADD: Non Cash Items- Depreciation | 88.11 | (137.15) |
| Net Cash Profit/ (Loss) | 142.05 | (82.05) |

- (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)
Firm Registration No. 003145N

Place: Ludhiana
Date: 08th September, 2023

CA SANJIV KHURANA
Partner
M.No.082873

BALANCE SHEET AS ON 31.03.2023

Amount in Rs.

| | PARTICULARS | Note No. | As on 31.03.2023 | | As on 31.03.2022 | |
|-----------|--|----------|------------------|----------------|------------------|----------------|
| | | | Rs. | Rs. | Rs. | Rs. |
| I | EQUITY AND LIABILITIES | | | | | |
| | 1. Shareholders' Funds | | | | | |
| | (a) Share Capital | 2 | 123,930,700.00 | | 123,930,700.00 | |
| | (b) Reserves and Surplus | 3 | 103,950,049.44 | | 103,492,051.48 | |
| | (b) Money received against share warrants | | - | 227,880,749.44 | - | 227,422,751.48 |
| | 2. Share Application Pending Allotment | | | - | | - |
| | 3. Non- Current Liabilities | | | | | |
| | (a) Long-term Borrowings | 4 | 66,120,600.48 | | 28,409,783.30 | |
| | (b) Deferred Tax Liabilities (Net) | 5 | 17,126,757.00 | | 12,246,589.00 | |
| | (c) Other Long Term Borrowings | 6 | - | | - | |
| | (d) Long-term Provisions | 7 | - | 83,247,357.48 | - | 40,656,372.30 |
| | 4. Current Liabilities | | | | | |
| | (a) Short Term Borrowings | 8 | 54,795,615.34 | | 98,318,917.18 | |
| | (b) Trade payables | | | | | |
| | (i) Total Outstanding dues of MSME | 9 | 660,944.00 | | 5,509,203.00 | |
| | (i) Total Outstanding dues of creditors other than MSME | | 15,802,821.45 | | 28,184,904.84 | |
| | (c) Other Current Liabilities | 10 | 27,101,896.55 | | 39,703,092.62 | |
| | (d) Short Term Provisions | 11 | - | 98,361,277.34 | - | 171,716,117.64 |
| | TOTAL | | | 409,489,384.26 | | 439,795,241.42 |
| II | ASSETS | | | | | |
| | 1. Non-Current Assets | | | | | |
| | (a) Property, Plant Equipments & Intangible Assets | | | | | |
| | (i) Property, Plant and Equipment | 12 | 105,246,591.70 | | 108,916,099.11 | |
| | (ii) Intangible Assets | | - | | - | |
| | (iii) Capital Work-in-Progress | | - | | - | |
| | (iv) Intangible Assets under development | | - | | - | |
| | (b) Non Current Investments | 13 | - | | - | |
| | (c) Deffered Tax Assets (Net) | | - | | - | |
| | (d) Long Term Loan and Advances | 15 | - | | - | |
| | (e) Other Non Current Assets | 16 | - | 105,246,591.70 | - | 108,916,099.11 |
| | 2. Current Assets | | | | | |
| | (a) Current Investments | 17 | - | | - | |
| | (a) Inventories | 18 | 209,839,303.97 | | 247,934,534.97 | |
| | (b) Trade receivables | 19 | 68,296,770.08 | | 61,205,057.08 | |
| | (c) Cash and cash equivalents | 20 | 584,515.16 | | 471,552.25 | |
| | (d) Short-term loans and advances | 21 | 10,201,427.00 | | 8,094,318.23 | |
| | (e) Other Current Tax Assets | 22 | 15,320,776.35 | | 13,173,679.78 | |
| | TOTAL | | | 304,242,792.56 | | 330,879,142.31 |
| | TOTAL | | | 409,489,384.26 | | 439,795,241.42 |
| | Significant Accounting Policies and Additional Information | 1 | | | | |

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: 08/09/2023
 Place: Ludhiana

(Davinder Pal Singh)
 Chief Financial Officer

(Nancy Singla)
 Company Secretary

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31.03.2023

Amount in Rs.

| | PARTICULARS | Note No. | As on 31.03.2023 | | As on 31.03.2022 | |
|------|---|----------|------------------|----------------|------------------|-----------------|
| | | | Rs. | Rs. | Rs. | Rs. |
| I | Income from operations: | | | | | |
| | (a) Sale of Products | | - | | - | |
| | (b) Sale of Services | 23 | 278,575,775.55 | 278,575,775.55 | 546,824,809.97 | 546,824,809.97 |
| II | Other Income | 24 | | 159,196.00 | | 12,496,165.59 |
| III | Total Revenue (I + II) | | | 278,734,971.55 | | 559,320,975.56 |
| IV | Expenses | | | | | |
| | (a) Cost of Materials Consumed | 25 | 133,162,203.21 | | 315,474,043.22 | |
| | (b) Purchase of Stock in Trade | | - | | - | |
| | (c) Changes in inventories of finished goods, work in progress and Stock-in-trade | 26 | 25,955,859.00 | | 109,126,439.03 | |
| | (d) Employee benefits expense | 27 | 5,036,259.30 | | 5,255,336.95 | |
| | (e) Finance Costs | 28 | 9,129,260.78 | | 24,621,226.08 | |
| | (f) Depreciation and amortization expense | 12 | 8,811,420.00 | | 13,715,496.52 | |
| | (g) Other expenses | 29 | 11,746,850.25 | | 9,934,151.55 | |
| | Other Manufacturing Expenses | | 79,499,271.87 | | 103,114,903.65 | |
| V. | Total Expense | | | 273,341,124.41 | | 581,241,597.00 |
| VI | Profit before exceptional items and tax (III-V) | | | 5,393,847.14 | | (21,920,621.44) |
| IX | Extraordinary Items | | | - | | - |
| X | Profit before tax (VIII-IX)+B55 | | | 5,393,847.14 | | (21,920,621.44) |
| XI | Tax expense: | | | | | |
| | (1) Current tax | | - | | - | |
| | Less: MAT | | - | | - | |
| | (2) Deferred tax | | 4,880,168.00 | 4,880,168.00 | (3,222,000.00) | (3,222,000.00) |
| XII | Profit/(Loss) for the period from continuing operations (X - XI) | | | 513,679.14 | | (18,698,621.44) |
| XIII | Provision for Corporate Social Responsibility | | | - | | - |
| XIV | Profit/(Loss) for the period from discontinuing operations(after tax) | | | - | | - |
| XV | Profit/Loss for the period (XII-XIII+XIV) | | | 513,679.14 | | (18,698,621.44) |
| XVI | Earnings per equity share | | | | | |
| | (1) Basic | | | 0.04 | | (1.51) |
| | (2) Diluted | | | - | | - |
| | Significant Accounting Policies and Additional Information | 1 | | | | |

