Date: September 03, 2021

To, **The Secretary,** **BSE Limited,** P.J. Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 539542	To, **The Secretary,** **National Stock Exchange of India Ltd.,** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandera (E), Mumbai – 400 051 Symbol: LUXIND

Respected Sir/Madam,

Sub: Submission of Annual Report 2020-21 (including Notice of 26th Annual General Meeting) for the Financial Year ended 31st March 2021

This is further to our letter dated 27th July, 2021 wherein it was informed that the Annual General Meeting of the Company (AGM) of the Company is scheduled to be held on 28th September, 2021.

Pursuant to Regulation 30 read with Part A (Para A) of Schedule III and Regulation 34(1)(a) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), please find enclosed the Notice of the 26th Annual General Meeting (AGM) of the Members of the Company and the Annual Report of the Company for the Financial Year ended 31st March, 2021.

The Annual Report for the financial year 2020-21 including Notice of AGM is being sent to the shareholders electronically who have registered their email IDs. The same is also available on the Company's website at www.luxinnerwear.com.

Thanking You
Yours faithfully,
For LUX INDUSTRIES LIMITED

Smita Mishra
Smita Mishra
(Company Secretary & Compliance Officer)
M.No: A26489

Enclosed: as above

LUX INDUSTRIES LIMITED
PS Srijan Tech - Park, 10th Floor, DN - 52, Sector - V, Saltlake, Kolkata - 700 091, India. P: 91-33-4040 2121, F: 91-33-4001 2001, E: info@luxinnerwear.com
Regd. Office: 39 Kali Krishna Tagore Street, Kolkata - 700 007, India, P: 91-33-2259 8155, Website: www.luxinnerwear.com • CIN : L17309WB1995PLC073053

bigger & better

Lux Industries Limited I Annual Report 2020-21

Forward-looking statement

This document contains statements about expected future events and financial and operating results of Lux Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the annual report.

The Annual Report has been prepared on the basis of consolidated numbers, following a considering of the merger for FY 2019-20 and FY 2020-21, unless otherwise stated.

CONTENTS

In a decisive corporate move, Lux Industries merged two group companies with itself in FY 2020-21.

The merger will strengthen the Company in various ways.

bigger & better

The impact of the merger, coupled with organic growth, resulted in a 17.36% increase in revenues in FY 2020-21.

Widen the brands portfolio. Establish presence in spaces where it was not present. Enhance brand impact.

The merger has strengthened Lux Industries to continue its undisputed leadership in the large mid-sized hosiery segment in India.

The principal message that we wish to convey: We were big; we have now got...

bigger & better

CORPORATE SNAPSHOT

LUX INDUSTRIES IS THE LARGEST MID-SEGMENT HOSIERY ENTERPRISE IN INDIA.

The Company comprises among the most attractive complement of popular brands in the country's hosiery sector.
The Company's brand strength has translated into growing margins and a net cash-surplus position.

OUR VALUES

OUR VISION

• To keep creating new benchmarks for quality and comfort, the two fundamentals that lay the foundation of our Company and take it to the epitome of success.

OUR MISSION

• To be recognised as the best Indian hosiery company globally and to drive the industry towards sustainable growth and development.

CORE VALUES

• To ensure complete satisfaction and utmost comfort for every consumer by creating top notch products.
• To constantly bring about change in our methods of production through sustained innovation and stringent quality control practices.
• Creating new business along with customer satisfaction is the driving force behind our economic engine. Lux Industries Limited will strive to adhere to the highest of ethical standards and transparency in all its business dealings and transactions.

OUR BACKGROUND

The Company was founded in 1957 by Mr Girdhari Lal Todi as Biswanath Hosiery Mills. Lux Industries Limited came into being in 1995. Over the years, the Company has established itself as a leader in the branded innerwear segment in India.

OUR MANUFACTURING CAPACITIES

The Company possesses seven state-of-the-art manufacturing facilities across India with a cumulative capacity of 30 crore garment pieces a year. The Company's manufacturing units are located in Dankuni, Srijan Logistic Park in Dhulagarh , Sankrail Industrial Park (West Bengal), Tiruppur and Avinashi (Tamil Nadu), Ludhiana (Punjab) and Ghaziabad (U.P.).

OUR FINANCIAL FOUNDATION

The Company maintained its credit rating at AA+ for long-term bank facilities in FY 2020-21. The Company possessed a net cash surplus as on March 31, 2021.

LISTING

The Company's equity shares are listed on Bombay Stock Exchange and National Stock Exchange where they are traded actively. Market capitalisation was ₹5,257.58 crore* as on March 31, 2021.

*Calculation based on the NSE closing price on March 31, 2021; shares include those allotted pusuant to the scheme of merger.

OUR MERGER

J. M. Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) merged with Lux Industries Limited, the appointed date being April 1, 2020.

OUR BRANDS

The Company invested in a basket of 16 brands; its Power Brands enjoy unaided brand recall for comfort, innovation and a superior price-value proposition.

The Company provides a wide range of more than 100+ products for men, women and children across ages, geographies and seasons.

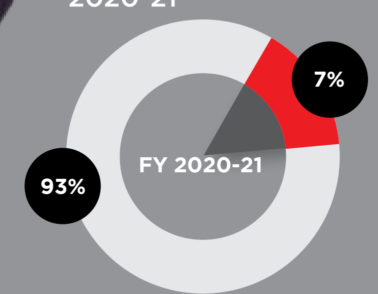
OUR QUALITY CERTIFICATIONS

The Company has been accredited with ISO 9001:2015 certification as a result of its emphasis on qualitative consistency and is acknowledged as Star Export House by the Government of India.

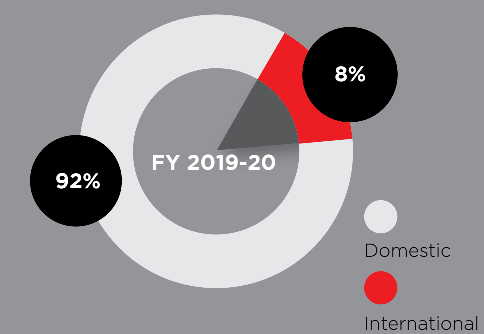
OUR DISTRIBUTION NETWORK

The Company's extensive distribution network is spread across the country, comprising more than **1,150 dealers** and **2 lakhs+ retailers.** The Company exports products under its own brand to around **46 countries.**

Revenue by geography, FY 2020-21



Revenue by geography, FY 2019-20



Figures of FY 2019-20 and FY 2020-21 represent the impact of the merger

LUX the b!g numbers

1
(Rank), Lux among India's mid-segment innerwear players by volume

1
(Rank), Lux among innerwear exporters from India

95
(%), Lux's fill rate (compared to the industry average of ~80%)

7
Manufacturing facilities across India

11
EBOs across India (target for FY 2021-22 is 60)

30
(crore pieces per year), Manufacturing capacity

2
Lakhs+retailers

~15
(%), Lux's market share of India's organised men's innerwear sector

46
Countries of export

11
Number of power brands in the Company's portfolio

100+
Number of Lux products

5,000+
*SKUs

2,400+
#Employees, FY 2020-21

1,150+
Dealers, FY 2020-21

*13000+ SKUs if colour and size counted separately
#Total employees include employees of subsidiary company

A post-merger Lux.
Bigger. Stronger. More complete.

Strengthening margins

19.99
% EBITDA margin, 2020-21

16.44
% EBITDA margin, 2019-20

Better capital efficiency

36.11
%, Return on capital employed, FY 2020-21

33.85
%, Return on capital employed, FY 2019-20

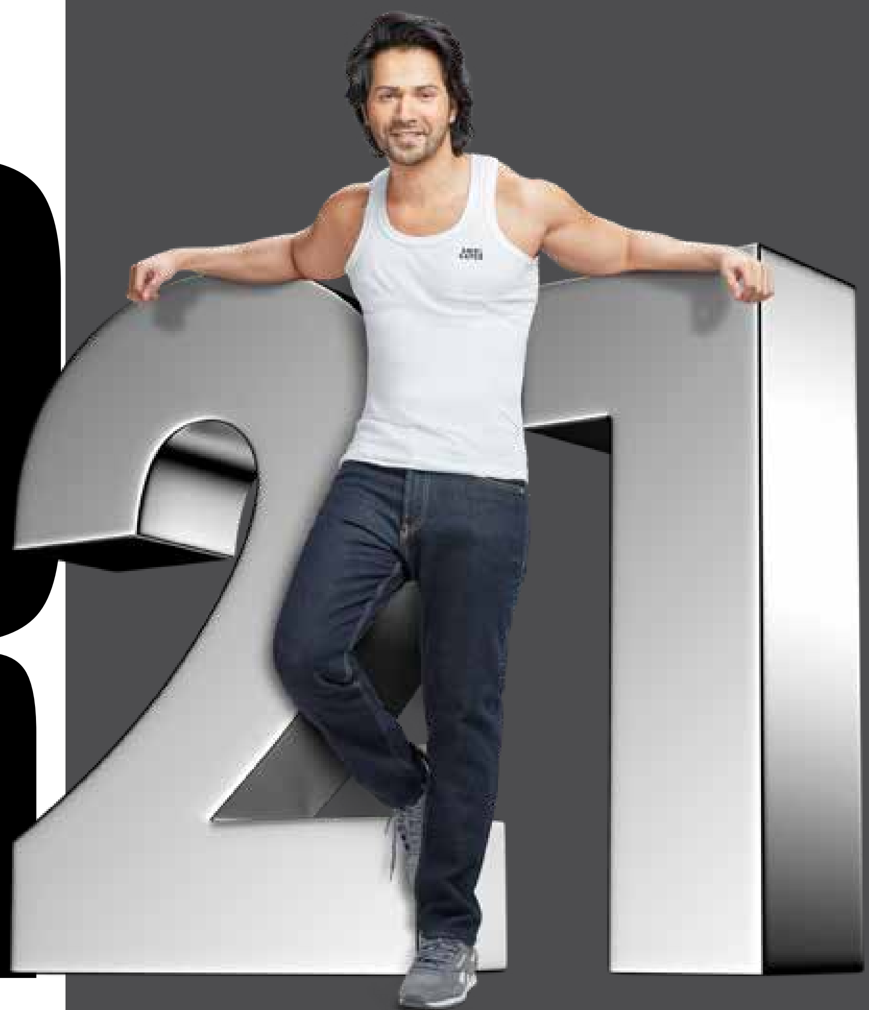
Increasing brand spend efficiency

18.50
₹, Return on every rupee spent on advertisement and promotion, FY 2020-21

12.38
₹, Return on every rupee spent on advertisement and promotion, FY 2019-20

The above figures represent the impact of merger

How we have grown across the years



1957
Mr Girdhari Lal Todi set out to make everyday innerwear comfort a reality for Indians through the establishment of Biswanath Hosiery Mills.

1970
The second generation of entrepreneurs from within the Todi family took over management control.

1992
The first television advertisement *Ye Andar Ki Baat Hai*, featuring Sunny Deol, was launched.

1993
Lux began to export products to the Middle East, Africa and Europe.

Lux launched Lux Venus, its economy category product.

1994
Lux became the first hosiery company to organise a business conference for dealers.

1995
Lux Industries Limited came into being and became the flagship Company of the group.

1998
Lux widened its pan-India footprint and established its Delhi office.

2000
Sunny Deol was engaged as Lux's brand ambassador.

Lux Industries launched GenX, a youth-centric and the most pocket-friendly innerwear for men across metros, semi-metros, and semi-urban areas.

