



20th

**ANNUAL
REPORT**

2018



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

<p>CHIEF FINANCIAL OFFICER Mr. Davinder Pal Singh</p> <p>COMPANY SECRETARY Ms. Shruti Gupta</p> <p>STATUTORY AUDITORS Mehta Sharma & Associates #595, 1st Floor, Jai Singh Complex, Model Town, Ludhiana</p> <p>SECRETARIAL AUDITOR Sharma Charu & Associates</p>	<p>REGISTRAR & TRANSFER AGENT Cameo Corporate Service Limited Subramanian Building, 1 Club House Road , Chennai, Tamil Nadu,600002</p> <p>REGISTERED OFFICE/UNIT - I 269, Industrial Area - A, Ludhiana - 141003</p> <p>CORPORATE OFFICE /UNIT - II C-5, Focal point, Phase - V, Ludhiana - 141003</p>
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<p>20th Annual General Meeting Date : 28th September, 2018, Friday Time : 10:30 A.M. Venue: 269, Industrial Area - A, Ludhiana, 141003</p>
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NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Members of M/s SUPER FINE KNITTERS LIMITED will be held on Friday, 28th day of September, 2018 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, 2018 along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vivek Lakra (DIN - 01067219) who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Statutory Auditor and to fix their remuneration:

"RESOLVED THAT pursuant to the provisions of Section 139 (2) and 142(1) of the Companies Act, 2013, the Company hereby ratifies the appointment of M/s Mehta Sharma & Associates, Ludhiana (Firm Registration No. 018946N), Chartered Accountants as Statutory Auditors of the Company for the year 2018-2019, who were appointed for a term of 4 (Four) consecutive years from date of 17th Annual General Meeting till the conclusion of the 20th Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors of the Company and Auditors."

For and on behalf of the Board
Super Fine Knitters Limited

Date: 31st August, 2018
Place: Ludhiana

Sd/-
Shruti Gupta
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, 22nd September, 2018 to Friday, 28th September, 2018 (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 20th 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 20th Annual General Meeting and the Annual Report for 2017-2018 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 20th 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 Tuesday 25th September 2018 at 10.00 a.m. and ends on Thursday 27th September 2018 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 14th September, 2018 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)	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders) 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. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the Company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (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 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.
- (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 14th September, 2018.
16. M/s Sharma Charu and Associates, Company Secretaries has been appointed as the Scrutinizer of the Company to scrutinize the e-voting process in a fair and transparent manner.
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: 31st August, 2018
Place: Ludhiana

Sd/-
Shruti Gupta
Company Secretary
269, Industrial Area- A,
Ludhiana

BOARD'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their 20th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2018.

The summarised financial performance of the Company is as under:

(Rs. in Lacs)

Particulars	Current Yr.	Previous Yr.
Turnover (Including Exports Incentives)	9020.23	8577.52
Other Income	30.59	18.96
Profit/(loss) before Depreciation and Taxation	275.58	233.93
Provision for Depreciation	135.43	107.00
Profit/(Loss) before taxation	140.15	126.93
Less: Provision for Taxation	75.94	47.01
Profit/(Loss) after tax	64.21	79.92
Balance carried to Balance Sheet	64.21	79.92

STATE OF COMPANY'S AFFAIRS

During the year under review, the Company has achieved turnover of INR 9020.23 Lacs as compared to INR 8577.52 Lacs for the previous year. The Company has however incurred profits of INR 64.21Lacs as compared to profit of INR 79.92 Lacs for the previous year.

DIVIDEND

The Company has not declared any dividend during the year.

AMOUNTS TRANSFERRED TO RESERVES

The Company has transferred INR 64.21 Lacs 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 of Companies Act, 2013 Mr. Vivek Lakra (DIN: 01067219), Whole Time Director will be retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration of Independence from Mr. Vipin Kumar Sehgal, Mr. Amit Gupta, Mr. Baljit Kumar Trikha 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 12 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 constitute 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 approve 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 March 31, 2018; 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 March 31, 2018.
- 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. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

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 Sharma Charu & Associates (CP No.: 13174, FCS: 8899), Company Secretaries for the financial year 2017-2018 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report 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, 2018.

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.

PARTICULARS OF EMPLOYEES

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

The Company has one Managing Director and the remuneration paid to him is Rs. 1.25 Lac per month only.

The Remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the Company.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance 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 extract of Annual Return, in format MGT -9, for the Financial Year 2017-18 is attached with this report.

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. The Company has invested INR 5.04 lacs in Mutual Funds during the year.

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.

POLICIES OF THE COMPANY

During the Financial year, the following policies were adopted by the Company in Board Meeting of the Company held on July 01, 2016.

- a) Code of Conduct for Insider Trading
- b) Code of Ethics for Board Members and Senior Management Personnel
- c) Policy on materiality of Related Party Transaction
- d) Policy on Identification of Group Companies
- e) Policy on determination of Material Litigation
- f) Policy for determination of outstanding dues to creditors
- g) Policy for preservation of documents
- h) Sexual Harassment Policy
- i) Whistle Blower Policy

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.

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.

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.

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

Super Fine Knitters Limited has implemented the sexual Harassment of women at workplace (Prevention, prohibition and Redressal Act, 2013. Internal Complaints Committees as per the provisions of the act has been constituted. During the year Committee has not received any complaints of harassment.

The Composition of the Committee is as under:

1. Mrs. Gita Lakra, Whole Time Director (also, Presiding Officer)
2. Mr. Ajit Lakra, Managing Director
3. Mrs. Kavita
4. Mr. Davinder Singh, Chief Financial Officer

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

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: 30th May, 2018

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

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

ANNEXURE TO DIRECTORS REPORT

Information as per section 271 (l) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the directors report for the year ended 31st March, 2018.

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

Efforts made towards technology absorption are as under:

1) Research and Development

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

2) Technology Absorption, Adaptation and Innovation

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

C.FOREIGN EXCHANGE

The Company has used INR 318.90 Lacs in Foreign Exchange during the Year.

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.

INDUSTRY STRUCTURE & OUTLOOK

The past year has been a challenging year for the Textile Industry with lots of ups and downs. In spite of the above, the industry has been able to maintain its steady performance during the year under review. Textile Industry has played a key role in the country's progress over the years and the situation is likely to gain momentum in the times ahead. The Industry continues to hold a dominant position in country's economic structure because of its huge contribution towards employment generation.

Indian Textile Industry continues to face stiff competition from China, Bangladesh, Sri Lanka and other emerging economies. The relative competitiveness of Industry is dependent upon the raw cotton prices, exchange rates and prevalent interest rates regime.

TECHNOLOGY UPGRADTION:

1. We are increased one more line of CNC cutting of garments to cope up with increased production capacity.
2. We have installed 68 brand new machines (all Japanese) for producing intimate garments (undergarments) we will be producing 1.5 Lacs-2.0 Lacs pcs per month, production already started.
3. We are going to install one more printing machine being imported from Portugal (M&R make) for increased output printed panels to a capacity of round neck t-shirts to 12000 pcs per day.
4. We are buying 155 computerized lock stitch machines. This will help is to balance the last leg of machinery installation and increase production, these machines will be installed in various departments producing knits and woven garments.
5. 2 pad printing machines for printing on neck label will be imported from USA soon.
6. We have installed new fabric compacting machine from Italy, Ferraro, it will help in giving best finishing to tubular fabric.
7. Overall we have done regular infrastructural changes with efficient Industrial engineering to upgrade productive quality and reduced rejections.

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

Revenue Break – up:

(Rs. in lacs)

Particulars	2017-18	% to Total Income	2016-17	% to Total Income
Revenue	9020.23	99.66	8577.52	99.78
Other Income	30.59	0.34	18.96	0.22
Total Turnover	9050.82	100	8596.48	100

The net turnover of the Company has increased substantially to INR 9050.82 lacs in the year 2017-18 as against INR. 8596.48 lacs in the previous year.

Profitability/Losses:

(Rs. in lacs)

Particulars	2017- 18	% of turnover	2016- 17	% of turnover
Profit/losses before depreciation and tax	275.58	3.04	233.93	2.73
Depreciation	135.43	1.50	107	1.25
Profit/losses before	140.15	1.55	126.93	1.48
Tax (Previous year)	75.94	0.84	47.01	0.55
Profit/losses after Tax	64.21	0.71	79.92	0.93

RESOURCE UTILIZATION**Fixed Assets**

The gross fixed assets as at 31st March, 2018 are INR 1968.95 lacs as compared to INR 1521.65 lacs in the previous year. The net fixed assets (including work - in - progress & capital advances) as on 31st March, 2018 are INR 1968.95 lacs as compared to INR 1570.63 lacs in the previous year.