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: 08/09/2023
 Place: Ludhiana

(Davinder Pal Singh)
 Chief Financial Officer

(Nancy Singla)
 Company Secretary

Cash Flow Statement for the Years Ended 31st March, 2023

Amount in Rs.

| | Particulars | 2022-2023 | 2021-2022 |
|-----------|---|------------------------|-------------------------|
| A | Cash flow from operating Activities | | |
| | Net Profit/(Loss) after Tax and extraordinary items | 5,393,847.14 | (21,920,621) |
| | Adjustment for | | |
| | Depreciation | 8,811,420.00 | 13,715,497 |
| | Profit/ Loss on sale of asset & Share | 354,619.90 | (10,410,253) |
| | Rental Income | - | (152,090) |
| | Interest & Dividend Received | (31,477.00) | (100,164) |
| | Interest expenses | 8,950,817.88 | 24,314,414 |
| | | - | - |
| | Adjustment for | | |
| | Extraordinary Items | (55,684.00) | - |
| | Operating Profit/Loss before Working Capital Changes | 23,423,544 | 5,446,782 |
| | Adjustment for | | |
| | (Increase)/Decrease in Trade & Other receivables | (11,345,918.34) | 95,712,074 |
| | (Increase)/Decrease in Inventory | 38,095,231.00 | 101,458,219 |
| | Increase/(Decrease) in Trade Payables & Other Liabilities | (29,831,538.46) | (26,141,031) |
| | Increase/(Decrease) in Loan & Advances | - | - |
| | Cash generated from operations | 20,341,318.12 | 176,476,044.79 |
| | Income Tax Paid | - | - |
| | Loss from extraordinary activities | - | - |
| | Previous Year Taxes (Net) | - | - |
| | Net Cash from Operating Activities | 20,341,318.12 | 176,476,044.79 |
| B. | Cash Flow from Investing Activities | | |
| | (Purchase) of Fixed/Capital Expenditure | (6,146,532.60) | (9,880,943.00) |
| | Sale of Fixed Asset | 650,000.00 | 89,960,449.56 |
| | Rental Income | - | 152,090.00 |
| | Interest & Dividend Received | 31,477.00 | 100,163.70 |
| | Net Cash used in Investing Activities | (5,465,055.60) | 80,331,760.26 |
| C. | Cash Flow from Finance Activities | | |
| | Proceeds from Share capital | - | - |
| | Proceeds from Long Term Borrowing (Net) | 37,710,817.18 | (78,111,955.20) |
| | Short Term Loans Movement & others | (43,523,298.62) | (155,007,823.76) |
| | Interest Payment | (8,950,817.88) | (24,314,413.68) |
| | Net Cash from Financing Activities | (14,763,299.32) | (257,434,192.64) |
| | Net increase in Cash and Equivalents (A+B+C) | 112,963.20 | (626,387.59) |
| | Opening Balance of Cash and Cash Equivalents | 471,551.96 | 1,097,939.55 |
| | Closing Balance of Cash and Cash Equivalents | 584,515.16 | 471,551.96 |

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: 08/09/2023

Place: Ludhiana

(Davinder Pal Singh)
Chief Financial Officer

(Nancy Singla)
Company Secretary

NOTE : -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.

| Particulars | On 31.03.2023 | On 31.03.2022 |
|--|----------------|----------------|
| NOTE `2' | | |
| EQUITY SHARE CAPITAL | | |
| (2.1) -Authorised | | |
| 13000000 Equity Shares of Rs.10/- each [Previous Year : 13000000 Equity Shares of Rs.10/- each] | 130,000,000.00 | 130,000,000.00 |
| (2.2) -Issued, Subscribed and Paid up | | |
| 12393070 Equity Shares of Rs 10/- each fully paid-up. [Previous Year : 12393070 Equity Shares of Rs10/- each] | 123,930,700.00 | 123,930,700.00 |
| | 123,930,700.00 | 123,930,700.00 |

2.3) The Company has only one class of share capital namely Equity Shares having face value of Rs.10/- each:

- In respect of every equity share(whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid up on such shares bears to the total paid up capital of the Company.
- The dividend proposed by the Board of Directors, if approved by the the Shareholders in the ensuing Annual General Meeting, shall be payable on prorata basis.
- In the event of liquidation, the shareholders are eligible to receive the remaining Assets of the Company after distribution of all Preferential amounts, in proportion to their shareholdings.