2001
Lux Industries launched its flagship brand Lux Cozi.

2003
The Lux IPO was launched.

2005
Lux Industries launched Lux Cott'sWool under its thermal category followed by Lux Inferno in 2007.

2010
Lux Industries launched its premium innerwear brand ONN and Shah Rukh Khan was engaged as its brand ambassador.

2012
Launched women's leggings brand Lyra and transformed this differentiated bottom wear into one of the Company's most remarkable success stories.

2013
Lux became the IPL Comfort Partner for teams like Kings XI Punjab and Pune Warriors India.

2014
Lux Cozi became title sponsor at the Zee Cine Awards, the world's biggest Viewer's Choice Awards, seen by >700 million viewers in 168 countries.

2015
The shares of Lux Industries were listed on NSE and BSE.

2016
Lux commissioned Eastern India's largest hosiery product manufacturing plant in Dankuni, West Bengal.

Lux became one of the primary sponsors of Kolkata Knight Riders.

Lux launched Lux Cozi Glo, a sub brand of Lux Cozi.

2017
Varun Dhawan was signed as Lux Cozi brand ambassador.

Lux Industries launched its women innerwear range - Cozi her.

Lux conducted the largest sectoral conference for all dealers.

2018
Lux conducted the largest-ever distributors' conference in the hosiery textiles industry (900+ dealers).

Amitabh Bachchan was on-boarded as brand ambassador for Lux Venus and Lux Inferno.

Re-launched Lux Classic as Lux Venus Classic.

2019
Launched India's first scented vest under brand Lux Cozi.

Launched One8, a premium category brand.

Kartik Aaryan was on-boarded as brand ambassador for Lux Inferno; Tapasee Pannu was engaged for Lyra.

Launched Lux Nitro, a casual wear product line.

2020
Launched CozyWorld, a Lux retail venture.

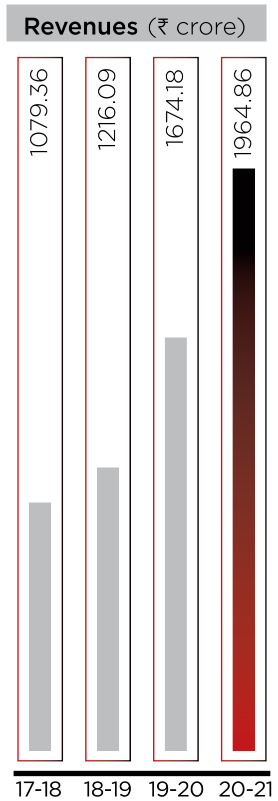
2021
Merged two group companies Ebell Fashions and J.M. Hosiery effective from May 1, 2021 (with appointed date April 01, 2020).

Launched a successful campaign *'Ikkis khoobiyon wali baniyaan'* for Lux Cozi vests.

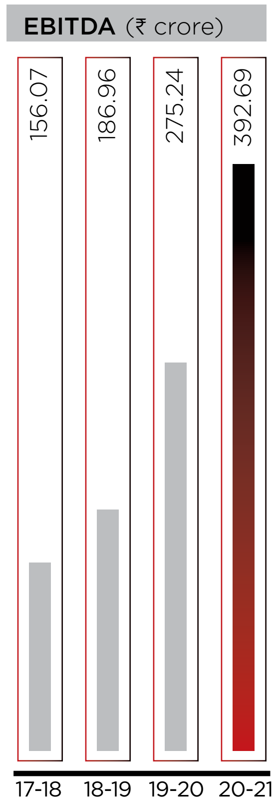
Lux is more than just an Indian company. It is a multi-continental brand. Available in 47 countries

- Algeria
- Kuwait
- Bahrain
- UAE
- Saudi Arabia
- Yemen
- Djibouti
- Ethiopia
- Kenya
- Ghana
- Togo
- Benin
- Nigeria
- Cameroon
- Sri Lanka
- Malaysia
- Singapore
- Hong Kong
- Sudan
- Angola
- Thailand
- Australia
- Nepal
- Panama
- Jordan
- Morocco
- Guinea
- Bissau
- Chad
- Gabon
- Uganda
- Cote d'Ivoire
- Niger
- Mali
- Senegal
- Gambia
- South Africa
- Burkina Faso
- Indonesia
- Myanmar
- Oman
- Qatar
- Iraq
- Germany
- Republic of Congo
- Democratic Republic of Congo
- India

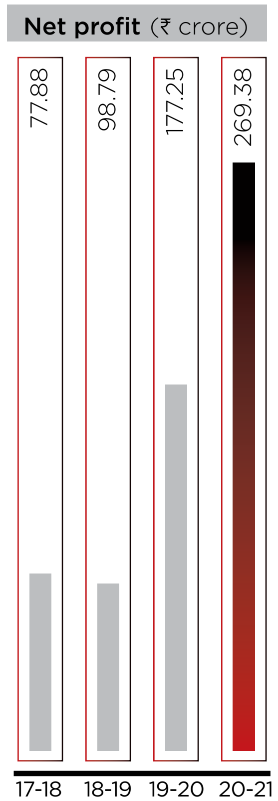
HOW THE STRENGTH OF LUX'S BRANDS HAS TRANSLATED INTO SUPERIOR MULTI-YEAR GROWTH



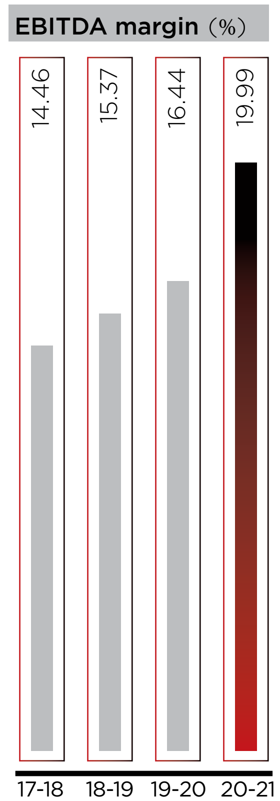
Performance
Aggregate sales stood at ₹1964.86 crore in FY 2020-21 against ₹1674.18 crore in FY 2019-20 following the impact of the merger and organic growth of the business.



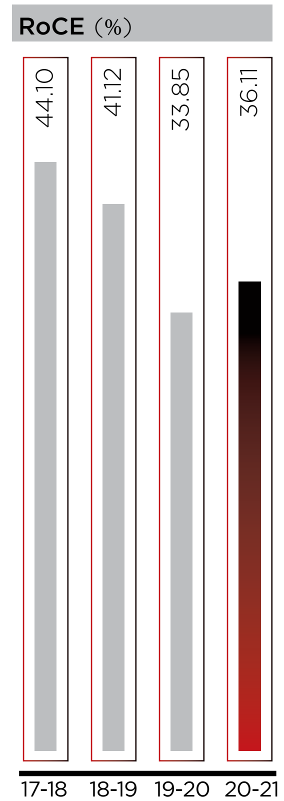
Performance
The Company reported ₹117.45 crore increase in EBITDA in FY 2020-21.



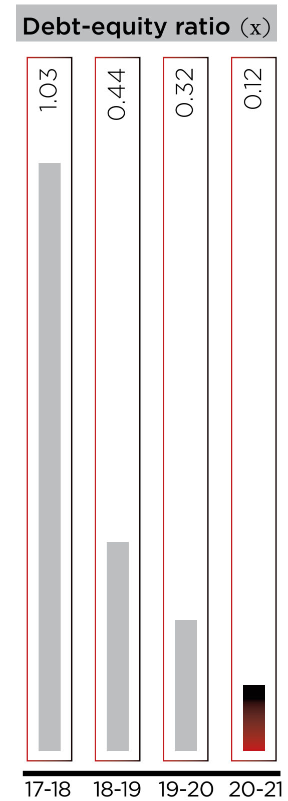
Performance
The Company reported a 51.98% increase in its net profit in FY 2020-21 following superior capital efficiency, value-accretive merger and better performance.



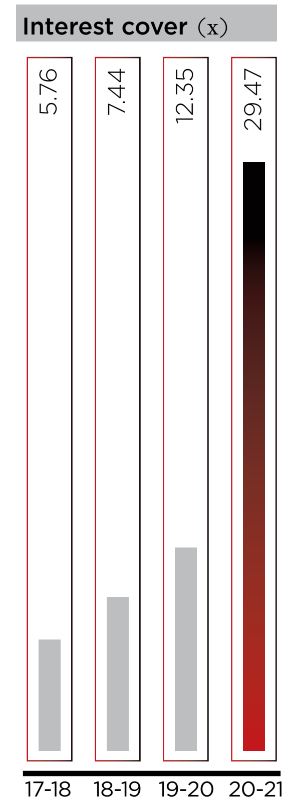
Performance
The Company reported 355 bps increase in EBITDA margin during FY 2020-21 despite sluggishness in the first quarter and competitive environment through the rest of the year.



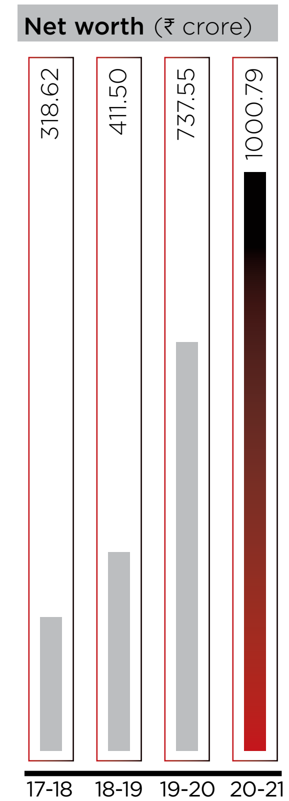
Performance
The Company reported a 226 bps increase in RoCE in FY 2020-21 to 36.11% following a value-accretive merger and organic business growth.



Performance
The Company's debt-equity ratio stood at an improved 0.12x in FY 2020-21 against 0.32x in FY 2019-20 following debt repayment and increased net worth. The Company had net cash on its books (cash less debt) as on March 31, 2021.



Performance
The Company's interest cover strengthened sharply to 29.47x in FY 2020-21 as against 12.35x in the previous year, following debt repayment, decline in interest outflow and a quicker receivables inflow.



Performance
The Company's net worth strengthened by ₹263.24 crore during FY 2020-21, helping strengthen its debt-equity ratio.

Figures of FY 2019-20 and FY 2020-21 represent the impact of the merger and figures of FY 2017-18 and FY 2018-19 are pre-merger figures.

How Lux extended beyond the needs of the day to build a company with a future

COUNTERING CHALLENGES

01

We courageously launched our retail venture when most stayed defensive

The launch of the CozyWorld retail venture in 2020 was one of the most courageous calls for Lux in years.

The decision went against the industry grain for various reasons.

Most hosiery companies would have stayed true to what had worked well for them across the decades; Lux dared to stand as the frontier of change.

Virtually every company in India's mid-segment hosiery space has been driven by marketing and distribution; Lux's extension into retail was the first instance of a company selecting to engage directly with consumers.

Virtually every retail or large format store has generally de-risked itself by marketing brands of various companies; Lux selected to place only proprietary products at its stores.

Most companies would have positioned the retail extension as nothing more than just a means of reaching consumers; Lux sees this as an initiative to build a business around consumer data access and progressive premiumisation.

The initiative is expected to strengthen the Company's business: complete product display, stronger consumer pull over the product push, enhanced consumer awe ('Lux *yeh bhi banaata hai? Maalum hi nahi thaa'*), sample consumer feedback that could lead to new product development, establish a floor in price stability to counter any probable trade under-cutting, create a reference point for trade partners, establish a high service standard for onward emulation, sustain temporarily low-selling brands and build a data analytics foundation to enhance informed decision-making.

