



21st **ANNUAL REPORT** **2019**

Super Fine Knitters Limited

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

Tel: 0161-5049900, E-mail: cs@superfineknitters.com

Website: www.superfineknitters.com

Board of Directors	
Mr. Ajit Kumar Lakra	Managing Director
Mr. Vivek Lakra	Whole-Time Director
Mrs. Gita Lakra	Whole-Time Director
Mr. Amit Gupta	Independent Director
Mr. Vipin Sehgal	Independent Director
Mr. Baljit Kumar Trikha	Independent Director

CHIEF FINANCIAL OFFICER Mr.Davinder Pal Singh COMPANY SECRETARY Mrs.Samridhi Seth STATUTORY AUDITORS Mehta Sharma & Associates #595, 1st Floor, Jai Singh Complex, Model Town, Ludhiana SECRETARIAL AUDITOR Narang Garisha & Associates	REGISTRAR & TRANSFER AGENT Cameo Corporate Service Limited Subramanian Building, 1 Club House Road, Chennai,Tamil Nadu,600002 REGISTERED OFFICE/UNIT - I 269, Industrial Area - A, Ludhiana - 141003 CORPORATE OFFICE /UNIT - II C-5, Focal point, Phase - V, Ludhiana - 141003
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21st Annual General Meeting

Date: 21st September, 2019, Saturday

Time: 10:30 A.M.

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

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the Members of SUPER FINE KNITTERS LIMITED will be held on Saturday, 21st day of September, 2019 at Registered Office of the Company at 269, Industrial Area – A, Ludhiana, Punjab at 10.30 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, 2019 along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Gita Lakra (DIN - 01067233) who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Section 139 (2) and 142(1) of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s Mehta Sharma & Associates, (Firm Registration No. 018946N), Chartered Accountant be and is hereby appointed as the Statutory Auditors of the Company, and to hold the office for a term of two years from the conclusion of 21st Annual General Meeting till the conclusion of 23rd Annual General Meeting to conduct statutory audit from the Financial year 2019-20 till 2020-21 at a remuneration mutually decided by Auditors and Board of Directors of the Company.”

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

For and on behalf of the Board
Super Fine Knitters Limited

Date: 24th August, 2019
Place: Ludhiana

Sd/-
Samridhi Seth
Company Secretary
269, Industrial Area- A,
Ludhiana

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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Proxies in order to be effective must be duly filled, stamped, signed and deposited at the Registered Office of the Company not less than forty-eight (48) hours before the Commencement of the Meeting. The blank Proxy Form is enclosed.
3. The Members/ Proxies/ Authorized Representative attending the meeting are requested to bring the enclosed Attendance Slip and deliver the same after filling in their folio number at the entrance of the meeting hall. Admission to the Annual General Meeting venue will be allowed only on verification of the signature(s) on the Attendance Slip.
4. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 14th September, 2019 to Saturday, 21st September, 2019 (both days inclusive).
5. Members desirous of seeking any information concerning the accounts and operations of the Company are requested to address their queries to the Company Secretary, at the Registered Office at least ten days in advance of the meeting, so that the information, to the extent practicable, can be made available at the meeting.
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. Members who are holding shares in physical form are requested to get their e-mail addresses registered with the Registrar & Transfer Agent, M/s Cameo Corporate Services Ltd.
7. The Shareholders are requested to notify change of address, if any, immediately to the Registrar & Transfer Agent, M/s Cameo Corporate Services Ltd, Subramanian Building, 1 Club House Road, Chennai, Tamil Nadu, mentioning their Folio Number.
8. Annual accounts and related documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company.
9. Copies of the Annual Report will not be distributed at the Annual General Meeting. You are therefore, requested to bring copy of the Annual Report to the Meeting.
10. Electronic copy of the Notice of the 21st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose Email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent in the permitted mode.
11. Notice of the 21st Annual General Meeting and the Annual Report for 2018-2019 will also be available on the Company's website www.superfineknitters.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. For any communication, the shareholders may also send their request to the Company's email id: cs@superfineknitters.com
12. SEBI has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.
13. 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.
14. **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 21st Annual General Meeting (AGM) by electronic means and the businesses may be transacted through e-Voting Services provided by Central Depository Services (India) Ltd. The e-voting details are enclosed along with the Annual Report.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Wednesday 18th September, 2019 at 10.00 a.m. and ends on Friday 20th September 2019 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 06th September, 2019 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) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
Permanent Account Number (PAN)	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
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 (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members 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.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **SUPER FINE KNITTERS LIMITED** on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a DematAccount 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.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android, Apple and Windows based mobiles. The m-Voting app can be downloaded from Google Play Store, App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) Note for Non – Individual Shareholders and Custodians
 - 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 Corporates.
 - 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.
- 15. 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 06th September, 2019.
- 16. M/s Narang Gand Associates, Company Secretaries has been appointed as the Scrutinizer of the Company to scrutinize the e-voting process in a fair and transparent manner.
- 17. 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.

In case you have any queries or issues regarding e-voting, 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

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, (CDSL,) Central Depository Services (India) Limited, 16th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001, or send an email to helpdesk.evoting@cdslindia.com or call 18002005533.

For and on behalf of the Board
Super Fine Knitters Limited

Date: 24th August, 2019
Place: Ludhiana

Sd/-
Samridhi Seth
Company Secretary
269, Industrial Area- A,
Ludhiana

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 3

Pursuant to provisions of Sec 139 (2) of Companies Act 2013 and rule 6 of Companies (Audit and Auditors) Rules, 2014, appointment of Statutory Auditor is required to be approved by the shareholders of the Company.