Current Assets

Sundry debtors (Net of Provision) of the Company are INR 2006.10 lacs in the year 2017-18 as against INR 2367.98 lacs in the previous year. Inventory level is at INR 2173.42 lacs in the year 2017-18 as against INR 2105.68 lacs in the previous year. Cash and cash equivalents decreased from INR 103.92 lacs in the year 2016-17 to INR 38.59 lacs in the year 2017-18.

Risk and Concerns

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

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

Adequacy of Internal Control Systems

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

Material Development in terms of Human Resources

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

Cautionary Statement

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

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

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

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

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

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

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

For and on behalf of the Board
Super Fine Knitters Limited

Place: Ludhiana
Date: 30th May, 2018

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

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

ANNEXURE-III

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As at the end of financial year 31.03.2018**

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L18101PB1998PLC021814
2.	Registration Date	18/09/1998
3.	Name of the Company	SUPER FINE KNITTERS LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	269, Industrial Area – A, Ludhiana - 141003
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	CAMEO CORPORATE SERVICES LIMITED., 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-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	55,86,038	0	55,86,038	45.07	62,05,638	0	62,05,638	50.08	5.01
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	0	9,55,570	9,55,570	7.71	9,55,570	0	9,55,570	7.71	NIL
Total shareholding of Promoter (A)	55,86,038	9,55,570	65,41,608	52.78	71,61,208	0	71,61,208	57.79	5.01
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	12,02,952	11,48,650	23,51,602	18.98	17,20,000	3,00,000	20,20,000	16.30	-2.68
ii) Overseas	0	0	0	0	0	0	0	0	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	11,77,048	28,250	12,05,298	9.72	10,20,000	0	10,20,000	8.23	-1.49
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	8,60,000	10,04,762	18,64,762	15.05	10,97,500	7,07,262	18,04,762	14.56	-0.49
c) Others (specify)	0	0	0	0	0	0	0	0	NIL
Non Resident Indians	30,000	0	30,000	0.24	30,000	0	30,000	0.24	NIL
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	NIL
Foreign Nationals	0	0	0	0	0	0	0	0	NIL
Clearing Members	10,000	0	10,000	0.08	10,000	0	10,000	0.08	NIL
Trusts	0	0	0	0	0	0	0	0	NIL
Foreign Bodies - DR	0	0	0	0					NIL
HUF	3,70,000	19,800	3,89,800	3.15	3,47,100	0	3,47,100	2.80	-0.35
Sub-total (B)(2):-	36,50,000	22,01,462	58,51,462	47.22	42,24,600	10,07,262	52,31,862	42.21	-5.01
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)	92,36,038	31,57,032	123,93,070	100	1,13,85,808	10,07,262	123,93,070	100	NIL

B) Shareholding of Promoter

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Ajit Kumar Lakra	14,47,898	11.68	NIL	16,51,898	13.33	NIL	1.65
2	Ajit Kumar Lakra (HUF)	29,81,370	24.06	NIL	29,81,370	24.06	NIL	NIL
3	VivekLakra	9,07,900	7.33	NIL	9,07,900	7.33	NIL	NIL
4	Gita Lakra	2,48,870	2.00	NIL	6,64,470	5.36	NIL	3.36
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	14,47,898	11.68	16,51,898	13.33
	Sold during the year	--	--	--	--
	At the end of the year	14,47,898	11.68	16,51,898	13.33
2	Ajit Kumar Lakra (HUF)				
	At the beginning of the year	29,81,370	24.06	29,81,370	24.06
	Sold during the year	--	--	--	--
	At the end of the year	29,81,370	24.06	29,81,370	24.06
3	Vivek Lakra				
	At the beginning of the year	9,07,900	7.33	9,07,900	7.33
	Sold during the year	--	--	--	--
	At the end of the year	9,07,900	7.33	9,07,900	7.33
4	Gita Lakra				
	At the beginning of the year	2,48,870	2.00	6,64,470	5.36
	Sold during the year	--	--	--	--
	At the end of the year	2,48,870	2.00	6,64,470	5.36
5	Yash Pal Lakra				
	At the beginning of the year	9,55,570	7.71	9,55,570	7.71
	Sold during the year	--	--	--	--
	At the end of the year	9,55,570	7.71	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	Guiness Securities Limited	290000	2.34	990000	7.99
2	Orient Craft Limited	4,00,000	3.23	4,00,000	3.23
3	KiranMathur	3,57,262	2.88	3,57,262	2.88

4	Raj Kumar Sadh	3,50,000	2.82	3,50,000	2.82
5	M/S Mekenzie Trading Company (P) Ltd	3,00,000	2.42	3,00,000	2.42
6	Sanjay Garg	1,70,000	1.37	170000	1.37
7	Sudarshan Kumar Jain	1,50,000	1.21	1,50,000	1.21
8	AdheeshKabra	0	0	1,50,000	1.21
9	NewedgeVinimay Private Limited	0	0	130000	1.05
10	Anil Kumar	117100	0.95	117100	0.95

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	14,47,898	11.68	16,51,898	13.33
2.	Mrs. Gita Lakra Whole Time Director	2,48,870	2.01	6,64,470	5.36
3.	Mr. VivekLakra Whole Time Director	9,07,900	7.33	9,07,900	7.33
4	Mr. Baljit Kumar Trikha Non-Executive Director	0	0	0	0
5.	Mr. Amit Gupta Non-Executive Director	0	0	0	0
6	Mr. VipinSehgal Non-Executive Director	0	0	0	0
7	Mr. Davinder Pal Singh Chief Financial Officer	0	0	0	0
8	Miss. Shruti Gupta 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	20,70,26,630	3,12,46,086	0	23,82,72,716
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	20,70,26,630	3,12,46,086	0	23,82,72,716

Change in Indebtedness during the financial year				
* Addition	3,65,22,855	-	0	3,65,22,855
* Reduction	-	81,63,664	-	-81,63,664
Net Change	3,65,22,855	-81,63,664	0	2,83,59,191
Indebtedness at the end of the financial year				
i) Principal Amount	24,35,49,485	2,30,82,422	0	26,66,31,907
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	24,35,49,485	2,30,82,422	0	26,66,31,907

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	15,00,000	13,80,000	12,00,000	40,80,000
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)	15,00,000	13,80,000	12,00,000	40,80,000
	Ceiling as per the Act				Within Limits (Part II of Schedule V)

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name Of Directors			Total
		Amit Gupta	Vipin Sehgal	Baljit Trikha	
1	Independent Directors	----	----	----	-----
	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					

CORPORATE GOVERNANCE REPORT**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Super Fine Knitters Limited's philosophy on Corporate Governance envisages the attainment of the highest level of transparency and accountability, in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, the Government and the lenders. Super Fine Knitters Limited believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders' value, over a sustained period of time.

BOARD OF DIRECTORS

The role of the Board is to determine the Group's strategy and provide appropriate leadership. It oversees management's implementation of the strategy and acts as a sounding board for senior executives. It also provides a critical overview of strategic risks and monitors the adequacy of the Group's control environment.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. There was no changes in the composition of the Board of Directors during the period.

The composition of the Board is in conformity with SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

BOARD MEETINGS:

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy. During the period under review twelve Board Meetings were held and the gap between two meetings did not exceed the prescribed limits. The dates on which the Board Meetings were held are as follows:--

10-April-2017, 18-April-2017, 30-May-2017, 29-July-2017, 24-August-2017, 16-September-2017, 30-October-2017, 14-November-2017, 24-November-2017, 19-December-2017, 05-February-2018, 27-February-2018.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanship /Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of Private Limited Companies, section 25 companies, and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

Name of Directors	Category	No. of Other Directorship held in	Membership of the Committee	No. of Board Meetings attended	Attendance of Last AGM
		Public Ltd. Company			
Ajit Kumar Lakra	Promoter/Executive Director	Nil	0	12	Yes
Vivek Lakra	Promoter/Executive Director	Nil	1	11	Yes
Gita Lakra	Promoter/Executive Director	Nil	0	9	No
Amit Gupta	Non-Executive/Independent	Nil	3	9	Yes
Vipin Sehgal	Non-Executive/Independent	Nil	3	10	Yes
Baljit Kumar Trikha	Non-Executive/Independent	Nil	2	9	Yes

All information laid down in Corporate Governance code is being placed before the Board in regular manner. None of the Directors of the Company were members of more than 10 Committees nor acted as the Chairman of more than five Committees across all Companies in India; in which he is a Director, in terms of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The Company has formulated a policy to familiarize the independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company, etc., through various programs.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Board of Directors has laid down the code of conduct for all the Board members and members of the Senior Management of the Company. Additionally all independent directors of the Company shall be bound by duties of independent directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder. All the Board members and Senior Management personnel have affirmed compliance with the code of conduct.