The Company launched 4 CozyWorld stores in FY 2020-21 and intends to scale this to 50 in FY 2021-22 (company-owned or franchised); these sales are targeted to account for 5-10% of domestic revenues in three years.

Consumer's benefits

Wider choice

Enhanced brands familiarity

Single-point retail solution

Enhanced after-sales service

Higher price integrity

Addressing mainstream and niche needs

Trade partner's benefits

Catalyses the offtake of core and complementary products

Plays the role of a demand creator

Establishes a reference point for price stability

Enhances real-time strategic clarity

Secures income for trade partners by leveraging the Lux brand

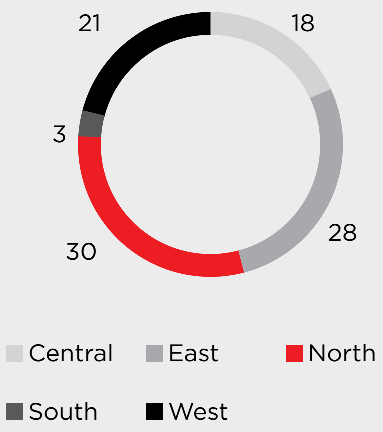
COUNTERING CHALLENGES

02

We are extending our distribution presence to South India

Over the last six decades, Lux emerged as the largest mid-sized hosiery brand in India.

Domestic sales (%)



Interestingly, this growth was largely driven out of the Company's presence in only four (of five) zones of the country.

The Company widened its presence across North, West, Central and East India; it remained largely absent in South India.

The time has come for Lux to widen its footprint from a multi-regional brand to a pan-Indian personality.

The Company will create a wide and deep distribution presence in South India.

The Company will capitalise on the tropical nature of that landmass by marketing hosiery products.

The Company will address the growing prosperity of the region through its premium portfolio of brands.

Lux's penetration of South India will be increasingly visible from 2021-22, initiating the next growth phase for the Company.

Lux will enhance its online presence to respond to an e-commerce-driven world

Only after the outbreak of the COVID-19 pandemic has there been an increased preference to buy online.

As a future-focused and opportunity-responsive company, Lux invested decisively to graduate its largely physical presence to the virtual.

The Company repositioned its e-commerce business through various initiatives.

From an erstwhile engagement with third party service providers, the Company created a proprietary team to build its e-commerce business.

The Company entered marketing alliances with Amazon, Myntra, Flipkart, Ajio and Nykaa Fashions, riding the growing popularity of marketplaces.

The result was enhanced tactical agility: even as the Company had consistently invested in digital marketing on e-commerce marketplaces from 2014, the concept matured in the last financial year, with online revenues doubling.

The Company has its task cut out: sustain double-digit growth from online revenues and generate at least 2% of revenues from online sales across the foreseeable future.

Consumer's benefits

Wider choice, enhanced convenience and access to promotional schemes; lower in cost than mall sticker prices; anytime product accessibility

Company's benefits

Showcase a product range without space restriction; target the audience with a precise or customised pitch; enhanced understanding of evolving preferences; facilitates superior marketing

How Lux's online presence is strengthening the overall sales

For years, Lux evoked a standard reaction in the offline markets: *'Oh, woh mardon wala* brand.' Following increased online visibility, Brand Lux is beginning to evolve: the increased online offtake of Lyra track pants and lingerie products has evolved Lux to a multi-gender relevance. Interestingly, this has had a positive rub-off on some of the older Lux brands as well (Lux Venus and Lux Cozi white vests). The result is that the Company's online move is not just benefiting a brand here or a brand there; it is strengthening the Company's overall sales.

Lux is premiumising with speed

For decades, Lux addressed the sub-economy and mid-market hosiery segments.

Whenever a price-sensitive customer needed a product that would endure and be moderately priced, one of the first companies the person turned to was Lux.

Even as this trend is likely to sustain, there has been a subtle shift: Lux is turning progressively premium.

During the last couple of years, the Company embarked on the unprecedented: it reinforced its premium brand presence with the launch of One8.

This segment is marked by an entirely different set of industry dynamics: new manufacturing facility, specialised workers, different packaging and the touch of the value-added premium.

The premium brands – ONN, One8 and Lux Premiums (Export) - reported percentage growth rates and average realisations considerably higher than the prevailing corporate average.

The Company has its objective charted: extend beyond the functional to the fashionable; premium segment contributed 11.73% to the overall revenues in FY 2020-21.

This will achieve the desired objective - each time the consumer thinks of enhancing his or her lifestyle, there is only one company the person will recall. Lux.

11.73
% of revenues from the premium end of the business today

Capitalising with speed on a structural market shift

Pandemic-induced structural shift from the unorganised to the organised.

The twin-effects of demonetisation and GST implementation were expected to accelerate the reorganisation of India's hosiery sector.

The consensus-a quicker shift from the unorganised to the organised.

However, the shift never transpired for months. Finally, when the pandemic enforced a lockdown of the country's consumption markets, an interesting reality emerged: the country's organised hosiery players reopened their manufacturing facilities and moved products to trade partners with speed. The country's unorganised players could not access bank credit, organise their labour or restart their facilities. The result is that unorganised manufacturers yielded precious store space to larger branded players, the beginning of a much-awaited structural shift within the business.

Something else emerged in the transition- It was generally felt that the consumer brought a vest when the previous one was torn and a replacement was needed. During the lockdown, as enquiries kept coming from trade partners based on consumer purchases, the innerwear graduated from 'can defer' to 'must buy'.

Lux moved with speed; it strengthened service to distributors, provided a wider range of sizes, varieties and products, strengthened its positioning as a dependable single-point solution provider, captured retail shelves and simply held on to them through the course of the year.

COUNTERING CHALLENGES

06

How Lux strengthened its receivables management in a low liquidity market

Until a few years ago, Lux focused on growing its market share at all costs.

Once the Company had held on to its market share for some years, it recognised that the time had come to enhance its financial hygiene as well.

A couple of years ago, the Company began to tighten its liquidity standards with the objective to enhance revenues and moderate working capital intensity.

This resolve was tested during the lockdown; the Company persisted with its credit discipline. Surprisingly, even in the first quarter of FY 2020-21, when sectoral sales were relatively low and there was a pressure on realisations, the Company continued to generate quality sales without a corresponding threat of payment delay or default.

When it came to incentivising the sale of winter products, the Company did not discount sticker prices; on the contrary, the Company strengthened its sticker price but provided its trade partners with an incentive to pay faster. The result was a dual advantage: higher realisations and quicker receivables inflow.

The net result of these initiatives is that Lux's receivables cycle moderated 11.46% during the year under review; correspondingly, short-term debt moderated from ₹227.83 crore to ₹108.12 crore in the year ending FY2020-21.

The Company has emerged larger and more liquid, the basis of sustainable value-creation.

How Lux dared to launch products during the pandemic

The year under review was an unusual one for Lux Industries.

The Company was faced with the question of whether to launch a new product or wait for the pandemic to wane.

The answer: the Company made select launches that enhanced its overall brand position and empowered to capitalise whenever the market sentiment revived.

The Company expanded its product portfolio, launched a short women's tunic from 100% rayon that enhanced softness.

The Company launched night suits, side pattern tracks and beginner's brassiere under the Lyra brand.

The Company launched an ONN junior hoodie jacket and sweatshirts, as well as a One8 boxer.

Besides, the Company re-presented the white vest story. It launched a full-fledged campaign on the ways consumers could distinguish Lux's white vests from competing alternatives. The Company wove the product's positioning around 21 distinctive attributes, encapsulated in the line *'Ikkis khoobiyon wali baniyaan.'* The Company positioned the product around a 100% cotton positioning and naturalness, ideal for a tropical climate.

The result of going back to the drawing boards generated pre-emptive buying for a product that had been within the Company's offerings for decades, the full impact of which is likely to be felt in 2021-22.

What we see around us...

Sangeetaji
needs to buy hosiery products for everyone in the family from a single store

Farha
can't think of going shop-to-shop to buy in her stilettos; she would rather buy online

Anita
has disposed her old-fashioned salwar-kameez; she now uses only fashionable leggings

Muthukrishnan
needs to walk a long distance ina South Indian town to buy hosiery products

Ricardo
says he feels great when he buys premium hosiery wear

Prashant
seeks to invest in companies high on governance

... How Lux is capitalising

Lux commissioned exclusive buying outlets (CozyWorld) to make retail purchases simpler in FY 2020-21

Lux engaged with prominent marketplaces to accelerate revenues from e-commerce

Lux merged Ebell Fashions, creating a platform to build around popular women's brand Lyra

Lux merged J.M. Hosiery and acquired the manufacturing and marketing rights for GenX, a budget-friendly youth brand

Lux deepened its presence in the premium segment through ONN, Lux Premiums (Export) and One8

Lux intends to widen and deepen its distribution presence in South India

Lux merged its group companies to provide a consolidated governance-driven face to the investor

Chairman's overview

The 3M's of our business and how they will shape our future

MY COMMUNICATION REVOLVES AROUND THREE 3M'S - MILLENNIALS, MARKETS AND MERGER. THESE ELEMENTS OF OUR BUSINESS WILL PLAY A GROWING ROLE IN THE FUTURE OF OUR BUSINESS.

Ashok Kumar Todi, *Chairman*

Millennials
The first of these M's is that of millennials.

Strictly speaking, the term refers to all those individuals born between 1981 and 1996, but when one applies this description loosely, it refers to all those who are youthful in spirit and responding differently to a transforming world.

Interestingly, much of the growth coming out of the world is being ascribed to millennials.

The older generation was committed to save; millennials are driven to spend.

The older generation brought with their savings; millennials have no qualms about buying on credit.

The older generation purchased when their erstwhile products ceased to function; the millennials are driven to spend by pride and impulse, irrespective of whether the previous products continue to be of use or not.

The older generation purchased based on prior consumption experience; millennials are open to buying based on the experience of peers.

The older generation purchased largely for functional reasons; millennials buy to use and flaunt.

The older generation bought from their usual neighbourhood store; there is an increasing incidence of millennials buying online.

The conventional consumer request was '*Kuch achcha-sasta dikhaiye!*'; the subtle millennial change is 'Kuch badhiya chaahiye!'

Markets
The word 'Markets' is the second 'M' on my landscape.

When we went into business, we encountered a market that was price-sensitive and desired the best product at the lowest cost. As a result of the millennial effect, this market has graduated from the sub-economy (where we positioned ourselves for years) to the mid-market and to the premium.

The Indian hosiery market is mainly marked by the presence of unorganised manufacturers. Theirs has been a vast and overhanging presence; however, the one big change seen in the last few years is that this market is evolving from the unorganised to the organised.

This shift is being driven by irreversible realities. The announcement of demonetisation coupled with the imposition of GST has made it increasingly difficult for unorganised players to survive. They cannot be wished away but from what I have observed over the last few years, the organised players are steadily increasing their share of the market for good reasons: access to incentives arising out of compliances that has helped reduce the gap between the costs of their manufacture and that of unorganised players. Besides, organised players enjoy access to formalised credit and bank support, making it possible to grow faster than smaller players surviving largely on their personal net worth or unorganised (and high cost) credit channels.

This was evident during the challenging first quarter of the last financial year when organised players found it easier to activate their eco-systems during the lockdown, remunerate their suppliers, keep supply lines running across their distribution networks and keep revenues rolling in even as much of the country continued to be shut. The unorganised players were unable to do so, and the result was that swiftly the organised players built on shelf space share during the first two quarters, an advantage they are unlikely to yield.

At Lux, we also believe that the women's and children's segments are at the point of take-off; more consumers will buy online, both realities to which Lux is tuned in and prepared to address.