(2.4) - Reconciliation of Shares:

| | Nos | Rs | Nos | Rs |
|------------------------------------|------------|----------------|------------|----------------|
| Opening Share Capital | 12,393,070 | 123,930,700.00 | 12,393,070 | 123,930,700.00 |
| Add: Shares issued During the year | - | - | - | - |
| Add: Rights/Bonus Shares Issued | - | - | - | - |
| Total | 12,393,070 | 123,930,700.00 | 12,393,070 | 123,930,700.00 |
| Less: Buy back of Shares | - | - | - | - |
| Less: Reduction in Capital | - | - | - | - |
| Closing Share Capital | 12,393,070 | 123,930,700.00 | 12,393,070 | 123,930,700.00 |

(2.5) -List of Share holders having 5% or more Shares (In Nos)

| Name Of Shareholders | In Nos | In % | In Nos | In % |
|--------------------------|-----------|--------|-----------|--------|
| Sh. Ajit Lakra | 1951898 | 15.75 | 1951898 | 15.75 |
| Ajit Lakra & Sons (HUF) | 2981370 | 24.06 | 2981370 | 24.06 |
| Sh. Vivek Lakra | 1226900 | 9.90 | 1226900 | 9.90 |
| Dr. Yashpal Lakra | 955570 | 7.71 | 955570 | 7.71 |
| Guiness Securities Ltd | 110000 | 0.89 | 110000 | 0.89 |
| Way Vinimay Pvt Ltd | 770000 | 6.21 | 770000 | 6.21 |
| Geeta Lakra | 899732 | 7.26 | 899732 | 7.26 |
| | 8,895,470 | 71.78% | 8,895,470 | 71.78% |

(2.6) -Shareholding of Promoters

| Name Of Shareholders | Nos of Shres | % shares | Nos of Shres | % shares | % change during the year |
|--------------------------|--------------|----------|--------------|----------|--------------------------|
| Sh. Ajit Lakra | 1951898 | 15.75 | 1951898 | 15.75% | Nil |
| Ajit Lakra & Sons (HUF) | 2981370 | 24.06 | 2981370 | 24.06% | Nil |
| Sh. Vivek Lakra | 1226900 | 9.90 | 1226900 | 9.90% | Nil |
| Dr. Yashpal Lakra | 955570 | 7.71 | 955570 | 7.71% | Nil |
| Geeta Lakra | 899732 | 7.26 | 899732 | 7.26% | Nil |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|---|---------------|------------------------------|-----------------|------------------------------|
| | Rs | Rs | Rs | Rs |
| NOTE `3' | | | | |
| RESERVES AND SURPLUS | | | | |
| (3.1) -Capital Reserve | | | | |
| Opening Balance | | 2,687,000.00 | | 2,687,000.00 |
| Closing Balance | | 2,687,000.00 | | 2,687,000.00 |
| Investment Allowance Reserve | | | | |
| Opening Balance | | 296,267.00 | | 296,267.00 |
| Closing Balance | | 296,267.00 | | 296,267.00 |
| Securities Premium | | | | |
| Opening Balance | | 18,797,500.00 | | 18,797,500.00 |
| Addition | | | | |
| Closing Balance | | 18,797,500.00 | | 18,797,500.00 |
| (3.2) -Profit and Loss Statement | | | | |
| Opening Balance | 81,711,284.48 | | 100,409,905.92 | |
| Add: Profit During The Year | 513,681.96 | | (18,698,621.44) | |
| Add: Transfer from other reserves | - | | - | |
| Less: Prior Period Expenses | - | | - | |
| Previous Year Adjustment | (55,684.00) | | - | |
| Income Tax For Preceeding Years | - | | - | |
| Closing Balance (B) | | <u>82,169,282.44</u> | | <u>81,711,284.48</u> |
| TOTAL | | <u><u>103,950,049.44</u></u> | | <u><u>103,492,051.48</u></u> |

| Particulars | (Rs.) | |
|--------------------------------------|-----------------------------|-----------------------------|
| | On 31.03.2023 | On 31.03.2022 |
| | Rs | Rs |
| NOTE `4` | | |
| LONG TERM BORROWINGS | | |
| -Secured | | |
| Term Loans | | |
| (4.1) -From Banks | | |
| (i) UBI Car Loan(Creta) | 557,367.00 | 746,126.00 |
| (ii) HDFC Bank Limited -LAP | 42,139,498.38 | - |
| (iii) HDFC Bank Limited (Term Loan) | 1,888,214.67 | - |
| (4.2) -Unsecured | | |
| From Directors | 20,907,133.43 | 19,987,643.30 |
| From Others | 628,387.00 | 7,676,014.00 |
| GRAND TOTAL | <u>66,120,600.48</u> | <u>28,409,783.30</u> |

- (4.3) a) Loan from UBI Car loan Sr. No: 4.1.(i) is repayable monthly installments of Rs. 29,986/- each including interest.
- b) Loan from HDFC Bank at Sr. No: 4.1.(ii) is repayable in 163 equal monthly installments of Rs. 487,104/- each including interest.
- c) Loan from HDFC Bank at Sr. No: 4.1.(iii) is repayable in 63 equal monthly installments of Rs. 50,778/- each including interest.