BOARD COMMITTEES

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:

1. AUDIT COMMITTEE

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

Statutory Audit, Internal Audit, reporting and other aspects

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

Audit & other duties

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

The Composition of Audit Committee is as under:

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

During the year under the review, The Audit Committee met four times on 30th May 2017, 24th Aug 2017, 14th Nov 2017 and 05th Feb 2018. All members were present in the meeting.

2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration committee was re-constituted, accordance with the provisions of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

The terms of reference of the Committee are as follows:

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

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

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

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

Presently, the Nomination and Remuneration Committee consists of three Members. All the members of the Nomination and Remuneration Committee are Non-Executive Directors and all are independent.

Further, the remuneration policy of the Company is to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

Details of Remuneration paid to Managing Director/Whole-time Director for the year ended 31.03.2018 is given below:

Name	Sitting Fees (Rs.)	Salary (Rs.)	Perquisites and allowances etc.(Rs.)	Commission (paid) (Rs)	Total (Rs.)
Mr. Ajit Kumar Lakra	Nil	15,00,000	Nil	Nil	15,00,000
Mr. Vivek Lakra	Nil	13,80,000	Nil	Nil	13,80,000
Mrs. Gita Lakra	Nil	12,00,000	Nil	Nil	12,00,000

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 24th August 2017 and all members were duly present in the meeting.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE (ERSTWHILE INVESTOR GRIEVANCE COMMITTEE)

The Stakeholders' Relationship Committee was re-constituted, accordance with the provisions of Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. The major tasks performed by the Stakeholders' Relationship

The Committee performs following functions:

- Transfer/Transmission of shares
- Issue of Duplicate Share Certificates.
- Review of Share dematerialization and rematerialisation.
- Monitoring the expeditious Redressal of Investor Grievances.
- Monitoring the performance of Company's Registrar & Transfer Agent.
- All other matters related to the shares

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

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

The Company has an investor base of over 142 shareholders as on 31st March, 2018. 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 four times on 01th Aug 2017, 03th Oct 2017, 22nd Jan 2018 and 05th Feb 2018 during the year. All members were present in the meeting.

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 5th February, 2018 inter alia to discuss:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors
- iii. 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.

FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee discussed and thereafter decided upon the policy for selection of appointment of Directors and their remuneration. The highlights of this policy are as follows:

CRITERIA OF SELECTION OF NON-EXECUTIVE DIRECTORS

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Director.
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing;
 - iii Diversity of the Board.

e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

MANAGING DIRECTOR & WHOLE TIME DIRECTOR CRITERIA FOR SELECTION / APPOINTMENT

For the purpose of selection of the Managing Director or Whole Time Director the Company shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

REMUNERATION FOR THE MANAGING DIRECTOR OR WHOLE TIME DIRECTOR

i. At the time of appointment or re-appointment, the Managing Director or Whole Time Director may be paid such remuneration as may be mutually agreed between the Company (which includes the nomination & Remuneration Committee and the Board of Directors) and the Managing Director or Whole Time Director within the overall limits prescribed under the Companies Act, 2013.

ii. The remuneration approved by Members of the Company in General Meeting.

iii. In determining the remuneration (including the fixed increment and performance bonus) the Committee shall ensure / consider the following:

a. the relationship of remuneration and performance benchmarks is clear;

b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES

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 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.

PERFORMANCE EVALUATION

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

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

DISCLOSURES

The Company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the year. In accordance with requirement of Companies Act as well as listing agreement a vigil mechanism has been adopted by the Board of Directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the Company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. A link to such policy is also provided in the website of the Company. Related Party transactions are defined as transactions of the Company of a material nature, with Promoters, Directors or the Management, or their relatives and associate/subsidiary Companies etc., that may have potential conflict with the interest of the Company at large.

The transactions during the year 2017-18 are reported in notes on accounts forming part of the Annual Report.

The Company has complied with all mandatory requirements laid down by the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The non-mandatory requirements complied with has been disclosed at the relevant places.

Compliances, rules & regulations as laid down by various statutory authorities has always been observed by the company since such change over both in letter as well as in spirit. The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

COMPLIANCE WITH ACCOUNTING STANDARDS

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013 issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Financial Year	Date of A.G.M.	Time	Venue
2016-2017	16.08.2017	11:00 A.M.	269, Industrial Area – A, Ludhiana
2015-2016	26.08.2016	11:00 A.M.	269, Industrial Area – A, Ludhiana
2014-2015	30.09.2015	11:00 A.M.	269, Industrial Area – A, Ludhiana

Extra-Ordinary General Meeting during period of 2017-2018

Financial Year	Date of E.G.M.	Time	Venue
2016-2017	19.12.2017	11:00 A.M.	269, Industrial Area – A, Ludhiana

CEO/CFO CERTIFICATION

As per applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges Mr. Davinder Pal Singh CFO certify to the Board that:

a) The financial statements and the Cash Flow Statement for the year have been reviewed and to the best of his knowledge and belief:

(i) these statements do not contain any untrue statement of material fact, have not omitted any material fact and do not contain any statement that is misleading;

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws and regulations.

b) To the best of his knowledge and belief no transactions entered into by the company during the year are fraudulent, illegal or violate the companies' code of conduct.

c) He accepts responsibility for establishing and maintaining internal controls for financial reporting and that he has evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.

d) He has indicated to the auditors and the Audit Committee:

i) Significant changes in the internal control over financial reporting during the year

ii) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

iii) There have been no instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

MEANS OF COMMUNICATION

During the year, unaudited half yearly and annual financial results of the Company were submitted to the stock exchanges soon after the Board meeting approved these.

COMPLIANCE CERTIFICATE

Compliance Certificate for Corporate Governance from Statutory Auditor of the Company is enclosed herewith in Annexure.

SEBI COMPLAINTS REDRESS SYSTEM (SCORES)

The Company processes the investors' complaints received by it through a computerized complaints redress system. The salient features of this system are computerized database of all inward receipts and action taken on them, online submission of Action Taken Reports (AIRs) along with supporting documents electronically in SCORES. The investors can view online the current status of their complaints submitted through SEBI Complaints Redress System (SCORES).

a) GENERAL SHAREHOLDER INFORMATION

AGM: Day, Date, time and venue	:	Friday, 28 th September, 2018 at 10.30 am at 269, Industrial Area – A, Ludhiana
Financial Year	:	April 1 st , 2017 to March 31 st , 2018
Tentative calendar of events for the financial year 2018-19 (April – March)	:	To review and approve unaudited Financial Results for the half year ending- 2nd week of November, 2018 (30 th Sep 2018) the half year ending- 4th week of May, 2019 (31 st March 2019)
Book closure Date	:	22 nd Sep 2018 to 28 th Sep 2018 (both days inclusive)
Listing of shares on Stock Exchanges	:	SME Platform of BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
Registered Office	:	269, Industrial Area – A, Ludhiana
Listing Fees	:	Listing fees as prescribed has been paid to the Stock Exchange up to March 31 st , 2019
Registrar & Share Transfer Agents of the Company for both physical and electronic mode of share transfers.	:	Cameo Corporate Services Ltd Subramanian Building, 1 Club House Road, Chennai, Tamil Nadu, 600002 Tel. No. 044 - 28460390, Fax No. 044 – 28460129 Email: cameo@cameoindia.com, Website :www.cameoindia.com

b) INVESTORS CORRESPONDENCE

All queries of investors regarding the Company's Shares in Physical form may be sent to Registrar & Share Transfer Agent at the address mentioned above or to the Company at its following corporate office address:-

SUPER FINE KNITTERS LIMITED

269, Industrial Area - A, Ludhiana

c) TRANSFER OF SHARES

All transfers are processed by R & T Agents and approved by the Stakeholders Relationship Committee.

d) DISTRIBUTION OF SHAREHOLDING AND SHAREHOLDING PATTERN AS ON 31ST MARCH, 2018.

Range in Numbers	No of Shareholder	No of shares	% of Total Equity
UPTO-5000	0	0	0.00
5001-10000	89	890000	7.18
10001-20000	23	460000	3.71
20001-30000	6	180000	1.45
30001-40000	2	80000	0.65
40001-50000	3	150000	1.21
50001-100000	17	5999802	48.41
100001 AND ABOVE	2	4633268	37.39

e) CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2018.