Merger
The third 'M' – merger – directly pertains to our Company though the elements are perhaps relevant to the entire sector.

During the last few years, the Group majorly comprised three entities – Lux Industries Limited, J.M. Hosiery & Co Limited and Ebell Fashions Private Limited. During the last financial year, we received the permission to merge these companies with Lux Industries Limited with the appointed date being April 01, 2020.

There are a number of benefits that could arise out of the merger.

One, Lux Industries Limited will become bigger following the consolidation of the group constituents into its identity. A consolidated size will send out a stronger message of our scale, enhancing our respect, ability to enter alliances or recruit professional talent.

Two, a consolidated personality will strengthen our governance, sending out a message that the promoters do not have any other business within the same sector, aligning their interests completely with that of non-controlling shareholders.

Three, the merger will help transform Lux from what is largely a men's hosiery brand to a multi-gender brand, considering that the acquired company Ebell deals with the prominent women's brand Lyra.

THE INDIAN HOSIERY MARKET IS MAINLY MARKED BY THE PRESENCE OF UNORGANISED MANUFACTURERS. THEIRS HAS BEEN A VAST AND OVERHANGING PRESENCE; HOWEVER, THE ONE BIG CHANGE SEEN IN THE LAST FEW YEARS IS THAT THIS MARKET IS EVOLVING FROM THE UNORGANISED TO THE ORGANISED.

Four, the merger will help the Lux Group remove cost redundancy and eliminate a duplicity of administrative overheads, making the overall structure simpler and efficient.

Conclusion
At Lux, we are transforming with speed.

We are widening our relevance as a family brand where we provide something for every member of the family.

We are increasing our online presence so that virtually all our products are available at the click of a button.

We are extending our consumer engagement through the launch of Lux CozyWorld's exclusive buying outlets that showcase our entire offering.

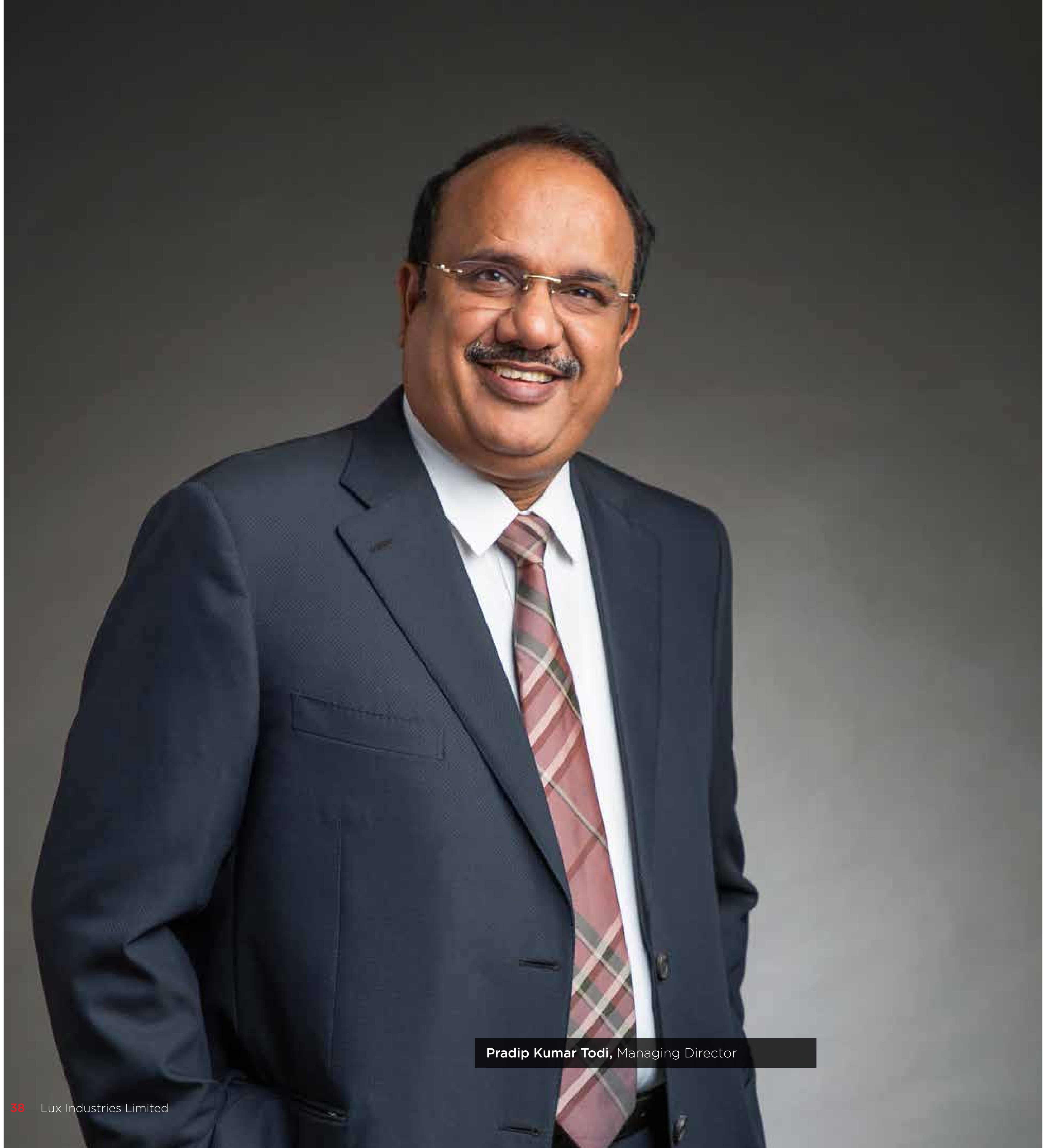
We intend to seed our distribution network in South India, making us a truly pan-Indian brand.

We intend to play a larger role in the premium segment, raising our overall realisations average, strengthening margins and making Lux a stable of aspirational premium brands – servicing consumers across their economic life cycle.

If there is one message that I would like to leave you with, then it is that the interplay of the three M's represents the beginning of a bigger and better Lux.

A new phase in our journey has begun.

Ashok Kumar Todi, *Chairman*



Pradip Kumar Todi, Managing Director

Managing Director

Operations review

Overview

THE YEAR UNDER REVIEW WAS ONE OF THE MOST FULFILLING AT LUX INDUSTRIES

For years, the Company performed in relatively normal markets. The year under review was one of the most challenging, marked by extensive demand erosion across the economy in the first quarter, uncertain business environment in the second and general wait-and-watch response in the third quarter.

During the space of these three quarters (the fourth was buoyant from a demand perspective so one is temporarily leaving that quarter out of the discussion) the challenge was whether the Company should trust the ongoing trend and increase investments. What was tested was not just our resilience but also whether we could discern opportunities in the challenges and move with speed to capitalise on them. Given this background, the principal message that I would likely to leave with shareholders is that the management of your Company validated itself in rising to the uncertainties.

This is what your Company achieved: despite the initial uncertainty, your Company moved with speed to strengthen its business. By the close of the year under review, the Lux Industries business model was stronger than it had ever been and poised to grow faster than the retrospective average.

Our record numbers

Lux Industries reported record financials during the year under review. The record numbers were the result of the merger approved by the Hon'ble NCLT, Kolkata, on March 25, 2021, before the close of the financial year under review.

The Company's post-merger revenues increased 17.36% to ₹1964.86 crore in FY 2020-21; EBITDA increased 42.67% to ₹392.69 crore; profit after tax strengthened 51.98% to ₹269.38 crore. As a result, earnings per share increased 52.76% to ₹90.25. I am pleased to report that the growth was not achieved at the expense of a discounted profitability; EBITDA margin strengthened by 355 bps and Return on Capital Employed improved by 226 bps.

What was creditable is that the growth was profitable: the increase in the percentage growth of profit after tax was higher than the percentage growth in EBITDA, which, in turn, was higher than the percentage growth in revenues. This indicates that the Company's competitiveness strengthened during the year under review.

The scale and scope of our merged company make it a compelling proxy of the sector and among the best placed to capitalise on the exciting prospects of India's hosiery sector. The reinvented Lux Industries possesses a price-sensitive range at one end leading to the aspirational segment at the other, the widest consumer proposition in its sector.

Financial hygiene

At Lux Industries, we have always focused on achieving size with efficiency. In our business, 'size' by itself means little if we have stretched our Balance Sheet on account of inventories of receivables. The only way that size delivers consistently in our business is if we can grow our business without compromising our working capital efficiency.

This aspiration has been important in a rapidly evolving world where size alone could have translated into a weakening in operating metrics. We believe that when our size would be coupled with financial hygiene, we shall create an engine of sustainable growth, whereby the larger we became, the more competitive we would get.

I am pleased to report that we made a decisive movement in this direction during the last couple of years. We translated the consumer pull created by our products into a quicker receivables cycle; we embarked on the exercise to moderate our stocks (raw material and finished goods) and increase inventory turns. The result of these initiatives will be the beginning of a decline in our working capital cycle, the full impact of which should play out across the foreseeable future.

As on March 31, 2021, the Company was practically debt-free and a net cash surplus company. Even at a group level too, the Company continued to maintain its status quo of being a net cash surplus company.

Besides, the Company's promotional spending was 5.37% of the revenue for the year compared with 8.05% in the previous year. The decline in spending was temporary and adapted to the lockdown environment when consumer sentiment was uncertain. During the current financial year, we expect spending to revert to the established mean of around 7% of revenues, given the vastness of the Company's brand basket needing to be sustained following the merger.

Our post-merger performance, FY 2020-21

1964.86
₹ crore, **Revenues**

+

392.69
₹ crore, **EBITDA**

+

269.38
₹ crore, **PAT**

+

90.25
₹, **EPS**

A premiumising Lux

The Company sustained its emphasis on enhancing the proportion of revenues from the premium segment, comprising brands ONN , Lux Premiums (Export) and One8.

The Company's premium segment contributed ₹228 crore to the financial year ended March 31, 2021, despite the pandemic as compared to the financial year ended March 31, 2020 when the corresponding figure was Rs. 214 crore.

New distribution channels

One of the most exciting developments that we have seen in the last few years is a gravitation in sales from conventional high street stores to super markets and online marketplaces. For a conventional format-focused company, these developments provide an attractive opportunity to widen our consumer engagement.

A decisive initiative by the Company during the year under review was related to consumer-facing distribution. The Company launched an exclusive brand outlet CozyWorld with the objective to showcase its entire brands bouquet, providing the consumer the convenience to shop for all Lux brands from a single outlet. This is an asset-light distribution expansion; the Company is commissioning EBOs mostly through the franchisee route, the Company-owned company-operated (COCO) flagship stores being only a handful. The exclusive brand outlet (EBO) has widened our value chain towards consumer-facing retail, making it possible to engage with the buyer at the last mile, collect feedback, decode consumer preferences and adapt the portfolio.

What made this initiative creditable was that at a time when most players within the hosiery sector were hesitant about fresh investments in this direction, your Company extended its distribution network, selecting to carve out a presence in locations marked by low rent accessed by mass footfalls. The Company is optimistic that the complement of EBOs and modern trade formats will attract new customers.

The other exciting development was the spread of e-commerce. Currently the Company has an annual run rate of ₹15-20 crore and has a target to achieve ₹100 crore in annual revenues in three years.

THE COMPANY LAUNCHED AN EXCLUSIVE RETAIL OUTLET COZYWORLD WITH THE OBJECTIVE TO SHOWCASE ITS ENTIRE BRANDS BOUQUET, PROVIDING THE CONSUMER THE CONVENIENCE TO SHOP FOR ALL LUX BRANDS FROM A SINGLE OUTLET.