The Board of Directors in its meeting held on 24th August 2019, on the recommendation of Audit Committee, has appointed M/s Mehta Sharma & Associates, Chartered Accountants (FRN: 018946N), as Statutory Auditor of the Company for a term of two years, from the conclusion of 21st Annual General Meeting of the Company to the conclusion of 23rd Annual General Meeting of the Company to conduct Statutory Audit from the Financial Year 2019-20 till 2020-21 at such remuneration as shall be fixed by the Board of Directors of the Company.

The Board recommends the resolution for the approval of members as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives is concerned or interested either financially or otherwise in the above said resolutions, except to the extent of their shareholding, if any.

BOARD'S REPORT**To,****The Members,**

Your Directors have pleasure in presenting their 21st Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2019.

The summarised financial performance of the Company is as under:

(Rs. in Lacs)

Particulars	Current Yr.	Previous Yr.
Turnover (Including Exports Incentives)	9215.35	9020.23
Other Income	12.62	30.59
Profit/(loss) before Depreciation and Taxation	302.09	275.58
Provision for Depreciation	157.91	135.43
Profit/(Loss) before taxation	144.18	140.15
Less: Provision for Taxation	34.80	75.94
Profit/(Loss) after tax	109.38	64.21
Balance carried to Balance Sheet	109.38	64.21

STATE OF COMPANY'S AFFAIRS

During the year under review, the Company has achieved turnover of INR 9215.35 Lakhs as compared to INR 9020.23 Lakhs for the previous year. The Company has however incurred profits of INR 109.38 Lakhs as compared to profit of INR 64.21 Lakhs for the previous year.

DIVIDEND

The Company has not declared any dividend during the year.

AMOUNTS TRANSFERRED TO RESERVES

The Company has transferred INR 109.38 Lakhs to Reserves.

CHANGES IN SHARE CAPITAL

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

DIRECTORS**Composition**

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

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

Pursuant to the provisions of Section 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.

Ms. Shruti Gupta, Company Secretary and Compliance Officer has resigned from current post with effect from 31st July, 2019 and Mrs. Samridhi Seth was appointed as Company Secretary and Compliance Officer with effect from 01st August, 2019, pursuant to provisions of Companies Act, 2013 read with rule and regulations made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration of Independence from Mr. Vipin Kumar Sehgal, Mr. Amit Gupta, Mr. Baljit Kumar Tripathi that the Independent Directors meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and the Regulation 16(1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

BOARD MEETINGS

During the year under review Board of Directors met nine (9) times and there was one meeting of independent directors of the Company, the details of which are mentioned given in Corporate Governance Report. The provisions of Companies Act, 2013 and Listing Agreement were adhered to while considering the time gap between two meetings.

COMMITTEES OF THE BOARD

The Board has constituted the following Committees pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013

AUDIT COMMITTEE

The Audit Committee was constituted, accordance with the Section 177 of Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Audit Committee provides reassurance to the Board on the Existence of an effective internal control environment that ensures the efficiency and effectiveness of the operations of the Company and safeguarding of assets and adequacy of the provisions for all liabilities. The details of the meetings are included in the Corporate Governance Report.

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 Committee determines overall Company's policy on remuneration package and other terms and conditions of the appointment of Executive Directors and other senior management of the company as well as sitting fees to Non-Executive Directors of the Company. It also approves payment of remuneration of Managing Director and Whole-Time Directors as decided by the members of the Company and recommends to the Board of Directors for their consideration and approval. The details of the meetings are included in the Corporate Governance Report.

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 details of the meetings are included in the Corporate Governance Report.

BOARD EVALUATION

Pursuant to the Section 134(3) of Companies Act, 2013 and Regulations 17(10) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

The Performance of Board as whole and even Directors individually was found to be satisfactory.

CORPORATE GOVERNANCE

As per applicable Regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges, a separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Statutory Auditor confirming compliance forms an integral part of this Report.

Declaration by Managing Director that the Board Members and KMPs have complied with the Code of Conduct is also attached.

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 31st March, 2019; 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 31st March, 2019.
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual financial statements have been prepared on a going concern basis;
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

AUDITORS

Statutory Auditors

M/s. Mehta Sharma & Associates, Chartered Accountants (Firm Registration No.(018946N), Chartered Accountants, had been appointed as Statutory Auditors of the Company at the 17th Annual General Meeting held on 30.09.2015 to hold office from the conclusion of this Annual General Meeting till conclusion of 20th Annual General Meeting of the Company for the year 2018-2019.

The Board of Directors in its meeting held on 24th August 2019, on the recommendation of Audit Committee, has re-appointed M/s Mehta Sharma & Associates, Chartered Accountants (FRN: 018946N), as Statutory Auditor of the Company for a term of two years, from the conclusion of 21st Annual General Meeting of the Company to the conclusion of 23rd Annual General Meeting of the Company to conduct Statutory Audit from the Financial Year 2019-20 till 2020-21.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Narang G and Associates (CP No.: 16383, ACS: 43779), Company Secretaries for the financial year 2018-2019 to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed.

Internal Auditors

M/s. Budh Kumar & Associates, Chartered Accountant has been re-appointed as Internal Auditor in the Board meeting held on 30th May, 2019 for the year 2019-2020.

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.