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|---------------------------------|---------------|----------------------|---------------|----------------------|
| | Rs | Rs | Rs | Rs |
| NOTE `5' | | | | |
| DEFERRED TAX LIABILITIES | | | | |
| Deferred Tax Liabilities(Net) | | 17,126,757.00 | | 12,246,589.00 |
| TOTAL | | <u>17,126,757.00</u> | | <u>12,246,589.00</u> |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|-----------------------------------|---------------|----------|---------------|----------|
| | Rs | Rs | Rs | Rs |
| NOTE `6' | | | | |
| OTHER LONG TERM BORROWINGS | | | | |
| Other Long Term Borrowings | | - | | - |
| TOTAL | | <u>-</u> | | <u>-</u> |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|-----------------------------|---------------|----------|---------------|----------|
| | Rs | Rs | Rs | Rs |
| NOTE `7' | | | | |
| LONG TERM PROVISIONS | | | | |
| Provision for Gratuity | | - | | - |
| TOTAL | | <u>-</u> | | <u>-</u> |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|--|---------------|----------------------|---------------|----------------------|
| | Rs | Rs | Rs | Rs |
| NOTE `8' | | | | |
| SHORT TERM BORROWINGS | | | | |
| -Secured | | | | |
| (8.1) -From Banks | | | | |
| (i) HDFC Bank Limited (Working capital Facility) | | 52,284,029.56 | | 97,753,752.23 |
| (ii) UNION Bank of India CC | | (301.74) | | (301.74) |
| -Current Maturity of Long Term Debt | | | | |
| (8.2) -From Banks | | | | |
| (i) HDFC Loan A/c -Truck | | - | | 205,634.69 |
| (ii) UBI Car loan (Creta) | | 274,800.00 | | 359,832.00 |
| (ii) HDFC Bank Limited (Term Loan) | | 412,650.60 | | - |
| (ii) HDFC Bank LAP | | 1,824,436.92 | | - |
| | | - | | - |
| -Unsecured | | | | |
| | | - | | - |
| TOTAL | | <u>54,795,615.34</u> | | <u>98,318,917.18</u> |

| Particulars | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|-----------------------------|----------------------|-------------------|-------------------|---------------------|----------------------|
| | Rs | Rs | Rs | Rs | Rs |
| NOTE `9' | | | | | |
| (9.1) TRADE PAYABLES | | | | | |
| As on 31.03.2023 | | | | | |
| Dues | | | | | |
| a) MSME | 642,416.00 | 18,528.00 | - | - | 660,944.00 |
| b) Others | 13,695,125.45 | 330,108.00 | 230,838.00 | 1,546,750.00 | 15,802,821.45 |
| c) Disputed dues - MSME | - | - | - | - | - |
| d) Disputed dues- others | - | - | - | - | - |
| TOTAL | <u>14,337,541.45</u> | <u>348,636.00</u> | <u>230,838.00</u> | <u>1,546,750.00</u> | <u>16,463,765.45</u> |

(9.1) TRADE PAYABLES

As on 31.03.2022

| | | | | | |
|--------------------------|----------------------|---------------------|---------------------|------------------|----------------------|
| a) MSME | 5,509,203.00 | - | - | - | 5,509,203.00 |
| b) Others | 22,100,575.40 | 1,196,140.40 | 4,811,719.04 | 76,470.00 | 28,184,904.84 |
| c) Disputed dues - MSME | - | - | - | - | - |
| d) Disputed dues- others | - | - | - | - | - |
| TOTAL | 27,609,778.40 | 1,196,140.40 | 4,811,719.04 | 76,470.00 | 33,694,107.84 |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|-------------|---------------|----|---------------|----|
| | Rs | Rs | Rs | Rs |

NOTE `10'

OTHER CURRENT LIABILITIES

| | | |
|---------------------------|----------------------|----------------------|
| Advance From Customers | 22,068,231.80 | 37,134,119.37 |
| Statutory Dues | 717,024.00 | 122,079.00 |
| Other Current Liabilities | 4,316,640.75 | 2,446,894.25 |
| TOTAL | 27,101,896.55 | 39,703,092.62 |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|-------------|---------------|----|---------------|----|
| | Rs | Rs | Rs | Rs |

NOTE `11'

SHORT TERM PROVISIONS

| | | |
|------------------------|----------|----------|
| Provision for Taxation | - | - |
| TOTAL | - | - |

NOTE " 12 " : FIXED ASSETS

| ASSETS | GROSS BLOCK | | | | | | | | NET BLOCK | |
|--|--------------------------|---------------------|------------------------|--------------------------|-------------------------------------|----------------------------------|---|------------------------------|-------------------------|-------------------------|
| | COST AS ON 01.04.2022 | ADDITION | SALE / TRANSF ER | COST AS ON 31.03.2023 | DEPRECIATION AS ON 01.04.2022 | DEPRECIA TION FOR THE YEAR | DEPRECIATIO N WRITTEN BACK ON SALE/TRFD. | TOTAL DEP.UPTO 31.03.2023 | WDV AS ON 31.03.2023 | WDV AS ON 31.03.2022 |
| TANGIBLE ASSETS | | | | | | | | | | |
| LAND | 24,339,000.00 | - | - | 24,339,000.00 | - | - | - | - | 24,339,000.00 | 24,339,000.00 |
| PLANT AND MACHINERY | 141,013,758.48 | 4,946,772 | 1,354,857 | 144,605,673.35 | 69,846,876.51 | 6,797,185.00 | 350,237.00 | 76,293,824.51 | 68,311,849.29 | 71,166,881.97 |
| OFFICE EQUIPMENT | 2,823,171.93 | 779,920 | - | 3,603,092.38 | 2,371,478.34 | 227,615.00 | - | 2,599,093.34 | 1,003,999.04 | 451,693.59 |
| COMPUTERS AND DATA PROCESSING UNITS | 6,089,152.62 | 14,720 | - | 6,103,872.62 | 6,193,445.41 | 2,094.00 | - | 6,195,539.62 | (91,667.00) | (104,292.79) |
| BUILDINGS | 7,153,876.50 | - | - | 7,153,876.50 | 3,061,312.86 | 214,332.00 | - | 3,275,644.86 | 3,878,231.64 | 4,092,563.64 |
| MOTOR VEHICLE (CAR) | 13,573,303.36 | - | - | 13,573,303.36 | 9,004,718.23 | 902,187.00 | - | 9,906,905.23 | 3,666,398.13 | 4,568,585.13 |
| ELECTRIC FITTING | 3,412,687.30 | 15,136 | - | 3,427,823.01 | 2,198,608.30 | 185,265.00 | - | 2,383,873.00 | 1,043,950.01 | 1,214,079.00 |
| FURNITURE & FIXTURES | 8,644,823.50 | 389,985 | - | 9,034,808.17 | 5,457,234.93 | 482,742.00 | - | 5,939,977.58 | 3,094,830.59 | 3,187,588.57 |
| TOTAL | 207,049,773.69 | 6,146,532.60 | 1,354,856.90 | 211,841,449.39 | 98,133,674.58 | 8,811,420.00 | 350,237.00 | 106,594,858.14 | 105,246,591.70 | 108,916,099.11 |
| PREVIOUS YEAR (TOTAL) | 387,907,320.29 | 9,880,943.21 | 190,738,489.81 | 207,049,773.69 | 195,846,271.31 | 13,715,494.00 | | 98,133,674.58 | 108,916,099.11 | 192,061,048.98 |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|--------------------------------|---------------|----|---------------|----|
| | Rs | Rs | Rs | Rs |
| NOTE `13' | | | | |
| NON CURRENT INVESTMENTS | | | | |
| NON-CURRENT INVESTMENTS | | - | | - |
| TOTAL | | - | | - |