Outlook

The new Lux Industries is bigger.

A number of our brands achieved critical mass and momentum and will continue to deliver in FY 2021-22.

The initiatives that were seeded in the last financial year will increase their proportion in our revenues and make a larger difference in terms of volumes, revenues and margins.

The objective will be to return to our historic average in terms of promotional spending, which we expect to recover through a complement of more profitable brands, upsides arising out of the merger and better working capital efficiency.

We believe that this combination will translate into yet another year of outperforming growth that enhances value for all those associated with our Company.

Pradip Kumar Todi, Managing Director

REINVENTING THE COMPANY

Our standalone CozyWorld stores

- Pioneering retail concept
- Standalone stores showcasing our entire brands range
- 4 stores in operation as on March 31, 2021
- Aim to increase 150+ stores in the next two years.

Our distribution footprint

- One of the largest distribution networks in the industry
- Strong presence in North, East, Central and West India
- Proposed distribution expansion in South India
- Access to valuable data points
- Focus on mid-premium to premium segments

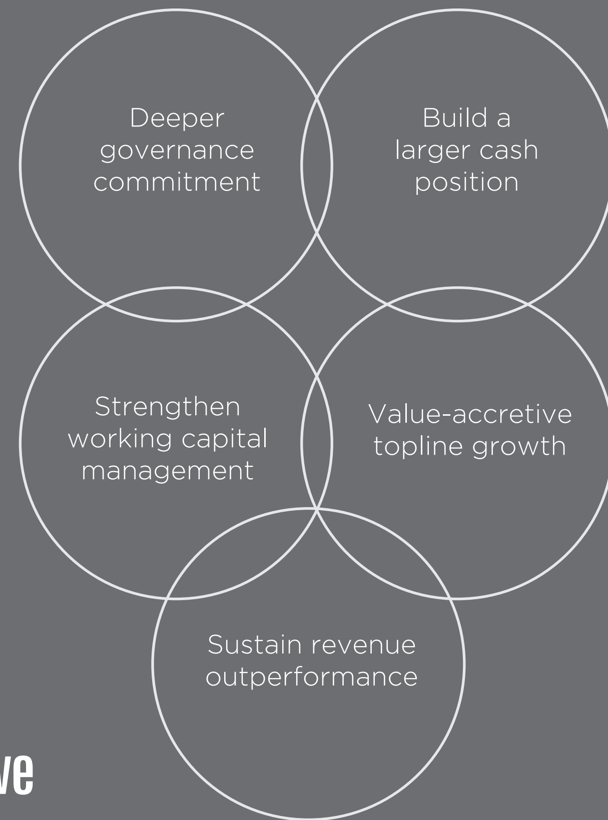
Our digital personality

- Increased focus on e-business
- Alliance with online partners (Amazon, Myntra, Flipkart and others)
- Averaged -4,000 orders per day till March 31, 2021
- Focus on enhancing online throughput
- Focus on enhancing digital personality

CFO's perspective
by **SAURABH BHUDOLIA**

5 ways in which we intend to enhance shareholder value

How we intend to enhance shareholder value



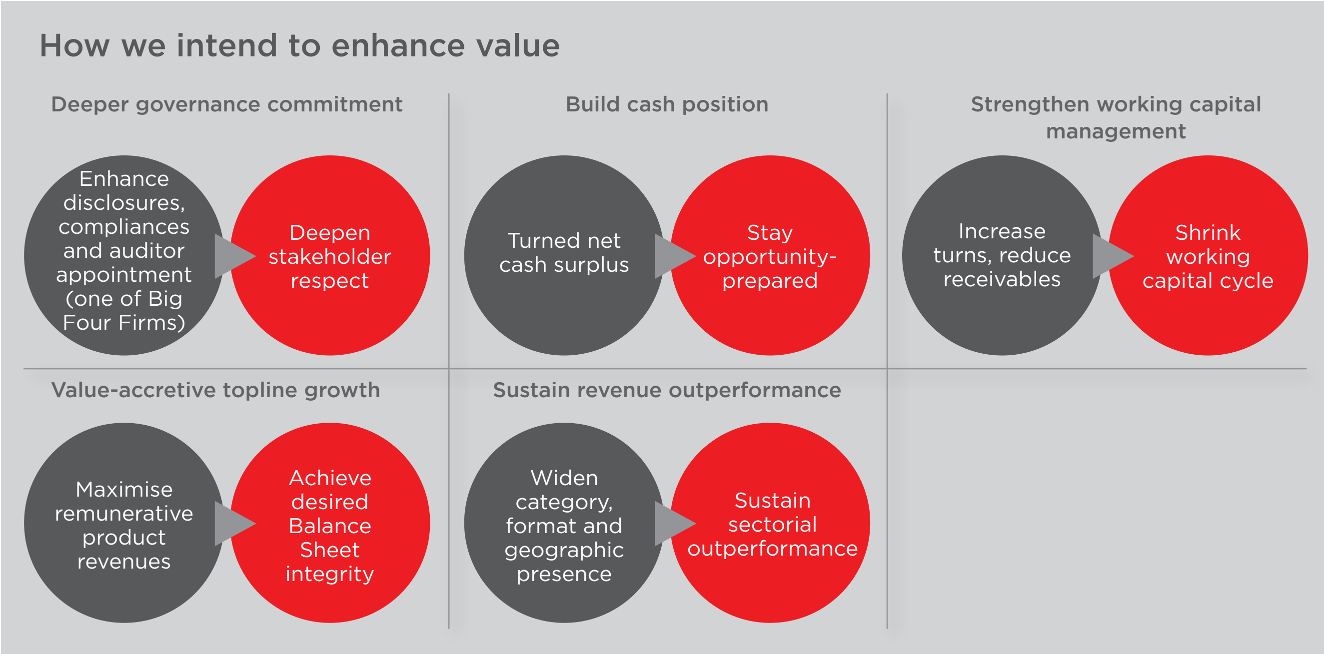
Overview

At Lux, we invested consistently in our brands with the objective to build them into market leaders. During this period, the Company graduated its existing brands to leadership, acquired corporate critical mass and strengthened consumer pull. Besides, the Company maintained comfortable credit tenures with trade partners with the objective to enhance the price-value proposition of our brands, widen markets and sustain revenue engines.

This extended phase of patient market building is over.

The Company has reached a point where its brands extend from the sub-economy to the mid-market to the premium. Brand Lux is not just a reference to a single brand; it stands as a reference to an entire portfolio of brands that are marked by a superior price-value proposition. This market leading position warrants a new approach to conventional funds management.

The following section provides an overview of the five ways in which we expect to take Lux ahead across the foreseeable future.



1 Deeper governance commitment

The Company recognises that it is imperative to do the right things in the right way, the soul of its governance commitment. The Company will continue to focus on value-addition for all stakeholders. At the core of this, lies the commitment to strengthen processes, making the Company relatively people-independent and more institutionalised framework-driven. This is likely to strengthen organisational predictability and a greater delegation towards professionals.

The Company will respond to the growing need for complete compliances and disclosures. It appointed EY as its internal auditor; it instituted IFC-benchmarked internal controls; it will move towards the appointment of one of Big Four firms as its external auditor.

2 Build cash position

At Lux, we believe that cash is king. Our principal objective is to launch brands and price products in line with our desired direction of remaining net cash surplus (additional cash after deducting the debt on our books). This cash surplus enhances our opportunity-readiness: empowering us to proactively buy a sizable quantity of cotton yarn at the start of the season when stocks are high and prices attractively low, buying media space around a superior value proposition and providing us with room to invest patiently in high-margin business

During the last few years, the Company strengthened its liquidity: from ₹6.06 crore of cash and cash equivalents on its books at the close of FY 2019-20 to ₹84.69 crore at the close of FY 2020-21. Going ahead, the Company will focus on enhancing its cash pool through a combination of various strategies directed to enhance liquidity.

3 Strengthen working capital management

At Lux, we believe that the power of competitiveness is most visibly reflected in working capital efficiency. This superior efficiency is usually measured in various ways – working capital as a proportion of the total capital employed (lower the better) or the tenure of the working capital cycle, measured in the number of days from the purchase of yarn to product manufacture to product sale to collecting receivables (lower the better).

The Company strengthened its working capital days for the financial year ended March 31, 2021, which stood at 122 days, a significant improvement by 38 days over the last financial year ended March 31, 2020.

4 Value-accretive topline growth

At Lux, we were principally a volume player addressing the sub-economy segment of the country's mass market. During this phase, the Company engaged in the game of large volumes marketed- like commodity. This product push approach has since evolved. During the last few years, there has been a conscious attempt to graduate to the volume-plus-value segment, marked by a visible consumer pull and enhanced realisations.

As an extension of this controlled and calibrated sales mix, the Company is focused on maximising volumes of the remunerative segment of its product mix, a distinct movement towards desired margins, cash flows and net cash surplus.

We believe that this desired portfolio mix, slanted towards more profitable and faster-moving, represents a foundation for enhancing value for all our stakeholders.

5 Sustain revenue outperformance

At Lux, we believe that we are at the cusp of a shift in our consumption markets. Our markets are marked by an emerging convergence: decline in product price-sensitivity, accelerated consumption shift from the unorganised to organised sector, growing preference for pan-India brands and preference for a wider range of external hosiery products for the family.

As a future-facing company, Lux will continue to widen its brands portfolio, increase output, enhance asset lightness (without investing directly in manufacturing capacity), increase the number of CozyWorld exclusive buying outlets, establish our presence in South India, deepen visibility in the ladies and children's categories and enhance our proportion of online revenues.

As the evolving environment graduates the sector from the unorganised to the organised, the Company is optimistic of carving out a growing share, strengthening sectorial outperformance.

Our Brands Report

FY 2020-21

OVERVIEW

Lux is not just another brand within the country's hosiery sector.

Across the decades of its presence, the brand has played the role of a catalyst in growing and evolving its sector.

By being a game-changer across a number of initiatives, Lux influenced the adoption of strategies, standards and benchmarks by the rest of the players of this large and growing sector.

The result is that, over the decades, Lux transformed from just another player into a sectorial influencer.

The prominent contributions of Lux to India's hosiery sector has comprised the following:

- The capacity of India's unorganised hosiery sector to brand-driven organised
- The capacity to graduate from generic brand recognition to celebrity endorsements
- The ability to graduate a local, regional or zonal business to international scale
- The ability to strengthen commoditised categories towards the premium
- The ability to transform a conventional product push approach (based on price discounting) to a consumer pull (based on premium pricing)

Our Brands Spending

108.69 ₹ crore FY 2017-18	92.57 ₹ crore FY 2018-19	134.69 ₹ crore FY 2019-20	105.52 ₹ crore FY 2020-21

Figures of FY 2019-20 and FY 2020-21 represent the impact of the merger and figures of FY 2017-18 and FY 2018-19 are pre-merger figures.

Review of our Brands Performance, FY 2020-21

Q & A

Q: How did the Company's brands perform during the year under review?

A: The year under review was the best reported by the Company's brands. The Company's brands grew during the year under review despite stress during the challenging first quarter when it was difficult to reach the trade partners, when migrants were engaged in returning to the places of origin, when stores were locked and the usual consumer sentiment was to defer purchases. The Company reported 17.36% growth in revenues during the year under review. This growth in revenues compared favourably with the country's GDP degrowth of 7.3% in FY 2020-21. The fact that the Company outperformed these indices validates the health of its brands.

Q: Shareholders would be keen to know whether the Company expended excessively on brand spending to achieve higher turnover growth?