Category	No of Shareholders	No of shares held	% of shareholding
Promoters & Associates	5	71,61,208	57.78
Financial Institutions, Mutual Funds & Banks	0	0	0
Foreign Institutional Investors	0	0	0
NRIs	2	3,87,262	3.12
GDRs	0	0	0
Other Bodies Corporate	16	20,20,000	16.30
General Public	119	28,24,600	22.80
Total	142	1,23,93,070	100

i) DEMATERIALIZATION OF SHARES AND LIQUIDITY.

ISIN of the Company is INE459U01018

Stock Market Data

Market Price Data as compared to closing Sensex during 2017-2018:

Month	High Price	Low Price	Close Price	No.of Shares	No. of Trades	Total Turnover (Rs.)	Sensex Closing
Apr-17	13.5	12	12.3	350000	35	4426900	29918.4
May-17	12.7	12	12.07	160000	16	1951000	31145.8
Jun-17	12.75	10.36	12.25	450000	43	5205100	30921.61
Jul-17	16.58	12.16	15.85	870000	87	12465300	32514.94
Aug-17	16	11.95	14.25	420000	41	5820000	31730.49
Sep-17	14.96	12.8	13.33	350000	35	4766000	31283.72
Oct-17	15.12	13.75	14	300000	28	4378100	33213.13
Nov-17	16	13.3	14.82	520000	49	7719700	33149.35
Dec-17	18.11	14.65	17.9	270000	27	4630800	34056.83
Jan-18	19.4	17.65	17.65	120000	12	2178500	35965.02
Feb-18	17.5	14.6	14.6	110000	11	1773500	34184.04
Mar-18	14.15	12.75	12.75	120000	6	1637500	32968.68

j) PHYSICAL/NSDL/CDSL/SUMMARY REPORT AS ON 31ST MARCH, 2018

PARTICULARS	SHARES	PERCENTAGE%
Physical	1007262	8.13
NSDL	6891540	55.61
CDSL	4494268	36.26
Total	12393070	100

k) UNCLAIMED DIVIDEND

Pursuant to section 125 of the Companies Act, 2013 there were no unclaimed dividends to be transferred by the Company to the Education and Protection Fund, during the year.

l) PLANT LOCATION OF THE COMPANY

269, Industrial Area - A, Ludhiana – 141003, Punjab

ACKNOWLEDGEMENTS

The Directors take this opportunity to thank all investors, business partners, clients, technology partners, vendors, financial institutions/banks, regulatory and governmental authorities, media and Stock Exchanges for their continued support during the year.

For and on behalf of the Board
Super Fine Knitters Limited

Place: Ludhiana
Date: 30th May, 2018

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

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

ANNEXURE-V

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
SUPERFINE KNITTERS LIMITED,

We have examined the compliance of conditions of Corporate Governance by SUPERFINE KNITTERS LIMITED for the year ended 31st March, 2018 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For MEHTA SHARMA & ASSOCIATES

Place: Ludhiana
Dated: 30th May, 2018

Mohit Sharma
Membership No. 501072
(Partner)

ANNEXURE-VI

Declaration

To
The Members of
Super Fine Knitters Limited

I, Ajit Kumar Lakra, Managing Director of the Company, hereby certify that the Board Members and Senior Management Personnel have affirmed compliance with the rules of code of conduct for the financial year ended 31st March, 2018 pursuant to the requirement of regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

For Super Fine Knitters Limited

Place: Ludhiana
Dated: 30th May,

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

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi). Other Applicable Laws

1. The Shops & Establishment Act, 1954
2. The Factories Act
3. Payment of Gratuity Act
3. Minimum Wages Act, 1948
5. Maternity Benefit Act, 1961
6. The Employees State Insurance Act, 1948
7. Employees Provident Fund and Miscellaneous Provisions Act
8. The Contract labour (Regulation & Abolition) Act 1970
9. The Payment of Bonus Act, 1965
10. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India: Secretarial Standards issued by The Institute of Company Secretaries of India for Board Meetings and General Meetings are applicable w.e.f. 1st July, 2015 and have been duly complied.
 - (ii) The Listing Agreements entered into by the Company with Stock Exchange(s): During the period under review the Company has generally complied with the provisions of the Corporate Laws and applicable Rules, Regulations, Guidelines, Standards, etc.
1. The Company has kept and maintained all Registers as per the provisions of the Corporate Laws and the Rules made there under and all entries therein have been recorded.
 2. The Company if as required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the provision of the Act during the said year.

3. There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or other punishment was imposed on the Company during the financial year, for offences under the Corporate Laws.
4. Based on the Audit Procedures performed and the information and explanations given to us, we report that no fraud on or by the Company was noticed or reported during the year.
5. Management has informed us that the website of the Company (www.superfineknitters.com) is being updated regularly as per the provisions of the Companies Act, 2013.

We further report that

The Board of Directors of the Company is duly constituted with a proper balance of Executive, Non-Executive Directors and Independent Director on the Board during the financial year.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the Audit and also on review of quarterly compliance reports by respective department heads/ Company Secretary taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Sharma Charu & Associates
Company Secretaries

Place: Chandigarh
Date: 30th May, 2018

(Charu Sharma)
Proprietor
FCS 8899
C. P. No. : 13174

**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, 2018**, 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 2018**, 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 2018** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March 2018** 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 , 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act , we give in "**Annexure B**" a statement on the matters specified in paragraph 3 and 4 of the Order

Date : 30.05.2018
Place : LUDHIANA

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

(MOHIT SHARMA)
Partner
M.No. : 501072

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

We have audited the internal financial controls over financial reporting of SUPER FINE KNITTERS LIMITED (“The Company”) as of March 31, 2018 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, 2018, 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.

Date : 30.05.2018
Place : LUDHIANA

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

(MOHIT SHARMA)
Partner
M.No. : 501072

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016) for the year ended on
31st March 2018
To The Members of SUPER FINE KNITTERS LIMITED

(1) In Respect of Fixed Assets

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

(2) In Respect of Inventories

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

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

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

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

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

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

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

(6) Maintenance of cost records

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

(7) Deposit of Statutory Dues

In our opinion and according to the information and explanations given to us and according to the records of the Company, the amounts deducted or accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employee State Insurance , Income Tax, Sales Tax/ Value Added Tax, Custom Duty, GST and other material statutory dues wherever applicable, the company is regular in depositing with appropriate authorities and there is no undisputed statutory dues payable for a period more than six months from the date they became payable as on 31st March 2018.

8) Repayment of Loans and Borrowings

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

- (9) **Utilization of Money Raised by Public Offers and Term Loan For which they Raised**
The company has not raised any money by way of Initial Public offer during the year under consideration.
- (10) **Reporting of Fraud During the Year**
According to the information and explanations given to us, no material fraud by the company or on the company by its officers or its employees has been noticed or reported during the course of our audit.
- (11) **Managerial Remuneration**
As per information and explanations given to us and based on our examination of the records of the company, the company has paid/provided Managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (12) **Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio**
In our opinion and according to the information and explanations given to us and as per records available, the company is not a Nidhi Company. Accordingly paragraph (xii) of the CARO 2016 order is not applicable.
- (13) **Related party compliance with Section 177 and 188 of companies Act – 2013**
According to information and explanations given to us, based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, and the details of related party transactions have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (14) **Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures**
According to information and explanations given to us, based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the company
- (15) **Compliance under section 192 of Companies Act - 2013**
According to information and explanations given to us, based on our examination of the records of the company, the company has not entered into non-cash transaction with the directors or persons connected with him. Accordingly paragraph 3(xv) of the order is not applicable.
- (16) **Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934**
The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR MEHTA SHARMA & ASSOCIATES
(Chartered Accountants)
Firm Registration No. 018946N

Place: Ludhiana
Date: 30.05.2018

(Mohit Sharma)
Partner
M. No: 501072

BALANCE SHEET
AS ON MARCH 31, 2018

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	123,930,700.00	123,930,700.00
Reserve and Surplus	3	115,197,389.37	108,776,255.95
Money received against share warrants		-	-
Share Application Pending Allotment		-	-
Non Current Liabilities			
Long Tem Borrowings	4	71,857,511.87	44,277,780.01
Deferred Tax Liabilities (Net)	5	15,863,765.99	12,510,094.23
Other Long Tem Borrowings			
Long-term provisions			
Current Liabilities			
Short- term Borrowings	6	194,774,394.63	193,994,935.98
Trade Payables	7	48,392,715.63	111,121,648.49
Other Current Liabilities	8	75,525,338.70	43,312,876.78
Short Term Provisions	9	2,850,000.00	1,688,002.32
TOTAL		648,391,816.19	639,612,293.76
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible assets	10	196,895,021.38	152,165,230.85
Intangible assets		-	-
Capital work-in-progress		-	4,898,182.00
Intangible assets under development		-	-
Non Current Investments		-	-
Long-term loans and advances		-	-
Other non-current assets		-	-
Current Assets			
Current investments		504,800.00	3,111,950.00
Inventories (As taken, valued and certified by management.)	11	217,341,920.00	210,568,840.12
Trade Receivables	12	200,610,618.83	236,798,620.69
Cash and Cash Equivalents	13	3,859,033.91	10,391,649.97
Short Term Loans and Advances	14	18,967,345.19	15,175,173.02
Other Current Assets	15	10,213,076.88	6,502,647.11
TOTAL		648,391,816.19	639,612,293.76