| Particulars | On 31.03.2022 | | On 31.03.2021 | |
|----------------------------------|---------------|----|---------------|----|
| | Rs | Rs | Rs | Rs |
| NOTE `14' | | | | |
| DEFERRED TAX ASSETS (NET) | | - | | - |
| TOTAL | | - | | - |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|-------------------------------------|---------------|----|---------------|----|
| | Rs | Rs | Rs | Rs |
| NOTE `15' | | | | |
| LONG TERM LOANS AND ADVANCES | | | | |
| Unsecured Considered Good: | | | | |
| Capital Advances | | - | | - |
| Unsecured Considered Doubtful : | | | | |
| Capital Advances | | - | | - |
| TOTAL | | - | | - |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|---------------------------------|---------------|----|---------------|----|
| | Rs | Rs | Rs | Rs |
| NOTE `16' | | | | |
| OTHER NON CURRENT ASSETS | | | | |
| Security Deposits | | - | | - |
| TOTAL | | - | | - |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|---------------------------|---------------|----|---------------|----|
| | Rs | Rs | Rs | Rs |
| NOTE `17' | | | | |
| CURRENT INVESTMENT | | | | |
| FDR with Banks | | - | | - |
| TOTAL | | - | | - |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|--|---------------|-----------------------|---------------|-----------------------|
| | Rs | Rs | Rs | Rs |
| NOTE `18' | | | | |
| INVENTORIES(As taken, valued and certified from management) | | | | |
| Raw Material | | 7,831,148.00 | | 19,970,520.00 |
| Work In Process | | 3,433,057.21 | | 3,683,057.21 |
| Finished Goods | | 196,525,098.76 | | 222,230,957.76 |
| Stock in Trade | | - | | - |
| Others Stocks | | 2,050,000.00 | | 2,050,000.00 |
| TOTAL | | <u>209,839,303.97</u> | | <u>247,934,534.97</u> |

| Particulars | Less than 6 months Rs | 6months - 1 year | 1 - 2 years Rs | 2 - 3 years Rs | More than 3 years Rs | Total Rs |
|----------------------------------|--------------------------|---------------------|---------------------|---------------------|-------------------------|----------------------|
| NOTE `19' | | | | | | |
| TRADE RECEIVABLES | | | | | | |
| As on 31.03.2023 | | | | | | |
| Undisputed - considered good | 62,476,998.00 | 438,289.00 | 3,058,997.08 | 1,472,972.00 | 849,514.00 | 68,296,770.08 |
| Undisputed - considered doubtful | - | - | - | - | - | - |
| Disputed - considered good | - | - | - | - | - | - |
| Disputed - considered doubtful | - | - | - | - | - | - |
| TOTAL | 62,476,998.00 | 438,289.00 | 3,058,997.08 | 1,472,972.00 | 849,514.00 | 68,296,770.08 |
| As on 31.03.2022 | | | | | | |
| Undisputed - considered good | 45,392,092.14 | 9,043,951.08 | 4,920,908.81 | 976,872.05 | 871,233.00 | 61,205,057.08 |
| Undisputed - considered doubtful | - | - | - | - | - | - |
| Disputed - considered good | - | - | - | - | - | - |
| Disputed - considered doubtful | - | - | - | - | - | - |
| TOTAL | 45,392,092.14 | 9,043,951.08 | 4,920,908.81 | 976,872.05 | 871,233.00 | 61,205,057.08 |

| Particulars | On 31.03.2023 Rs | | On 31.03.2022 Rs | |
|--|---------------------|-------------------|---------------------|-------------------|
| NOTE `20' | | | | |
| CASH AND BANK BALANCES | | | | |
| -Cash and Cash Equivalents | | | | |
| Cash in Hand | | 411,149.27 | | 343,828.47 |
| Cheques in Hand (Net) | | - | | 31,869.14 |
| Balance with banks | | | | |
| -HDFC Bank Ltd CA | | (15.26) | | 63.84 |
| -PNB Bank Ltd CA | | 11,279.30 | | 11,279.30 |
| -UBI Bank Ltd CA | | 107,101.85 | | 29,511.50 |
| b. Other Bank Balances | | - | | - |
| -Margin Money - HDFC, Ludhiana | | 15,000.00 | | 55,000.00 |
| - Margin Money- Udhampur for Sales Tax | | 40,000.00 | | - |
| TOTAL | | 584,515.16 | | 471,552.25 |