A: This is an important point. There were two options with the Company following the first quarter when it was imperative to sell as much as possible and recover lost ground (relatively speaking). One, the Company could have increased its promotional spending in the hope that this would translate into higher offtake; the other approach was to wait and watch, leverage existing brand recall and wait for the moment when there would be a higher predictability of our promotional spending translating into quicker offtake. The Company selected the latter option, leveraging its existing brand traction while keeping its promotional spending under check.

Q: To what extent were branding expenses affected during the year under review?

A: In the ten years leading to FY 2019-20, the Company invested substantially in brand building and maintenance. In the first quarter of FY 2020-21, promotional spending significantly declined due to the pandemic; for the full year, the proportion was 5.37% of revenues. This strategy proved successful; the Company generated higher revenues despite lower promotional spending.

Q: How did this transpire?

A: During the period of the lockdown and thereafter, consumers were not influenced as much by the immediate visibility of brands as much by the lingering recall. Because the Company had promoted its brands aggressively in the past, there was a lingering appreciation of the Company's quality, choice and superior price-value proposition. This lingering recall sustained the Company's offtake during the promotionally lean quarters. The result was that even as we promoted less, it had no immediate negative impact on the volume of offtake; on the contrary, it strengthened our offtake in line with the needs of consumers to buy.

Q: How did the Company strengthen its brand as one that focused on growth as opposed to turning defensive in a slowdown?

A: This is where the corporate brand came into play during the last financial year. At a time when most players would have been defensive in making brand investments, the Company launched its first exclusive brand outlet of CozyWorld in November 2020. This store was born out of a realisation: there was a growing mismatch between the Company's portfolio and the capacity of most retailers to be able to showcase. Lux recognised that some retailers stocked some products, whereas others stocked different products, but there was hardly any outlet that stocked all the Company's products. This affected the Company's brand trust, so the Company embarked on the forward-looking decision to launch exclusive buying outlets in Kolkata during the year; by the end of the financial year, 11 EBOs had been launched. We believe that this strengthened the corporate

brand as one extending from manufacturing to marketing (without competing with its trade partners).

Q: What was the other trend in the Company's branding and promotional spending?

A: In last year's annual report, we had indicated the beginning of a turnaround in Brand Lux's personality. Ever since the Company had gone into business, there was a focus on addressing the bulge of the market, marked by mid and economy priced segments. There was a rationale for this: for most people hosiery meant men's vests and underwear and these products were functional with no room to price them higher. There has been a sea change since: hosiery has extended from innerwear to outerwear; it has extended from men's to family wear; it has widened from home use to social wear. This evolution influenced Lux's portfolio and growth, which is more prominent in outerwear / athleisure over the innerwear category. This has not only generated higher average selling points but is clearly a growth area for the Company. The result is that there will be a greater gravitation of the Company's promotional spending towards athleisure, marked by relatively low accretion to the topline and a sharper contribution to the overall margins profile of the Company and bottomline.

Q: Why did this not transpire earlier?

A: There are two reasons for this. One, the market for athleisure had not matured; there is a greater traction to pay better for premium hosiery outerwear than before. Two, such an extension – economy and mid-premium to premium – warrants a transformation in mindset and investments in different marketing teams, distribution network and even manufacturing infrastructure. The downside is the gestation between investments and returns; the upside is a probable premiumisation that translates into superior profitability, liquidity, reinvestment pool and corporate respect. Lux stepped outside its mass economy comfort zone, questioned some of its multi-decade practices and sought a completely new way of working.

Q: How did these premium brands perform in the last financial year?

A: For one, the Company allocated a larger proportion of its promotional spending to the mid-premium and premium segments where the Company enjoyed superior margins. In the premium segment, the Company's brands [ONN, Lux Premiums (Export) and One8] performed creditably. Premium segment revenues grew 7% in FY 2020-21 on relatively small revenue bases but indicative of their momentum.

One of the things we would like to impress upon shareholders is not just how these premium brands could grow financially; they could transform the corporate brand of Lux: validate that the management possesses the bandwidth to create brands ranging from the price-sensitive economy (Venus) to the mid-premium (Cozi) to the premium (ONN), possibly the widest value chain in India's fashion hosiery sector. The success of One8 will make it possible for Lux to attract better professionals and evolved institutional investors. The success of One8 could enhance margins and the Company's discounting on the stock exchanges.

Q: What were some of the other upsides related to the Company's brand promotion during the year under review?

A: Lux Cozi conceptualised, created and executed an entirely new strategy drawn from the insight that consumers constantly seek to enhance their value quotient. Our research indicated that consumers seek something more from their brands, which culminated in the '*Ikkis Khoobiyon wali Lux Cozi*' television campaign, highlighting the 21 features of Lux Cozi. The campaign emerged as one of the most extensively shared in the social media.

Lyra launched a refreshing youth-centric television commercial featuring the glamorous brand ambassador Tapasee Pannu, shot in picturesque Dubai. The campaign generated an unprecedented consumer response. This helped Lyra transform from a single brand product (largely leggings) into a comprehensive multi-product, multi-category women's wardrobe brand.

For years, winter wear was the fastest growing product category in the Lux portfolio. The Company brought together living legend Amitabh Bachchan with Kartik Aaryan, considered a coup in the Indian brand endorsement space. The Lux Inferno positioning redefined the category where competition focused on functional benefits. The narrative version depicted of the communication (instead of a jingle-based song and dance) was a progressive deviation.

Q: How did the Company's brand competence influence the Company's competitive advantage?

A: Shareholders would be well advised to study the evolving receivables cycle of the Company since it has significantly decreased over the last three years. This transpired for various reasons: a strong brand created a visible consumer pull at the retailer end that translated into quicker sales and better working capital efficiency for trade partners; in turn, we worked closer with these trade partners to realise our receivables quicker. This created a stronger cash float within, which initiated a virtuous cycle: decline in interest outflow, higher interest cover and a net cash surplus with the Company as on March 31, 2021. This demonstrates that the strength of the brand was logically extended from quicker offtake, rising proportion of value-added products and stronger financials, a trend that is expected to become stronger.

The courage of Lux

Lux is focused on emerging as premium, aspirational, trendsetting and a benchmark.

Lux has demonstrated the courage to create new price points in India's innerwear market.

Lux introduced brands that extended into a brand family and portfolio (comprising relevant brand extensions and spinoffs).

Lux has invested in pioneering products based on the conviction that supply creates/ increases demand.

Lux provides a choice across 5,000+ SKUs, among the largest in India's innerwear sector instead.

In the premium segment, the Company's brands (ONN, Lux Premiums (Export) and One8) performed creditably. Premium segment revenues grew 7% in FY 2020-21 on relatively small revenue bases but indicative of their momentum.

OUR BRAND STETHOSCOPE

Sizable brand building power

641.14 — ₹ crore, Lux's brand investment in the six years ending FY 2020-21

260.34 — ₹ crore, Lux's brand investment in the six years ending FY 2013-14

Structured brand spending

5.37 — % of revenues invested in the Lux brand, FY 2020-21

8.05 — % of revenues invested in the Lux brand, FY 2019-20

6.47 — % of revenues invested in the Lux brand, FY 2013-14

Lux: A large sectoral spender

105.52 — ₹ crore, Lux's brand spend, FY 2020-21

134.69 — ₹ crore, Lux's brand spend, FY 2019-20

Figures of FY 2019-20 and FY 2020-21 represent the impact of the merger

THE LUX VALUE-CHAIN

ECONOMY

Lux Venus
Lux Venus Classic
Lux Cott's Wool
Lux Karishma

MID-PREMIUM

Lyra
Lux Inferno
Lux Cozi
GenX

PREMIUM

ONN
One8
Lux Premiums (Export)

THE OUTCOME OF OUR BRAND FOCUS

2012-13 Asia's Most Promising Brands by WCRC (ibrands360)

2013 Master Brand by CMO Council and MCA (Mumbai)

2014 Master Brand by CMO Council and MCA (Mumbai)

2014-15 The Admired Brand of India by VWP World Brands

2015 The World's Greatest Brands 2015 Asia and GCC by Asia One

2016 Asia's Greatest Brands 2016 by Asia One

2017-18 Asia's Most Admired Brands & Leaders by White Page International

2018 India's Best Brand of the Year by Berkshire Media LLC, USA

2019 India's Most Trusted Brand by International Brand Consulting Corporation, USA

2019 Asia's Most Trusted Brand by International Brand Consulting Corporation, USA

2019 India's Power Brand by Daily Indian Media

2019 India's Most Admired Brand by White Page International

PILLARS OF OUR BRANDS STRATEGY

Build mother brands	Create sub-brands around mother brands	Focus on innovative products and launches
Robust complement of brands addressing different applications	Sustained spending on creating and promoting brands	Insight into which media to leverage for which brand
Pioneering means of brand promotion	Evolve messaging perpetually	Enhance clarity and consistency of brand and product salience
Sustain brand promotion	Engage celebrity endorser	Message around desired consumer aspiration (beyond product)
Extend brand attributes into quicker offtake	Draw receivables quicker from trade partners	Strengthen recall of 'If it is Lux, it must be good'

OUR BRAND EVOLUTION APPROACH STRATEGY

Launch → Promotion → Salience → Endorsement → Extension

LUX. ONE OF THE MOST POWERFUL BRAND BASKETS IN INDIA'S HOSIERY SECTOR.

1993 Lux Venus

1997 Lux Karishma

1998 Lux Touch

2000 GenX

2001 Lux Cozi

2003 Lux Cozi Big Shot

2005 Lux Cott's Wool

2007 Lux Inferno

2009 Lux Mozze

2010 ONN

2012 Lyra

2016 Lux Cozi GLO

2017 Lux Cozi her

2018* Lux Venus Classic

2019 One8

2019 Lux Nitro

* Lux Classic relaunched as Lux Venus Classic

Cozy world

How Lux transformed a challenge into an opportunity

Overview
Conventionally, Lux marketed products through trade partners. However, as the Company's product portfolio widened, there emerged a challenge: the Company's trade partners did not possess adequate shelf space to display all the Company's products. The result is that even as the Company's trade partners were adequately dispersed across the vast Indian landmass, they could – at best – showcase only a limited portion of the Company's product range.

Initiative
Lux responded to this challenge through a decisive initiative. Instead of the conventional approach of being completely dependent on its trade partners for product display, the Company launched its proprietary retail venture – CozyWorld – to showcase its complete range of products and SKUs (innerwear and outerwear for all consumer varieties).

Objective
The objective of CozyWorld is to occupy a niche in the Company's retail presence. The brand will play the role of a reference point. It will play the role of a responsible price-setter that ensures pricing discipline among trade partners; it will play the role of a complete products range that services the needs of trade partners (for what they do not have) and consumers.

Upsides
First, Lux consumers will have a wider option to select from, resulting in an informed choice (fast moving and slow moving products)

Second, CozyWorld will enhance retail visibility for Lux, strengthening products offtake

Third, the consumer will be able to appraise products by hand, a transparent selection of products

Fourth, the Company is being empowered to build a direct engagement with consumers, resulting in first-hand feedback access, strengthening product development

Fifth, the direct interface will enhance the Company's respect for service and sensitive consumer engagement

Rollout
The Company launched its first exclusive CozyWorld store in November 2020; the accelerated rollout thereafter helped the Company widen its footprint across 4 CozyWorld stores in Kolkata, Krishnanagar, Indore and Guwahati, among others.

Plan
The Company intends to launch more stores and have a critical mass of 50 pan-India CozyWorld stores by the end of the current fiscal year.