SIGNIFICANT ACCOUNTING POLICIES

1

See accompanying notes forming part of the financial statements

As per our report of even date

FOR MEHTA SHARMA & ASSOCIATESFirm Reg. No.018946N
Chartered Accountants

For and on Behalf of Board

(Mohit Sharma)
Partner
M.No. 501072(Ajit Kumar Lakra)
Managing Director
DIN 01067195(Vivek Lakra)
Whole Time Director
DIN 01067219Date: 30-05-2018
Place: Ludhiana(Davinder Pal Singh)
Chief Financial Officer(Shruti Gupta)
Company Secretary

STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	31.03.2018	31.03.2017
Revenue			
Revenue From Operations	16	902,023,373.81	857,752,607.06
Other Income	17	3,058,592.90	1,895,928.29
Total Revenue		905,081,966.71	859,648,535.35
Expenses			
Cost of Materials Consumed	18	560,094,736.33	511,598,186.99
Change in inventories of finished goods , work in progress and stock in trade	19	4,535,697.23	(5,995,105.23)
Other Manufacturing Expenses	20	252,235,678.53	268,209,502.34
Employee Benefits Expenses	21	13,607,281.00	16,290,129.00
Finance Costs	22	20,806,807.48	24,850,727.35
Depreciation and amortization exp.	10	13,543,239.00	10,700,500.00
Other Expenses	23	26,242,958.22	21,300,832.23
Total Expenses		891,066,397.79	846,954,772.68
Profit before exceptional and extraordinary items and Tax		14,015,568.92	12,693,762.67
Less: Exceptional items			
Profit Before extraordinary items		14,015,568.92	12,693,762.67
Less: Extraordinary items			-
Profit Before Tax		14,015,568.92	12,693,762.67
Less : Provisions for			
--Income Tax Current		2,850,000.00	1,688,002.32
--Deferred tax		3,353,671.76	2,221,108.28
--Income Tax adjustments for earlier years		-	(92,230.00)
--Prior Period Adjustments		1,390,764.79	885,011.01
Profit (Loss) for the Period		6,421,132.37	7,991,871.06
Earning Per Equity Share of face value of Rs 10each Basic & Diluted		0.52	0.83

SIGNIFICANT ACCOUNTING POLICIES

1

See accompanying notes forming part of the financial statements

As per our report of even date

FOR MEHTA SHARMA & ASSOCIATESFirm Reg. No.018946N
Chartered Accountants

For and on Behalf of Board

(Mohit Sharma)
Partner
M.No. 501072(Ajit Kumar Lakra)
Managing Director
DIN 01067195(Vivek Lakra)
Whole Time Director
DIN 01067219Date: 30-05-2018
Place: Ludhiana(Davinder Pal Singh)
Chief Financial Officer(Shruti Gupta)
Company Secretary

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2018

	Particulars	31.03.2018	31.03.2017
A	Cash flow from Operating Activities		
	Net Profit/(Loss) before Tax and extraordinary items	14,015,568.92	12,693,762.67
	Adjustment for		
	Depreciation	13,543,239.00	10,700,500.00
	(Profit)/Loss on Sale of Asset	139,364.53	-
	Rental Income	(160,425.00)	(138,000.00)
	Interest Received	(537,040.00)	(824,971.00)
	Interest expenses	19,736,341.24	23,079,838.52
	Operating Profit/Loss before Working Capital Changes	46,737,048.69	45,511,130.19
	Adjustment for		
	(Increase)/Decrease in Trade & Other receivables	35,077,572.09	(72,158,984.02)
	(Increase)/Decrease in Inventory	(6,773,079.88)	(5,920,776.12)
	Increase/(Decrease) in Trade Payables & Other Liabilities	(30,516,470.94)	7,727,992.28
	Increase/(Decrease) in Loan & Advances	(3,792,172.17)	(217,696.68)
	Cash generated from operations	40,732,897.79	(25,058,334.35)
	Income Tax Paid	(4,288,002.32)	(5,466,740.00)
	loss from extraordinary activities	-	-
	Previous Year Taxes (Net)	-	92,230.00
	Effect of Depreciation as per Companies Act	(1.05)	42,919.64
	Prior Period Adjustments	(1,390,764.79)	(885,011.01)
	Net Cash from Operating Activities	35,054,130.68	(31,317,855.36)
B.	Cash Flow from Investing Activities		
	(Purchase) of Fixed/Capital Expenditure	(52,827,061.01)	(38,108,024.30)
	Sale of Fixed Assets	1,920,000.00	-
	Rental Income	160,425.00	138,000.00
	Interest Received	537,040.00	824,971.00
	Net Cash used in Investing Activities	(50,209,596.01)	(37,145,053.30)
C.	Cash Flow from Finance Activities		
	Proceeds from Share capital /Share Application	-	40,800,000.00
	Proceeds from Long Term Borrowing (Net)	27,579,731.86	3,717,715.11
	Short Term Loans Movement	779,458.65	29,664,986.50
	Interest Payment	(19,736,341.24)	(23,079,838.52)
	Net Cash from Financing Activities	8,622,849.27	51,102,863.09
	Net increase in Cash and Equivalents (A+B+C)	(6,532,616.06)	(17,360,045.57)
	Opening Balance of Cash and Cash Equivalents	10,391,649.97	27,751,695.54
	Closing Balance of Cash and Cash Equivalents	3,859,033.91	10,391,649.97

SIGNIFICANT ACCOUNTING POLICIES

1

See accompanying notes forming part of the financial statements

As per our report of even date

FOR MEHTA SHARMA & ASSOCIATES

Firm Reg. No.018946N
Chartered Accountants

For and on Behalf of Board

(Mohit Sharma)
Partner
M.No. 501072

(Ajit Kumar Lakra)
Managing Director
DIN 01067195

(Vivek Lakra)
Whole Time Director
DIN 01067219

Date: 30-05-2018
Place: Ludhiana

(Davinder Pal Singh)
Chief Financial Officer

(Shruti Gupta)
Company Secretary

Accounting policy forming part of the account

1. 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 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

- Sale of Goods on Mercantile Basis.
- Job Work/ Labour Earned is charged only when the finished goods are dispatched to the customers.
- Foreign Currency fluctuations are recognized to revenue at the time of actual realization subject to AS -11
- 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.

Notes to Accounts

2	Particulars	As at 31.03.2018		As at 31.03.2017	
		Number	Amount	Number	Amount
	Authorised				
	Equity Shares of Rs. 10/- each	13,000,000.00	130,000,000.00	13,000,000.00	130,000,000.00
	Total	13,000,000.00	130,000,000.00	13,000,000.00	130,000,000.00
	Issued				
	Equity Shares of Rs.10/-each	12,393,070.00	123,930,700.00	8,993,070.00	89,930,700.00
	Total	12,393,070.00	123,930,700.00	8,993,070.00	89,930,700.00
	Subscribed and Fully Paid up				
	Opening -				
	Equity Shares of Rs.10/-each	12,393,070.00	123,930,700.00	8,993,070.00	89,930,700.00
	Additions	-	-	3,400,000.00	34,000,000.00
	Deductions	-	-	-	-
	Total	12,393,070.00	123,930,700.00	12,393,070.00	123,930,700.00

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

2.2 The Following hold more than 5% shares:

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity Shares				
Sh. Ajit Lakra	1651898	13.33	1447898	11.68
Ajit Lakra & Sons (HUF)	2981370	24.06	2981370	24.06
Sh. Vivek Lakra	907900	7.33	907900	7.33
Dr. Yashpal Lakra	955570	7.71	955570	7.71
Guiness Securities Ltd	990000	7.99	0	0.00
Geeta Lakra	664470	5.36	0	0.00
Total	8151208.00	65.77	6292738.00	50.78

3 Reserve & Surplus

Particulars	As at 31.03.2018	As at 31.03.2017
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	11,997,500.00
Addition	-	6,800,000.00
Closing Balance	18,797,500.00	18,797,500.00
Surplus in Statement of Profit & Loss		
Opening Balance	86,995,488.95	79,046,537.53
Add: Net Profit / (Net Loss) For the Current Year	6,421,132.37	7,991,871.06
Less: Effect of Depreciation as per co. act 2013	(1.05)	42,919.64
Amount Available for Appropriation	93,416,622.37	86,995,488.95
Closing Balance	93,416,622.37	86,995,488.95
Total	115,197,389.37	108,776,255.95