| Particulars | On 31.03.2023 Rs | | On 31.03.2022 Rs | |
|--------------------------------------|---------------------|----------------------|---------------------|---------------------|
| NOTE `21' | | | | |
| SHORT TERM LOANS AND ADVANCES | | | | |
| Advance to Staff and Workers | | - | | - |
| Advances to Suppliers | | 4,245,004.00 | | 6,379,218.23 |
| Other Loan & Advances | | 5,956,423.00 | | 1,715,100.00 |
| TOTAL | | 10,201,427.00 | | 8,094,318.23 |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|------------------------------------|---------------|----------------------|---------------|----------------------|
| | Rs | Rs | Rs | Rs |
| NOTE `22' | | | | |
| OTHER CURRENT ASSETS | | | | |
| Balance with Statutory Authorities | | 15,320,776.35 | | 13,173,679.78 |
| Other | | - | | - |
| | | <u>15,320,776.35</u> | | <u>13,173,679.78</u> |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|------------------------------|---------------|-----------------------|---------------|-----------------------|
| | Rs | Rs | Rs | Rs |
| NOTE `23' | | | | |
| INCOME FROM OPERATION | | | | |
| Revenue From Sales | | | | |
| -Cloth | | 195,810,333.75 | | 229,813,593.39 |
| -Garments (Export) | | | | 1,109,998.40 |
| -Garments (Domestic) | | | | 251,136,549.48 |
| -Yarn | | 3,383,488.21 | | 16,621,176.08 |
| -Labour Earned | | | | 46,713,615.93 |
| -Other Sales | | 43,359.58 | | 1,429,876.69 |
| -Sales Job Work | | 79,338,594.01 | | |
| TOTAL | | <u>278,575,775.55</u> | | <u>546,824,809.97</u> |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|--------------------------------|---------------|-------------------|---------------|----------------------|
| | Rs | Rs | Rs | Rs |
| NOTE `24' | | | | |
| OTHER INCOME | | | | |
| Cash Discount | | 42,250.00 | | - |
| Interest Received | | 31,477.00 | | - |
| Subsidy | | - | | 1,696,970.00 |
| Rental Income | | - | | 152,090.00 |
| Insurance Claim | | - | | 136,689.00 |
| Interest on tax Refund | | 85,450.00 | | 100,163.70 |
| Profit on sale of Fixed Assets | | | | 10,212,678.33 |
| Profit on sale of SIP | | | | 197,574.56 |
| Other Income | | 19.00 | | - |
| Rebate & Discount | | - | | - |
| TOTAL | | <u>159,196.00</u> | | <u>12,496,165.59</u> |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|--------------------------------------|---------------|-----------------------|---------------|-----------------------|
| | Rs | Rs | Rs | Rs |
| NOTE `25' | | | | |
| COST OF RAW MATERIAL CONSUMED | | | | |
| Opening Stock | | 19,970,520.00 | | 12,302,300.00 |
| Add: Purchases | | 121,022,831.21 | | 323,142,263.22 |
| | | 140,993,351.21 | | 335,444,563.22 |
| Less: Closing Stock | | 7,831,148.00 | | 19,970,520.00 |
| | | <u>133,162,203.21</u> | | <u>315,474,043.22</u> |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|-----------------------------------|---------------|-----------------------|---------------|-----------------------|
| | Rs | Rs | Rs | Rs |
| NOTE `26' | | | | |
| Change in Stocks | | | | |
| Stock at Commencement | | | | |
| Work-in Process | | 3,683,057.21 | | 4,148,592.00 |
| Finished Goods | | 222,230,957.76 | | 330,891,862.00 |
| | | <u>225,914,014.97</u> | | <u>335,040,454.00</u> |
| Less: Stock at Close | | | | |
| Work-in Process | | 3,433,057.21 | | 3,683,057.21 |
| Finished Goods | | 196,525,098.76 | | 222,230,957.76 |
| | | <u>199,958,155.97</u> | | <u>225,914,014.97</u> |
| Stock Decreased /(Increased) by | | 25,955,859.00 | | 109,126,439.03 |
| | TOTAL | | | |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|--|---------------|---------------------|---------------|---------------------|
| | Rs | Rs | Rs | Rs |
| NOTE `27' | | | | |
| EMPLOYEE BENEFITS EXPENSES | | | | |
| Salaries,Wages,Bonus etc. | | 4,643,389.00 | | 4,479,957.00 |
| Contribution to ESI,PF & Other Statutory Funds | | 273,497.00 | | 708,521.00 |
| Workmen and Staff Welfare Expenses | | 119,373.30 | | 66,858.95 |
| | | <u>5,036,259.30</u> | | <u>5,255,336.95</u> |
| | TOTAL | | | |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|--|---------------|---------------------|---------------|----------------------|
| | Rs | Rs | Rs | Rs |
| NOTE `28' | | | | |
| FINANCE COSTS | | | | |
| Interest Expense | | | | |
| Interest on Cash Credit | | 6,189,721.00 | | 17,899,224.00 |
| Interest to Others | | 593,059.00 | | 524,241.50 |
| Interest on Term Loan | | 2,081,996.88 | | 5,728,820.34 |
| Hire Purchase Charges | | 86,041.00 | | 162,127.84 |
| Other Borrowing Costs | | | | |
| Bank Charges , Commision , Processing Fees | | 178,442.90 | | 306,812.40 |
| | | <u>9,129,260.78</u> | | <u>24,621,226.08</u> |
| | TOTAL | | | |

