

BOARD'S REPORT

To,  
The Members,

Your Directors have pleasure in presenting their 22<sup>nd</sup> Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2020.

The summarised financial performance of the Company is as under:

(Rs. in Lakhs)		
Particulars	Current Yr.	Previous Yr.
Turnover (Including Exports Incentives)	9190.97	9215.35
Other Income	8.27	12.62
Profit/(loss) before Depreciation and Taxation	286.14	302.09
Provision for Depreciation	161.77	157.91
Profit/(Loss) before taxation	124.37	144.18
Less: Provision for Taxation	136.04	34.80
<b>Profit/(Loss) after tax</b>	<b>(11.68)</b>	<b>109.38</b>
Balance carried to Balance Sheet	(11.68)	109.38

World Health Organization (WHO) declared outbreak of Corona virus Disease (COVID-19) a global pandemic on March 11, 2020. All domestic operations were disrupted due to the national lockdown from March 24, 2020. and The company had shut down its operations in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. during the lockdown period which has been extended till May 17, 2020. However, Production and supply of goods has commenced from the April 21, 2020 at the manufacturing locations of the Company, after obtaining permissions from the appropriate government authorities. It has not impacted much in the Financial Year 2019-20. However, the major impact will be in reflected in the financials of 2020-21.

**STATE OF COMPANY'S AFFAIRS**

During the year under review, the Company's turnover of INR 9190.97 Lakhs as compared to INR 9215.35 Lakhs for the previous year. The Company has however suffered loss of INR 11.68 Lakhs as compared to profit of INR 109.38 Lakhs for the previous year.

**DIVIDEND**

The Company has not declared any dividend during the year.

**AMOUNTS TRANSFERRED TO RESERVES**

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

**CHANGES IN SHARE CAPITAL**

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

**BOARD OF DIRECTORS**

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

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

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

**Composition**

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



Name of Directors	Category	No. of Other Directorship held in	Membership of the Committee	Chairman of the Committee
		Public Ltd. Company		
Ajit Kumar Lakra	Promoter/Executive Director	Nil	0	0
Vivek Lakra	Promoter/Executive Director	Nil	1	0
Gita Lakra	Promoter/Executive Director	Nil	0	0
Amit Gupta	Non-Executive/ Independent	Nil	3	0
VipinSehgal	Non-Executive/ Independent	Nil	3	3
Baljit Kumar Trikha	Non-Executive/ Independent	Nil	2	0

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

**Retirement By Rotation:**

In accordance with the provisions of the Articles of Associations and 152 (6) of Companies Act, 2013 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.

The relevant details, as required under the Regulation 36 (3) of Listing Regulations and Secretarial Standards, of the person seeking re-appointment as Director are also provided in the Notice convening the 22<sup>nd</sup> Annual General Meeting.

**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.

**Meeting of independent Director:**

Separate meeting of Independent Directors was held on 16-02-2020, interalia to discuss:

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

**BOARD MEETINGS**

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

During the period under review nine (9) Board Meetings were held and the gap between two meetings did not exceed the prescribed limits. During the year under review, Company did not passed any resolution by way of Circulation.

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

25-04-2019, 30-05-2019, 16-07-2019, 19-07-2019, 31-07-2019, 24-08-2020, 04-10-2019, 14-11-2019, 16-02-2020.

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

Name of Directors	Category	Number of Board Meetings Eligible to Attend	No. of Board Meetings attended	Attendance of Last AGM
Ajit Kumar Lakra	Promoter/Executive Director	9	9	Yes
Vivek Lakra	Promoter/Executive Director	9	8	Yes
Gita Lakra	Promoter/Executive Director	9	7	No
Amit Gupta	Non-Executive/Independent	9	6	Yes
Vipin Sehgal	Non-Executive/Independent	9	6	Yes
Baljit Kumar Trikha	Non-Executive/Independent	9	7	Yes

#### COMMITTEES OF THE BOARD

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

#### AUDIT COMMITTEE

The 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 30<sup>th</sup> May 2019, 31<sup>st</sup> Aug 2019, 14<sup>th</sup> Nov 2019 and 16<sup>th</sup> Feb 2020. All members were present in the meeting.

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

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

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 30, 2019 for addressing the shareholders queries.

**NOMINATION AND REMUNERATION COMMITTEE**

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

The terms of reference of the Committee are as follows:

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

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

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

- Mr. 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<sup>st</sup> March, 2020 is given below:

Name	Sitting Fees (Rs.)	Salary (Rs.)	Perquisites and allowances etc.(Rs.)	Commission (paid) (Rs)	Total (Rs.)
Mr. Ajit Kumar Lakra	Nil	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 30<sup>th</sup> May, 2019 and all members were duly present in the meeting.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

**The Committee performs following functions:**

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

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

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

The Company has an investor base of over 129 shareholders as on 31st March, 2020. During the year under review, no complaints remained pending. There is no valid request pending for share transfer as at the year end. The Stakeholders' Relationship Committee met two times on 25<sup>th</sup> April, 2019 and 24<sup>th</sup> August 2019 during the year. All members were present in the meeting.

#### PERFORMANCE EVALUATION

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

#### CORPORATE GOVERNANCE

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

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

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) That in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2020; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2020.
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual financial statements have been prepared on a going concern basis;
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### AUDITORS

##### Statutory Auditors

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

##### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Narang G and Associates (CP No.: 16383, ACS: 43779), Company Secretaries for the financial year 2019-2020 to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2020 is annexed.

**Internal Auditors**

M/s. Budh Kumar & Associates, Chartered Accountant has been re-appointed as Internal Auditor in the Board meeting held on 30<sup>th</sup> May, 2020 for the year 2020-2021.

**Cost Auditor**

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

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

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

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

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

**PARTICULARS OF EMPLOYEES**

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

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

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

**REMUNERATION POLICY**

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

I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and senior officers just below the board level) the Committee shall ensure / consider the following:

- i. the relationship of remuneration and performance benchmark is clear
- ii. the balance between fixed and incentive pay reflecting short-term and long-term performance objectives, appropriate to the working of the Company and its goals;
- iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus; the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.

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

**REMUNERATION TO DIRECTORS/EMPLOYEES AND RELATED ANALYSIS**

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

**RELATED PARTY TRANSACTIONS**

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

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

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

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

The Company has no Subsidiary, Joint Ventures or Associates.

**EXTRACT OF ANNUAL RETURN**

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

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

The Company has not given any loan or given guarantee for loans taken by others from banks or financial institutions during the year. The Company has invested INR 5.69 lakhs in Mutual Funds and Stocks during the year.

Further, during the year, a sum of Rs. 1.18 crore has been taken as unsecured loan from Mr. Ajit Kumar Lakra, Managing Director, Mr. Vivek Lakra, Whole time Director and Mrs. Gita Lakra, Whole time Director of the Company, making a total of Rs 3.69 Crores and declarations pursuant to Rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014 have been received for the same.

**DEPOSITS**

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

**CORPORATE SOCIAL RESPONSIBILITY**

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

**CHANGE IN NATURE OF BUSINESS**

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

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

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

**HUMAN RESOURCES**

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

**RISK MANAGEMENT POLICY**

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

**POLICY ON PRESERVATION OF THE DOCUMENTS**

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

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

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

Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

**SEXUAL HARASSMENT PREVENTION**

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

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

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

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

**FINANCIAL VIABILITY OF COMPANY**

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

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

**GENERAL DISCLOSURES**

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

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

**ACKNOWLEDGEMENTS**

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

For and on behalf of the Board  
Super Fine Knitters Limited

Place: Ludhiana  
Date: 31<sup>st</sup> July, 2020

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