4 Long Term Borrowings

Particulars	As at 31.03.2018		As at 31.03.2017	
	Secured	Unsecured	Secured	Unsecured
Term Loans - From Banks	48,775,089.52	-	13,031,693.66	-
Term Loans - From Others	-	-	-	-
From Directors	-	9,320,592.35	-	20,376,092.35
From Others	-	13,761,830.00	-	10,869,994.00
Total	48,775,089.52	23,082,422.35	13,031,693.66	31,246,086.35
Grand Total		71,857,511.87		44,277,780.01

4.1 Secured:-

Particulars	As at 31.03.2018	As at 31.03.2017
Term Loans from Banks		
HDFC Bank Ltd		
T/L - 82254624 **		
Balance Outstanding	383,283.60	472,908.10
Current Maturity	97,594.92	89,625.00
Non - Current Amount	285,688.68	383,283.10
T/L - 82106871 **		
Balance Outstanding	2,299,701.66	2,837,448.63
Current Maturity	585,569.58	537,747.00
Non - Current Amount	1,714,132.08	2,299,701.63
T/L - 82254617 **		
Balance Outstanding	-	1,439,610.01
Current Maturity	-	1,439,610.01
Non - Current Amount	-	-
T/L - 82254620 **		
Balance Outstanding	5,979,258.03	7,377,374.51
Current Maturity	1,522,452.92	1,398,116.00
Non - Current Amount	4,456,805.11	5,979,258.51

T/L - 82254675 **		
Balance Outstanding	4,369,449.99	5,391,156.42
Current Maturity	1,112,568.20	1,021,706.00
Non - Current Amount	3,256,881.79	4,369,450.42
T/L - 82565002 **		
Balance Outstanding	4,901,748.65	-
Current Maturity	1,018,843.00	-
Non - Current Amount	3,882,905.65	-
T/L - 82721832 **		
Balance Outstanding	35,516,689.87	-
Current Maturity	6,702,557.85	-
Non - Current Amount	28,814,132.02	-
T/L - 82880432 **		
Balance Outstanding	6,642,126.73	-
Current Maturity	1,684,654.43	-
Non - Current Amount	4,957,472.30	-

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

Vehicle Purchased Under

4.2 Hire Purchase

Particulars	As at 31.03.2018	As at 31.03.2017
HDFC Bank Ltd.		
Balance Outstanding	1,857,987.14	-
Current Maturity	450,915.25	-
Non - Current Amount	1,407,071.89	-

4.3 Unsecured:-

Particulars	As At March 2018	As At March 2017
Loans From Directors and their Relatives		
Balance Outstanding	9,320,592.35	20,376,092.35
Current Maturity		
Non - Current Amount	9,320,592.35	20,376,092.35
Others		
Balance Outstanding	13,761,830.00	10,869,994.00
Current Maturity		
Non - Current Amount	13,761,830.00	10,869,994.00

5 Deferred Tax Liabilities (Net)

Particulars	As at 31.03.2018	As at 31.03.2017
Deferred Tax Liabilities , on account of: - Depreciation and amortisation	15,863,765.99	12,510,094.23
Total	15,863,765.99	2,510,094.23

6 Short Term Borrowings

Particulars	As at 31.03.2018	As at 31.03.2017
Working Capital Facility from Banks		
- HDFC BANK LTD.-CC	29,774,394.63	15,600,271.16
- HDFC BANK LTD.-WCCL A/C	165,000,000.00	145,868,014.00
- Union Bank of India-CC	-	-
- Union Bank of India - ILC	-	8,323,487.82
- HDFC BANK LTD - ILC	-	1,991,147.00
- Union Bank of India- Buyer Credit	-	9,800,261.00
- HDFC BANK LTD -Buyer Credit	-	12,411,755.00
Total	194,774,394.63	193,994,935.98

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

7 Trade Payables

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Capital Goods	4,863,039.50	-
(b) Others	43,529,676.13	111,121,648.49
Total	48,392,715.63	111,121,648.49

8 Other Current Liabilities

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Current maturities of Long Term Debt	13,175,156.15	4,486,804.01
(b) Cheques Issued but passed later on	38,841,882.70	20,823,657.12
(c) Advance From Customers	11,731,204.70	4,888,256.50
(d)Commission payableTo Agent	-	28,435.00
(e) Other Payables		
- Security Deposit (Received)	32,685.75	32,685.75
- Statutory Dues	-	-
TDS Payable	674,554.00	744,096.00
- Interest Payable	230,033.00	377,035.00
- Employees benefits Payable	8,948,220.40	11,235,747.40
- Electricity Expenses Payable	681,560.00	-
- Advance against Car sale	250,000.00	-
- Audit Fees Payable	157,500.00	157,500.00
- Professional Fees Payable	50,000.00	-
- Telephone Expenses Payable	8,472.00	-
- Other expenses Payable	744,070.00	538,660.00
Total	75,525,338.70	43,312,876.78

9 Short- Term Provisions

Particulars	As at 31.03.2018	As at 31.03.2017
Provision For Income Tax	2,850,000.00	1,688,002.32
Total	2,850,000.00	1,688,002.32

FIXED ASSETS

Note No : 10

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION					NET BLOCK	
	As at April 1,2017	Addition during the year	Ded/Adj during the year	As at March 31,2018	Upto March 31, 2017	For the year	Ded/Adj during the year	Effect on Deprn as per Co. Act,2013	Upto March 31, 2018	As at March 31,2018	As at March 31,2017
TANGIBLE ASSETS											
BUILDINGS	25222960.4	4899455	0	30122415.4	10151783.99	944806	0	0	11096589.99	19025825.41	15071176.41
PLANT AND MACHINERY	184028477.6	46740340.43	881400	229887418	103172762	9093197	597099.47	0.41	111668859.9	118218558.1	80855715.63
FURNITURE AND FITTINGS	7466051.75	956722.85	0	8422774.6	4993413.27	731714	0	-0.88	5725126.39	2697648.21	2472638.48
MOTOR VEHICLES	10708585.94	4637335	3485999	11859921.94	6231614.12	1177727	1710935	-0.83	5698405.29	6161516.65	4476971.82
OFFICE EQUIPMENT	7503272.15	942401.84	0	8445673.99	5745217.1	651144	0	-0.52	6396360.58	2049313.41	1758055.05
COMPUTERS AND DATA PROCESSING UNITS	5542381.2	154963.21	0	5697344.41	5073196.43	324170	0	0.77	5397367.2	299977.21	469184.77
ELECTRICAL INSTALLATIONS AND EQUIPMENT	4669449.72	2001174.68	0	6670624.4	2327377.03	620481	0	0	2947858.03	3722766.37	2342072.69
LAND	44719416	0	0	44719416	0	0	0	0	0	44719416	44719416
Total :	289860594.8	60332393.01	4367399	345825588.8	137695363.9	13543239	2308034.5	-1.05	148930567.4	196895021.4	152165230.9
Previous Year Total	257034297.5	32826297.3	0	289860594.8	126951944.3	10700500	0	0	137695363.9	152165230.9	130082353.2

11 Inventories *

Particulars	As at 31.03.2018	As at 31.03.2017
Raw Material	27,850,500.00	16,556,305.90
Stock in Process	5,410,750.00	4,307,132.66
Finished Goods	180,899,385.00	186,538,699.57
Others	3,181,285.00	3,166,701.99
Total	217,341,920.00	210,568,840.12

* As taken, valued and certified by management .