| Particulars | On 31.03.2023 | | On 31.03.2022 | |
|--|---------------|--------------|---------------|--------------|
| | Rs | Rs | Rs | Rs |
| NOTE `29' | | | | |
| OTHER EXPENSES | | | | |
| Administrative Expenses | | | | |
| Audit Fees | | 150,000.00 | | 175,000.00 |
| Admin Charges | | 6,252.00 | | - |
| Computer, Networking & Software Expenses | | 21,730.50 | | 30,409.00 |
| Donation | | 130,000.00 | | - |
| Electricity Expenses | | 167,459.00 | | 190,120.00 |
| Electrical Goods | | 821,390.98 | | - |
| Exchange Rate Difference | | - | | 49,497.78 |
| Fees & Taxes | | 1,028,636.30 | | 407,093.00 |
| Fine & Penalties | | 6,900.00 | | 531.00 |
| Gate Security Charges | | 370,155.37 | | - |
| Insurance | | 934,700.31 | | 1,057,273.60 |
| Interest & Damage on EPF | | 8,468.00 | | - |
| Interest & damage on ESI | | 9,230.00 | | - |
| Interest on TDS/GST Late Fees | | 3,046.00 | | 116,313.00 |
| Listing Charges | | 70,000.00 | | 70,000.00 |
| Loss on sale of fixed assets | | 354,619.90 | | - |
| Medical Expenses | | 2,977.00 | | 4,630.00 |

| | | |
|-------------------------------------|----------------------|-----------------------|
| Membership Fee | 5,310.00 | 3,500.00 |
| Misc Expenses | - | 31,603.00 |
| Postage & Courier | 17,951.00 | 141,210.97 |
| Printing & Stationery | 47,699.05 | 116,442.30 |
| Professional Charges | 465,400.00 | 732,121.00 |
| Rebate & Discount | 216,485.93 | 687,290.97 |
| Rent | 840,000.00 | 798,950.00 |
| Telephone/Internet Expenses | 24,189.95 | 45,516.23 |
| Training Expenses | 24,750.00 | 61,600.00 |
| Advertisement Expense | 28,860.00 | 67,018.40 |
| Business Promotion | 14,411.00 | - |
| Commission/Incentive | 65,000.00 | 73,432.00 |
| Clearing and Forwarding | 312,261.00 | 23,535.00 |
| Travelling and Conveyance | | |
| -Director's Travelling | 210,039.00 | 61,505.00 |
| - Others | - | - |
| Repair & Maintenance | | 519,604.53 |
| Building Repair and Maintenance | 538,925.88 | 3,422,520.83 |
| Machinery Repair and Maintenance | 4,093,548.99 | 482,701.16 |
| General Repair & Maintenance | 76,115.43 | 564,732.78 |
| Vehicle Repair and Maintenance | 680,337.66 | |
| | TOTAL | |
| | <u>11,746,850.25</u> | <u>9,934,151.55</u> |
| Other Manufacturing Expenses | | |
| Consumable Stores | 6210355.26 | 15,910,601.54 |
| Dyeing Charges | 14729673.06 | 23,760,743.14 |
| Dyes and Chemicals | 10748899.45 | 4,665,036.48 |
| Freight and Cartage | 250540.94 | 415,527.91 |
| Power & Fuel | 25448620.31 | 16,583,061.20 |
| Oil and Lubricants | 5643997.3 | 10,185,302.40 |
| Outside Labour | 2049728.85 | 5,985,732.87 |
| Wages | 10753928 | 23,843,769.00 |
| Packing Exp. | 1092149.95 | 1,765,129.11 |
| Printing | 2571378.75 | |
| | TOTAL | |
| | <u>79,499,271.87</u> | <u>103,114,903.65</u> |

Other Notes

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

Deferred Tax Liability:-

| | |
|---|--------------------|
| Deferred Tax Liability as on 31.03.2022 | Rs.1,22,46,589.00 |
| Addition/Reduce of D.T.A. due to timing difference of Deprecation | Rs. 48,80,168.00 |
| Deferred Tax Liability as on 31.03.2023 | Rs. 1,71,26,757.00 |

- f) Contingent Liability not provided for

| S.No. | Particulars | 2022-23 (Rs. In Lacs) | 2021-22 (Rs. In Lacs) |
|-------|------------------------|----------------------------|----------------------------|
| i) | Inland Bill discounted | NIL | NIL |
| ii) | ILC for purchase | NIL | NIL |
| iii) | FLC for Import | NIL | NIL |

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

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

| Nature of Payment | Name of Director | Amount (in Rs.) 2022-23 | Amount (in Rs.) 2021-22 |
|-------------------|------------------|----------------------------|----------------------------|
| Salary | Mr. Ajit Lakra | 900,000.00 | 3,00,000.00 |
| Salary | Mrs. Gita Lakra | 600,000.00 | 3,00,000.00 |
| Salary | Mr. Vivek Lakra | 900,000.00 | 3,00,000.00 |

- 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 31.03.2023 | For the Year Ended 31.03.2022 |
|--|----------------------------------|----------------------------------|
| Earning -Profit available to equity share holders | Rs. 5.136 lacs | Rs. (186.98) lacs |
| Shares -Weighted average Number of Equity Share-Basic | 12393070 | 12393070 |
| -Weighted average Number of Equity Share-Diluted | 12393070 | 12393070 |
| Earning per Share – Basic | 0.04 | -1.51 |
| Earning per Share- Diluted | 0.04 | -1.51 |
| Nominal Value of Share | Rs. 10/- | Rs. 10/- |

- j) As per provision of Accounting Standard 11 (AS-11) there is no foreign Currency Fluctuation debited/ credited during the year.
- k) The provision for Bonus amounting to Rs. 0/- has been recognized on mercantile basis for the years ending 2023.