4
Number of CozyWorld outlets, March 31, 2021

50
Number of CozyWorld outlets (targeted), March 31, 2022

STAKEHOLDER VALUE-CREATION REPORT, 2020-21

HOW WE ENHANCED VALUE FOR ALL OUR STAKEHOLDERS IN 2020-21

AN INTEGRATED, INCLUSIVE AND SUSTAINABLE APPROACH

Overview

There is a growing importance of the Integrated Value-Creation Report as a communication discipline.

This report overcomes the shortcomings of the conventional approach through a comprehensive reporting framework that reconciles 'hard' and 'soft' initiatives into a unified format. More importantly, this reporting discipline accords an importance on the 'how' of value-creation over the 'what'.

Integrated Reporting combines different reporting strands (financial, management commentary, governance and remuneration and sustainability reporting) into a coherent whole that explains an organisation's holistic ability to create, enhance and sustain value. The purpose of integrated reporting is to explain to providers of financial capital how an organisation enhances sustainable value. The impact of the Integrated Report extends beyond financial stakeholders; it enhances an understanding of how the various stakeholders - employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - enhance organisational value.

Integrated Reporting highlights how green and ethical values drive long-term growth. This shift from the 'hard' to 'soft' (non-financial data) helps screen a company more comprehensively, addressing the needs of investors, analysts, media and opinion makers.

OUR OPERATING CONTEXT

THE LUX BUSINESS MODEL REPRESENTS THE BACKBONE OF ITS VALUE-CREATION COMMITMENT FOR ALL STAKEHOLDERS. IT IS FOCUSED ON CREATING LONG-TERM VALUE THROUGH THE ACHIEVEMENT OF GOALS RELATING TO PROFITABILITY, EFFICIENCY, OPERATIONAL EXCELLENCE AND BUSINESS RISK MITIGATION. THE FOUNDATION OF THE COMPANY'S ABILITY TO ENHANCE VALUE IN A SUSTAINABLE WAY IS DERIVED FROM POSITIVE NATIONAL AND SECTORIAL REALITIES.

Rising population: India is the second most populous country with a population of around 1.39 billion in 2021 and growing at >1% per year, the largest population increment anywhere. This population growth, coupled with increased aspiration for lifestyle products, is expected to drive the textile and apparel demand.

Increasing incomes: The nominal per capita net national income during FY 2020-21 was estimated at ₹1,26,000, a moderate decline compared to the previous year but expected to return to its growth journey from FY 2021-22 onwards.

Increase in share of organised players: The textiles and apparel industry has largely been a part of the unorganised sector; following GST implementation, it is in the process of being organised. The organised apparel segment is expected to grow at a CAGR of more than 13% over a 10-year period.

Favourable demographics: Approximately 66% of India's population is below 35, indicating the country's spending power.

Government support: The government took initiatives like Amended Technology Upgradation Fund Scheme (ATUFS), Scheme for Capacity Building in Textile Sector (SCBTS), PowerTex India, National Handloom Development Programme and National Handicrafts Development Programme, etc., to enhance sectorial competitiveness, modernisation, employment and exports.

Changing consumer aspirations: Innerwear has graduated from a functional category to a fashionable one. Consumers now have personal preferences in colour, design and style while choosing innerwear products.

Social media: India has a population of 1.39 billion people, a larger proportion of which is active on social media, catalysing apparel consumption.

Growing e-commerce: India is witnessing unprecedented digitisation. India improved its position from 80 in 2018 to 73 in 2019 in (B2C) E-commerce Index. In 2019, 74% of Indian online buyers researched products online before purchasing them in-store. Online retail has made purchasing innerwear products easier.

ENGAGING OUR STAKEHOLDERS

WE RECOGNISE THE IMPORTANCE OF FOSTERING DEEP RELATIONSHIPS WITH KEY STAKEHOLDERS THROUGH TRANSPARENT ENGAGEMENT. WE FOCUS ON IMPROVING ON OUR CREDIBILITY AND RAPPORT.

Stakeholder group	Lux's considerations	Stakeholder interests	How we engage	Capitals impacted
Customers	Our products are used by masses and therefore it is imperative that we provide quality hosiery products. We focus on producing quality products	• Quality, availability, accessibility and affordability • Consistent, reliable and on-time product supply • Impact of sub-optimal products or any quality concerns that may arise	• Engage with primary buyers (trade partners), and distributors • Transparent communication with primary customers through commercial discussions and meetings	• Intellectual • Manufactured
Government, competent authorities	Our ability to produce, market and distribute products is dependent on certain regulatory approvals by government authorities and ongoing compliances	• Legal and regulatory compliance • Social and environmental impact of operations • Tax revenues and investments	• Audits of manufacturing sites by regulatory authorities to ensure Good Manufacturing Practice (GMP) and regulatory compliance • Participation in industry bodies • Reports and interactions aimed at confirming legislative and regulatory compliance policies and processes • Involvement in government programmes aimed at creating jobs and uplifting disadvantaged communities	• Manufactured • Social & Relationship • Natural

Stakeholder group	Lux's considerations	Stakeholder interests	How we engage	Capitals impacted
Employees	Employees play a critical role in ensuring that we achieve our objectives. We seek to continuously understand their needs, challenges and aspirations	• Job security • Equitable remuneration, performance incentives and benefit structures • Diversity and inclusivity • Performance management, skills development and career planning • Reputation as an ethical employer • Employee health, safety and wellness	• Direct engagements by supervisors and business management • Induction and internal training • Employee wellness campaigns	• Human
Suppliers	These stakeholders play an important role in enabling us to meet our commitments to customers	• Fair engagement terms and timely settlement • Ongoing communication on our expectations and service levels provided	• Conducting various training programs • Resolving farmers issues and providing them with the latest technologies	• Social & Relationship • Financial
Investors and funders	As providers of capital, these stakeholders require to be kept informed of material developments impacting the Company and its prospects	• Growth in revenue, EBITDA and returns on investment • Appropriate management of capital expenditure, working capital and expenses • Gearing, solvency and liquidity • Dividends • Security over assets, ethical stewardship of investments and good corporate governance • Fair executive remuneration	• Dedicated investor and analyst presentations • Stock exchange announcements, media releases and published results • Annual General Meetings • Investor Relations section of Lux's website	• Financial

LUX IS COMPETENTLY PLACED TO CAPITALISE

State-of-the-art: The Company enhanced cutting-edge technology by introducing latest generation imported equipment. The Company have sewing machines from Singapore, high-speed knitting machines from Germany, knitting machines from China and cutting machines from Singapore and Italy, enabling it to manufacture more than 30 crore garment pieces ever year, the largest in the Indian innerwear textiles sector.

Profitable growth: The Company reported significant revenue growth corresponded by a commensurate bottom-line increase in FY 2020-21, strengthening profitable growth.

Trust: The Company grew its business with vendors around the highest product quality standards, responsible practices and supportive engagement.

Financial robustness: The Company complemented manufacturing growth with Balance Sheet integrity. The Company's gearing stood at 0.12x in FY 2020-21 compared to 0.32x in FY 2019-20; interest cover strengthened from 12.35x to 29.47x. The Company's credit-rating was maintained at AA+ for long-term bank facilities.

Exclusive outlets: The Company is among few large organised brands in India's innerwear sector with a presence in EBOs and large format stores. The Company focused on growing its exclusive retail outlets in line with a focus on providing customers a seamless buying experience, especially for the premium range of products.

Branding: In a largely undifferentiated product segment marked by low brand loyalty, the Company created differentiation through branding, celebrity endorsements and quality-enhancing programmes. The Company invested 5.37% of its revenues on branding in FY 2020-21.

Knowledge: The Company successfully retained nearly 74% of its senior management across the last three years. More than 20% employees had been with the Company for ten years or more as on March 31, 2021.

Exports: The Company exported products to 46 countries; exports accounted for 7% of revenues in FY 2020-21.

Premium: The Company is progressively premiumising. The proportion of revenues derived from premium brands increased to 11.73% in FY 2020-21, validating its competence in portfolio premiumness in a sector often perceived as commodity.

Hands-on: The Company's promoters possess a hands-on multi-decade understanding of the business, reflected in a rich exposure to commodity trends, consumer preferences, distribution relationships and brand building.

Governance commitment: The Company is an ethical player, responding with a sense of governance. Over the years, the governance reflected in complete alignment with the certification and compliance needs of its business, workplace safety, eco-friendly, commitment to customer interests and addressing statutory obligations.

Extensive distribution network: The Company's success is driven by an aggressive expansion of its product reach and effective servicing of channel partners. The Company worked through 1,150+ dealers with an engagement of ten years or more and attrition of less than 1%.

Wide range: The Company offers a range of products starting from ₹24 to ₹1,790 per piece - more than 100+ products across 16 brands and more than 5,000 SKUs, translating into one of the largest innerwear and apparel ranges in the industry.

Online presence: The Company is creating an extensive online presence, enabling it to display its product range online and comprehend the pulse of the market.

LUX'S DRIVERS OF VALUE

AT LUX, WE BELIEVE THAT THE INTERPLAY OF VALUE FOR OUR VARIOUS STAKEHOLDERS HAS TRANSLATED INTO SUPERIOR PROFITABILITY AND SUSTAINABILITY.

Stakeholder: Our employees represent the aggregate knowledge of how to grow the business across a range of functions (procurement, manufacturing, branding, sales and distribution, finance etc.).	**Focus:** Our focus is to provide an exciting workplace, generate stable employment, and enhance productivity.
Stakeholder: Our shareholders provided capital when we went into business.	**Focus:** Our focus is to generate cashflow, growing RoCE and enhanced investment value.
Stakeholder: Our vendors provide credible and continuous supply of resources (yarn) and services (stitching and dyeing).	**Focus:** Our focus is to maximise quality procurement at declining average costs with the objective to widen our markets, strengthening sustainability.
Stakeholder: Our customers keep us in business through a consistent purchase of products, generating the financial resources to sustain our operations.	**Focus:** Our focus is to provide a diversified range of products (perfect blend of style, affordability and comfort) to our customers.
Stakeholder: Our communities provide the social capital (education, culture etc.).	**Focus:** Our focus is to support and grow communities through consistent engagement
Stakeholder: Our governments provide us with a stable structural framework that ensures law, order, policies etc.	**Focus:** Our focus is to play the role of a responsible citizen by paying taxes on time.

THE RESOURCES OF VALUE-CREATION

Financial capital: The financial resources that we seek are based on the funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.

Manufactured capital: Our assets, technologies and equipment for service delivery constitute our Manufactured capital.

Human capital: Our management and employees form a part of our workforce, their experience and competence enhancing value.

Intellectual capital: Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge account for our intellectual resources.

Natural capital: We depend on nature and have a moderate impact on the natural environment.

Social & Relationship capital: Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.