12 Trade Receivables

Particulars	As at 31.03.2018	As at 31.03.2017
Trade Receivables outstanding for a period less than six months from the date they are due for payment	167,028,760.25	195,013,238.19
Others	33,581,858.58	41,785,382.50
Total	200,610,618.83	236,798,620.69

13 Cash and Cash Equivalents

Particulars	As at 31.03.2018	As at 31.03.2017
a. Cash & Cash Equivalents		
Cash in hand	305,182.81	1,007,448.01
Cheques in Hand (Net)	600,000.00	35,150.00
Balance with banks in :		
- Current Accounts	109,601.30	898,590.96
b. Other Bank Balances		
- Margin Money With Banks	2,844,249.80	8,450,461.00
Total	3,859,033.91	10,391,649.97

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

Particulars	As at 31.03.2018	As at 31.03.2017
Service tax Receivable (DDB)	-	3,385.00
Vat Receivable (F.Y 2017-18)	3,418,691.89	-
Vat Receivable (F.Y 2016-17)	1,897,795.94	1,936,770.94
Vat Receivable (F.Y 2015-16)	2,887,869.30	2,887,869.30
Vat Receivable (F.Y 2014-15)	2,481,069.70	2,481,069.70
Vat Receivable (F.Y 2013-14)	-	716,961.00
Excise Duty	-	112,333.45
Staff Advance	418,917.00	61,000.00
Rajat Associates	-	856,869.00
Advance Entry Tax	4,603.38	34,400.38
Advances to Supplier	6,012,694.08	4,318,400.25
Prepaid Expenses	520,914.90	432,430.00
Advance - Service Tax	-	21,315.00
VIG India	3,441.00	-
Water & Sewerage Charges	8,979.00	-
Duty Draw Back Receivable	1,312,369.00	1,312,369.00
Total	18,967,345.19	15,175,173.02

15 Other Current Assets

Particulars	As at 31.03.2018	As at 31.03.2017
Advance Income Tax AY 2018-19	2,600,000.00	-
Advance Income Tax AY 2017-18	2,040,170.00	4,300,000.00
GST	3,037,041.34	-
TDS AY 2018-19	626,859.54	-
TDS AY 2017-18	-	254,664.92
TDS AY 2016-17	-	252,092.19
TCS AY 2018-19	21,116.00	-
Security Deposits	1,887,890.00	1,695,890.00
Total	10,213,076.88	6,502,647.11

16 Revenue From Operations

Particulars	31.03.2018	31.03.2017
Revenue From Sales		
-Cloth	475,419,543.28	400,019,397.38
-Garments (Export)	18,505,594.80	147,463,775.88
-Garments (Domestic)	370,803,537.53	301,445,830.48
-Yarn	6,981,396.27	584,144.00
-Labour Earned	28,925,899.31	10,067,038.11
-Other Sales	1,387,402.62	1,850,377.21
-Export Incentives	-	5,328,548.00
Total	902,023,373.81	857,752,607.06

17 Other Income

Particulars	31.03.2018	31.03.2017
Interest	537,040.00	824,971.00
Exchange Fluctuations	-	437,639.06
Rental Income	160,425.00	138,000.00
Insurance claim	198,916.00	-
Profit on sale of car	24,936.00	-
Profit on Sale of Mutual Funds	928,781.90	-
Miscellaneous Income	1,208,494.00	495,318.23
Total	3,058,592.90	1,895,928.29

18 Cost of Materials Consumed

Particulars	31.03.2018	31.03.2017
Opening Stock	16,556,305.90	16,416,851.00
Add: Purchases	571,388,930.43	511,737,641.89
	587,945,236.33	528,154,492.89
Less: Closing Stock	27,850,500.00	16,556,305.90
Total	560,094,736.33	511,598,186.99

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

Particulars	31.03.2018	31.03.2017
Opening Stock		
- Stock in process	4,307,132.66	3,230,742.00
- Finished Goods	186,538,699.57	181,619,985.00
	190,845,832.23	184,850,727.00
Closing Stock		

- Stock in process	5,410,750.00	4,307,132.66
- Finished Goods	180,899,385.00	186,538,699.57
	186,310,135.00	190,845,832.23
Net Decrease (Increase in Stock)	4,535,697.23	(5,995,105.23)

20 Other Manufacturing Expenses

Particulars	31.03.2018	31.03.2017
Consumable Stores	33,822,565.06	31,099,604.62
Dyeing Charges	54,821,011.91	44,591,080.00
Dyes and Chemicals	6,477,628.85	713,407.00
Electricity Expenses	47,152.00	737,066.00
Freight and Cartage	2,890,508.43	2,397,379.80
Fuel (Diesel)	4,727,599.42	637,136.00
Power & Fuel	13,615,016.50	12,977,266.02
Oil and Lubricants	2,454,712.90	426,259.00
Outside Labour	45,591,204.00	76,322,235.00
Wages	69,819,277.00	77,544,631.00
Purchase Vat Reversal	-	1,813,401.70
Packing Exp.	17,969,002.46	18,950,036.20
Total	252,235,678.53	268,209,502.34

21 Employee Benefits Expenses

Particulars	31.03.2018	31.03.2017
Salaries	9,872,656.00	10,364,133.00
Leave with wages	-	-
Bonus	1,645,358.00	3,967,681.00
Diwali expenses	168,918.00	198,390.00
Labour Welfare Fund	45,750.00	135,640.00
ESI, Provident Fund and Others	1,874,599.00	1,624,285.00
Total	13,607,281.00	16,290,129.00

22 Finance Costs

Particulars	31.03.2018	31.03.2017
Bank and Processing Charges	1,070,466.24	1,743,540.05
Interest on		
- Bank interest on Cash Credit	11,787,417.50	18,280,343.00
- Bank interest on Term loan	3,104,268.42	2,322,511.52
- Interest on LC	273,742.75	1,507,502.00
- Interest on loan to others	4,130,970.00	969,482.00
- Interest to others	297,535.10	-
- Hire purchase charges	142,407.47	27,348.78
Total	20,806,807.48	24,850,727.35

23 Other Expenses

Particulars	31.03.2018	31.03.2017
Administrative Expenses	15,183,225.66	12,303,656.17
Selling Expenses	1,671,506.51	3,835,915.10
Repair and Maintenance	9,388,226.05	5,161,260.96
Total	26,242,958.22	21,300,832.23

23.1 Administrative Expenses

Particulars	31.03.2018	31.03.2017
AMC Charges	70,383.00	-
Computer Expenses	180,318.41	616,884.00
Director Salary	4,080,000.00	4,080,000.00
Donation	5,120.00	19,042.00
Exchange Fluctuation	2,695,603.94	-
Listing Charges	114,073.00	3,019,627.00
Fees and Taxes	315,882.00	533,958.00
Fine & Penalties	19,565.00	-
GST	333,350.00	-
Insurance	934,553.10	817,385.28
Lab & Testing Fees	327,742.98	99,204.74
Legal Expenses	25,000.00	-
Loss on Capital Investment	-	30,981.00
Loss on Sale of Machinery	164,300.53	-
Membership Fee	83,325.00	108,958.00
Misc. Exp.	115,860.00	30,735.00
Newspaper and Periodicals	1,720.00	7,530.00
Payment to Auditor	175,000.00	364,876.70
Postage and Telegram	365,210.00	470,752.00
Printing and Stationery	566,370.04	551,384.00
Professional Charges	2,304,540.50	901,573.45
Rent	606,000.00	-
Rebate & discount	894,847.39	163,421.00
Service tax	31,315.00	68,685.00
Staff Welfare Expenses	66,664.32	-
Security Charges	342,448.00	-
Telephone Expenses	284,492.45	418,659.00
Training Expenses	39,160.00	-
Vat Reversal	40,381.00	-
Total	15,183,225.66	12,303,656.17

23.2 Selling Expenses

Particulars	31.03.2018	31.03.2017
Advertisement	20,160.00	15,184.00
Business Promotion	10,398.20	-
Clearing and Forwarding	115,984.60	617,494.00
Commission and Brokerage	1,032,932.00	2,277,666.63
Custom Duty	12,178.00	-
Goods Lost in Transit	245,332.71	214,102.96
Sales Promotion	-	106,606.80
Bad Debts	-	257,258.00
Travelling and Conveyance		
- Director's Travelling	137,688.00	347,602.71
- Others	96,833.00	-
Total	1,671,506.51	3,835,915.10

23.3 Repair and Maintenance

Particulars	31.03.2018	31.03.2017
Building Repair and Maintenance	1,477,857.06	104,839.00
Machinery Repair and Maintenance	6,809,975.59	3,940,899.96
General Repair & Maintenance	269,118.44	400,658.00
Vehicle Repair and Maintenance	831,274.96	714,864.00
Total	9,388,226.05	5,161,260.96

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 31.03.2017	Rs. 12510094.23
Addition of D.T.L. due to timing difference of Deprecation	Rs 3353671.76
Deferred Tax Liability as on 31.03.2018	Rs 15863765.99

- f) Contingent Liability not provided for

S.No.	Particulars	2017-18 (Rs. In Lacs)	2016-17 (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.) 2017-18	Amount (in Rs.) 2016-17
Salary	Mr. Ajit Lakra	1500000.00	1500000.00
Salary	Mrs. Gita Lakra	1200000.00	1200000.00
Salary	Mr. Vivek Lakra	1380000.00	1380000.00