- 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
- o 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 | 31.03.2023 (Rs. In Lacs) | 31.03.2022 (Rs. In Lacs) |
|---------|---------------------------------|-----------------------|------------------------------|------------------------------|
| 1. | Mr. Ajit Lakra | Loan Received | 6.65 | - |
| | | Loan Repaid | 4.72 | 60.28 |
| | | Salary Paid | 9.00 | 3.00 |
| 2. | Mrs. Gita Lakra | Loan Received | 8.25 | 48.00 |
| | | Loan Repaid | 6.39 | 8.01 |
| | | Salary paid | 6.00 | 3.00 |
| 3. | Mr.Vivek Lakra | Loan Received | 11.30 | 10.00 |
| | | Loan Repaid | 5.90 | 104.00 |
| | | Salary Paid | 9.00 | 3.00 |
| 4. | Ajit Lakra (HUF) | Loan Received | 6.70 | 60.00 |
| | | Loan Repaid | 81.00 | 83.99 |
| | | Interest Paid | 4.25 | 5.2 |
| 5. | Mr.Vivek Lakra (HUF) | Loan Received | - | - |
| | | Loan Repaid | - | 2.15 |
| | | Interest Paid | - | - |
| | | | | |

c.Amount due To Related Parties

| Sr. No. | Particulars | As On 31.03.2023 (Rs. In Lacs) | As On 31.03.2022 (Rs. In Lacs) |
|---------|---|---------------------------------------|---------------------------------------|
| | Due to Related Parties (included in Current Liabilities & Unsecured Loans) | | |
| 1 | -Mr. Ajit Lakra | 50.65 | 48.72 |
| 2 | -Mrs. Gita Lakra | 121.85 | 119.99 |
| 3 | -Ajit Lakra HUF | 6.28 | 76.76 |
| 4 | -Mr.Vivek Lakra | 36.56 | 31.89 |

o) Leases (AS-19)

| Sr. No. | Particulars | 31.03.2023 | 31.03.2022 |
|---------|--|-----------------------------------|---|
| 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/- |
| 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 | N.A | 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: 08th September, 2023

Place: Ludhiana

(Davinder Pal Singh)

Chief Financial Officer

(Nancy Singlas)

Company Secretary

ATTENDANCE SLIP

Super Fine Knitters Limited

(CIN: L18101PB1998PLC021814)

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

25th Annual General Meeting, of Super Fine Knitters Limited held on Saturday, 30th September, 2023 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 25th Annual General Meeting of the Company held on Saturday, 30th September, 2023 at 10:00 a.m.at Registered Office C-5, Phase V, Focal Point, Ludhiana – 141010.

Member's/Proxy's Name in Block Letter

attendance slip and hand it over at the entrance of the hall.

Member's/Proxy's Signature Note: Please fill this

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 & AddressSignature..... or failing him/her
- 2. Name & AddressSignature..... or failing him/her
- 3. Name & AddressSignature..... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 25th Annual General Meeting of the Company held on Saturday, 30th September, 2023 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 st March, 2023 together with the Report of the Board of Directors and the Auditors thereon. |
| 2. | To appoint a Director in place of Mrs. Gita Lakra (DIN - 01067233), who retires by rotation and being eligible, offers herself for re-appointment. |
| SPECIAL BUSINESS | |
| 3. | To Regularization of Appointment of Ms. Shruti Gupta (DIN: 10310259) as an Independent Non-Executive Director of the Company. |
| 4. | To Regularization of Appointment of Ms. Ambika Jindal (DIN: 10310252) as an Independent Non-Executive Director of the Company. |
| 5. | To Regularization of Appointment of Ms. Shruti Arora (DIN: 10310241) as an Independent Non-Executive Director of the Company. |

Signed this day of..... 2023

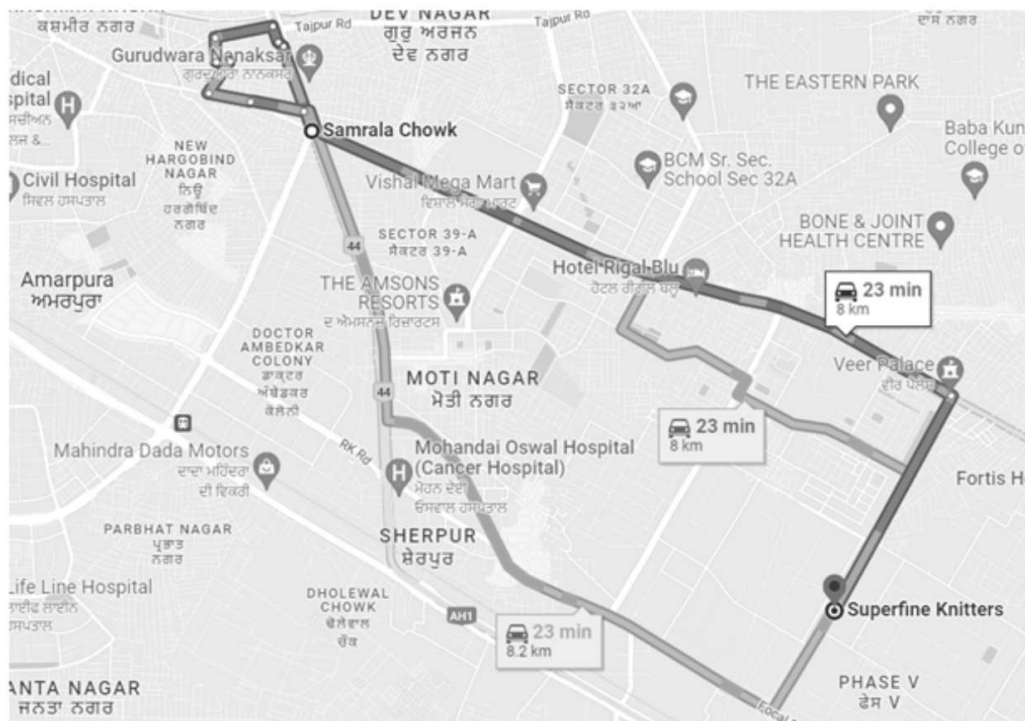
Signature of Shareholder..... Signature of Proxy holder(s)

| |
|---|
| Affix Revenue Stamp of Rs. 1/- |
|---|

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:

**25th 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

Website: www.superfineknitters.com