- 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 31.03.2018	For the Year Ended 31.03.2017
Earning -Profit available to equity share holders	Rs 64.21 lacs	Rs 79.91 lacs
Shares -Weighted average Number of Equity Share- Basic -Weighted average Number of Equity Share-Diluted	12393070 12393070	9561289 9561289
Earning per Share – Basic Earning per Share- Diluted	Rs.0.52 Rs.0.52	Rs.0.83 Rs.0.83
Nominal Value of Share	10/-	10/-

- j) In Compliance to the provisions of Accounting Standard 11 (AS-11) Rs 26,95,603.94 has been debited in foreign Currency Fluctuation and Balances of Respective Parties are restated.
- k) The provision for Bonus, amounting to Rs. 16,45,358 had been recognized on mercantile basis for the years ending 2018.
- l) Figures of the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary, to make them comparable with the current year figure.
- m) As the Company operates only in one segment i.e. Knitted Cloth and Garment , as primary business segment, the disclosure requirement of Accounting Standard (AS-17) on “Segment Reporting” issued by The Institute of Chartered Accountants of India are not Applicable
- n) Related Party Disclosure (AS-18)
- a. Related parties where control exists or with whom transactions have taken place during the year, as informed by the Managing Director of the Company.
- KEY MANAGERIAL PERSONNEL REPRESENTED ON THE BOARD
- o Mr. Ajit Lakra Managing Director
 - o Mrs. Gita Lakra Director
 - o Mr. Vivek Lakra Director
- Others
- Ajit Lakra (HUF) Mr. Ajit Lakra, Karta
 - Vivek Lakra (HUF) Mr. Vivek Lakra, Karta

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

Sr. No.	Name of Company/Firm/ Individual	Nature of Transaction	31.03.2018 (Rs. In Lacs)	31.03.2017 (Rs. In Lacs)
1.	Mr. Ajit Lakra	Loan Received	98.20	6.60
		Loan Repaid	119.70	-
		Salary Paid	15.00	15.00
2.	Mrs. Gita Lakra	Loan Received	17.69	-
		Loan Repaid	61.28	5
		Salary paid	12.00	12
3.	Mr.Vivek Lakra	Loan Received	98.90	70.05
		Loan Repaid	144.37	71.30
		Salary Paid	13.80	13.80

4.	Ajit Lakra (HUF)	Loan Received	46.65	24.45
		Loan Repaid	40.75	26.14
		Interest Paid	6.07	5.34
5.	Mr.Vivek Lakra (HUF)	Loan Received	66.13	19.82
		Loan Repaid	57.26	15.40
		Interest Paid	5.21	4.03
6.	Ruhaan Lakra	Loan Received	2.15	-
		Loan Repaid	-	-
		Interest Paid	-	-
7.	Tasvi Lakra	Loan Received	1.85	-
		Loan Repaid	-	-
		Interest Paid	-	-

c. Amount due To Related Parties

Sr. No.	Particulars	As On 31.03.2018 (Rs. In Lacs)	As On 31.03.2017 (Rs. In Lacs)
1	Due to Related Parties (included in Current Liabilities & Unsecured Loans)		
2	-Mr. Ajit Lakra	51.55	73.05
3	-Mrs. Gita Lakra	41.39	84.97
4	-Ajit Lakra HUF	72.60	61.24
5	-Mr.Vivek Lakra	0.27	45.74
6	-Vivek Lakra HUF	61.02	47.76
7.	Ruhaan Lakra	2.15	-
8.	Tasvi Lakra	1.85	-

o) Leases (AS-19)

Sr. No.	Particulars	31.03.2018	31.03.2017
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. 1,60,425/-	Rs. 1,38,000/-
e.	A general description of the lessee's significant leasing arrangements including the following: The existence and terms of renewal or purchase options and	The lease	The lease

	escalations clauses: and restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing	agreement renewable every year or every three years subject to escalation of 15% respectively	agreement renewable every year or every three years subject to escalation of 15% respectively
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Date : 30/05/2018
Place : LUDHIANA

FOR MEHTA SHARMA AN
(Chartered Accountants)
Reg No. :018946N

Mohit Sharma
Partner
M.No. : 501072

ATTENDANCE SLIP

Super Fine Knitters Limited

(CIN: L18101PB1998PLC021814)

Registered Office: 269, Industrial Area – A, Ludhiana – 141003

20th Annual General Meeting, of Super Fine Knitters Limited held on Friday, 28th September, 2018 at 10:30a.m.at Registered Office 269, Industrial Area – A, Ludhiana – 141003.

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 20th Annual General Meeting of the Company held on Friday, 28th September, 2018 at 10:30am at Registered Office at 269, Industrial Area – A, Ludhiana.

Member's/Proxy's Name in Block Letter

Member's/Proxy's Signature

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

PROXY FORM

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

Super Fine Knitters Limited

(CIN: L18101PB1998PLC021814)

Registered Office: 269, Industrial Area – A, Ludhiana – 141003

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 20th Annual General Meeting of members of the Company, to be held on Friday, 28th September, 2018 at 10:30 A.M. at 269, Industrial Area – A, Ludhiana, 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, 2018 together with the Report of the Board of Directors and the Auditors thereon.
2.	To appoint a Director in place of Mr. Vivek Lakra (DIN: 01067219), who retires by rotation and being eligible, offers herself for re-appointment.
3.	Ratify the Appointment of M/s Mehta Sharma & Associates, Chartered Accountants, Ludhiana (Firm Registration No. 018946N) as the Statutory Auditor to hold the office for the period of 2018-2019.

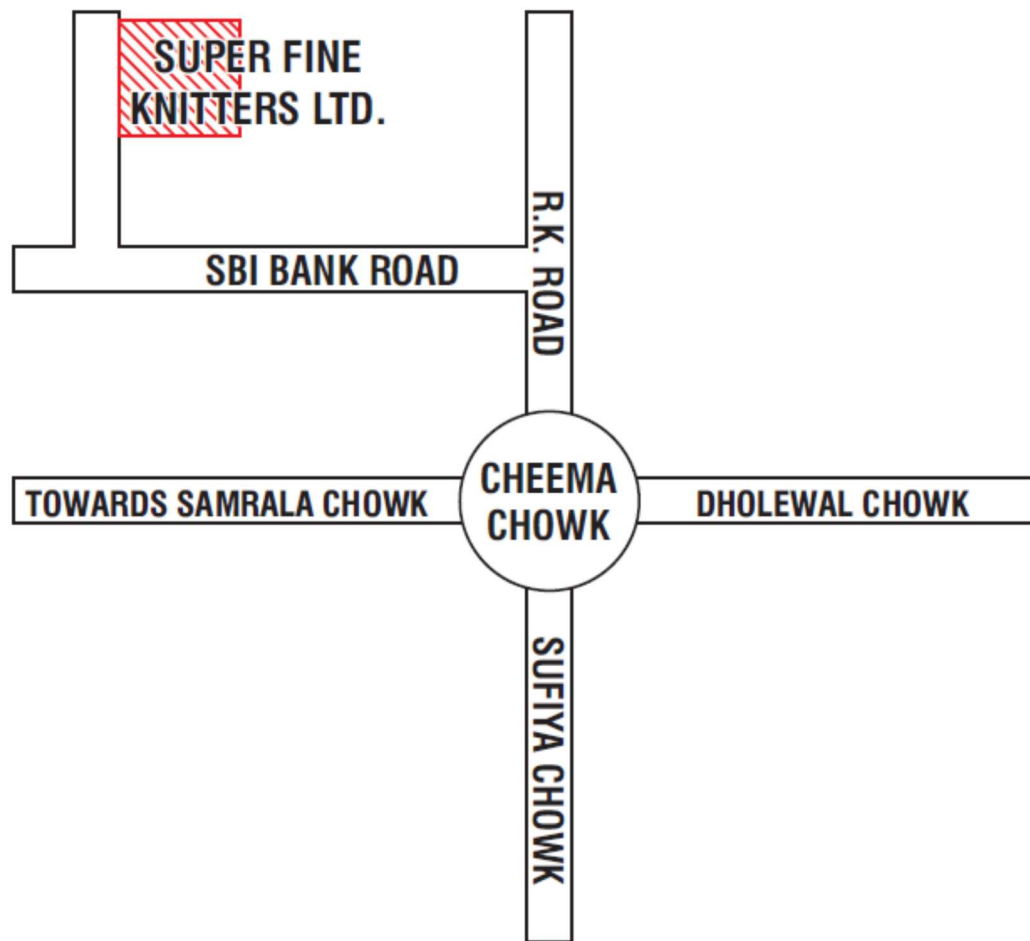
Signed this day of..... 2018

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: 20th Annual General Meeting (AGM)
Super Fine Knitters Limited
269, Industrial Area – A,
Ludhiana – 141003, Punjab





Super Fine Knitters Limited

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

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

Website: www.superfineknitters.com