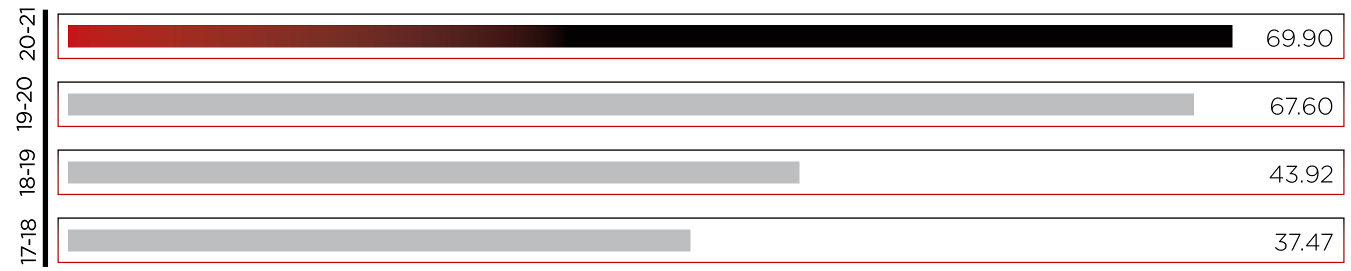
Our strategy

Strategic focus	Vendor focus	Shareholder focus	Customer focus	Employee focus	Community focus	Government focus
Key enablers	Lux has generated a growing appetite for resources and services. The Company provides a robust platform for yarn, stitching and dyeing vendors with a long-term focus.	Lux emphasises governance, operational excellence, cost leadership and transparency. The Company is focused on profitable revenue growth. The Company announced a payout ratio of 25% of its profits. The Company merged its group companies in FY 2020-21.	Lux has emerged as a brand of choice. The Company widened its product basket and price range (₹24 to ₹1,790 per SKU). The Company comprises 1,150+ dealers and 2 lakhs+ retailers.	Lux is an employer of more than 2,400 people across locations. The Company facilitated personal and professional development, strengthening people retention and superior knowledge use.	Lux is engaged in community-strengthening initiatives near its production facilities. The Company contributed ₹5.06 crore towards community development.	Lux pays timely taxes, generates local employment, complies with laws and enriches the communities where it is present. The Company paid ₹79.21 crore to the exchequer in FY 2020-21.
Material issues / addressed	Superior use of cutting-edge technologies leading to differentiated solutions.	Creating the basis of long-term viability through a superior price-value proposition.	Enhancing revenue visibility through diversified product offerings.	Creating a professional culture seeking overarching excellence in everything the Company does.	Allocating 2% of its profit towards CSR activities.	Paying taxes in time and in full.

OUR VALUE-CREATION IN NUMBERS

Employee value
(₹ crore)

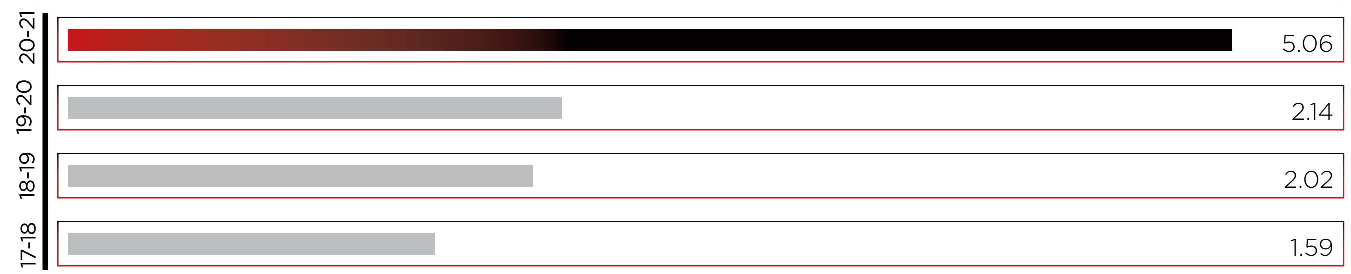
Salaries and wages



The Company has invested a progressively larger amount in employee remuneration, underlining its role as a responsible employer.

Community
(₹ crore)

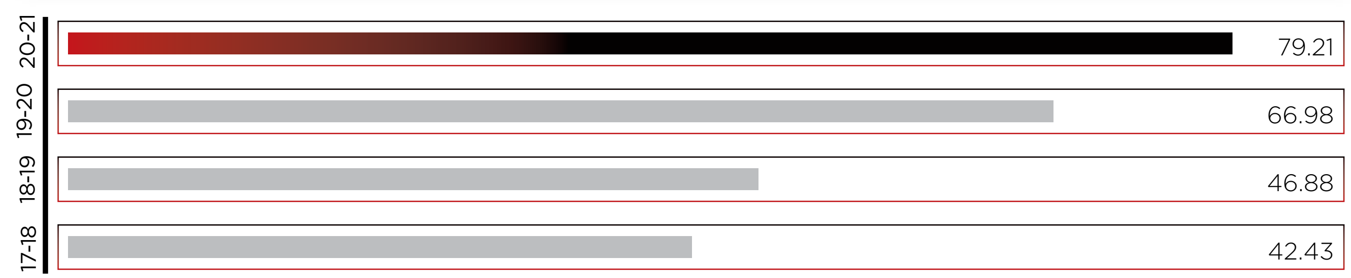
CSR spending



The Company enriched communities across its presence through initiatives aimed at providing safe drinking water, food and clothes, education, healthcare, rural and urban infrastructure development, support programs for old-age homes, environmental protection and the promotion of traditional art & culture.

Government
(₹ crore)

Taxes paid



The Company reinvested in the nation where it operates through the prompt payments of taxes and other statutory dues.

Figures of FY 2019-20 and FY 2020-21 represent the impact of the merger and figures of FY 2017-18 and FY 2018-19 are pre-merger figures.

BUSINESS FUNCTIONS

Finance
Highlights, FY 2020-21

- The Company overhauled its credit policy to strengthen working capital management.
- The Company deleveraged its Balance Sheet and created strong liquidity buffer.
- The Company prudently reinvested in the business, placing a greater emphasis on the premiumisation of products.
- The Company moderated its debt-equity ratio from 0.32 in 2019-20 to 0.12 in 2020-21.
- The Company reduced its receivables from 96 days in 2019-20 to 85 days in 2020-21.

30
(crore) Manufacturing capacity per year

236.65
(₹ crore), Gross block of Property, Plants and Equipments as on March 31, 2021

Sales and distribution
Highlights, FY 2020-21

- The Company intends to diversify in the ladies and children categories, while increasing its presence in Southern India.
- The Company continuously engaged with its dealers and customers during the lockdown period and generated positive responses and enquiries.

Manufacturing
Highlights, FY 2020-21

- The key focus areas comprised quality, cost effectiveness and innovation.
- The Company completed the upgradation and replacement of legacy equipment.
- The Company manufactures 30 crore garment pieces a year.
- The Company achieved a high capacity utilisation across all units.
- The Company optimised energy costs by installing solar panels in the factory.
- The Company planned a greenfield capacity expansion of ₹110 crore. The land has been identified with a construction area of around 4,60,000 sq. ft. Out of the total area, around 20%-30% will be used for manufacturing and the balance for warehousing, storage and finishing facilities. The capex will be completed over 12-18 months and funded through internal accruals. With this investment, the Company is expecting to generate incremental sales of around ₹400 crore.

LUX'S PRESENCE ACROSS THE MANUFACTURING VALUE CHAIN

Process	In-house/ outsource
Yarn	Purchased (high-quality)
Knitting	In-house
Processing (bleaching, dyeing and colouring)	Outsourced but supervised
Cutting	In-house
Stitching	Outsourced but supervised
Packaging	In-house

ESG REPRESENTS THE CORNERSTONE OF OUR BUSINESS

Lux organises a COVID-19 vaccination drive for its employees

Overview
At Lux, we live the role of a responsible corporate citizen.

This responsibility is marked by an increasing focus on environment-social-governance (ESG) that addresses our responsibility towards all our stakeholders.

There is growing evidence that a deep governance culture – as opposed to kneejerk response - enhances stability, increases counter-cyclicality and catalysed long-term stakeholder value.

In view of this growing evidence, governance is not merely incidental to business but integral to it.

ESG links to cash flows in five visible ways: top-line growth, reducing costs, minimising regulatory and legal interventions, increasing employee productivity, and optimising investment and capital expenditure.

At Lux, we recognise the need for the sustained progress of society to pursue long-term goals that are beneficial for the community. The Company collaborated with Churchgate Partners to implement ESG principles with the aim to provide more transparency in disclosures.

Lux and ESG
At Lux, environment-social-governance (ESG) represents the heart of our business.

Its importance is emphasised in a business that is knowledge-driven and marked by intensive processes, putting a premium on safety, systems and security.

The combination – environment, social, and governance – provides a platform for scalable and sustainable long-term growth.


Installed solar panels in the Dankuni factory

OUR ESG ACHIEVEMENTS

Environment

Installed 1 MW rooftop solar panel at its Dankuni plant; 40-45% of the total power requirements were addressed through renewable sources.	Installed energy-saving LED lighting systems in the plants.	Replaced legacy equipment with advanced technology that consumes less energy.	Utilised 90% natural fibre as the principal raw material.
Focused on reducing the use of plastic in packaging materials.	Saved 2 lakhs litres of water every day through state-of-the-art processing technology.	Sustained its status of no emissions or process waste; around 95% waste generated in the cutting process was resealed and recycled; all wastes were assessed to understand ways to reduce, recycle or reuse.	Received GOTS certification for the dyeing unit, validating that the products were free from harmful substances.

Social programmes

Structured induction programme for all on-boarded employees.	Training on safety, health, technical and soft skills, based on competence mapping.	Employees provided fair access to development opportunities.	Collective bargaining process for workmen through their union.	Periodic sanitisation and fumigation of neighbourhood and company premises.
Availability of hand sanitisers and medical masks.	Thermal screening at all entry points.	Distributed immunity drinks.	Minimised external visitors unless crucial.	Minimised labour entry points across the project area.

Replaced biometric with face detector attendance system.	Implemented social distancing norm i.e. minimum 6 ft distance.	Mandatory hand sanitisation was introduced for all at frequent intervals.	Organised a vaccination drive for 1600+ employees and their families.

Governance programme

Promoter-Directors, with 24 years of average industry experience, possessed expertise in sales & marketing, brand promotion, product development, Board service and governance	Reported no defaults against repayments, creditors, dividends and statutory dues; reported no auditor qualification against the Company; received no allegations of financial imprudence

Independent Directors possessed expertise in accounting & finance, legal, marketing, governance, printing and packaging	Inducted EY as Internal Auditor. Independent internal audit firm reported directly to the Audit Committee	Inducted Economic Laws Practice (ELP) as Compliance Consultant	Proposed induction of a Big Four Firm in 12-18 months
Structured policies addressed investor grievances	Established a robust risk-management framework	Proper Whistle Blower Mechanism is available	Accepted all resolutions proposed by the Board to shareholders
Employed a rigorous Board evaluation policy; Board comprised eminent members	Implemented an active succession pipeline for critical roles and the Board	Appointed a Mumbai-based consultant for the standardisation and digitalisation of SOPs along with RM and IFC audit	Inducted new members in the management team

LUX'S COMMITMENT TOWARDS COMMUNITY DEVELOPMENT

Overview

At Lux, we have consistently believed in giving back to society; we stayed engaged with the communities within which we operated.

Over the years, the Company fulfilled the socio-economic requirements of the communities in different regions including in proximity to its manufacturing locations. The Company played the role of a responsible corporate citizen and conducted itself in a social, ethical and responsible manner.

The Company's CSR function comprises initiatives in the areas of COVID-19 assistance, environment protection, health, sustainable livelihoods, education and animal welfare, among others.

Infrastructure

Pushpawati Singhania Hospital & Research Institute: The Company supported Pushpawati Singhania Hospital & Research Institute. The institute is engaged in rendering social service to the marginalised by providing treatment for diseases related to kidney, heart, nervous system, liver including digestive system, cancer, orthopedics and joint replacement, dietetics and nutrition. The institute is also committed to serve economically weaker sections through its OPD and IPD services in all super specialties. A monthly statement of such patients treated in the EWS category by the institute is sent to the Government of Delhi.

Vanathukkul Tiruppur: Vanathukkul Tiruppur was established in 2004 in Tiruppur in order to bring the dream of Dr. APJ Abdul Kalam to life. Vanathukkul Tiruppur has planted 10.5 lakh trees (still counting) in the last 16 years. Lux has been associated with Vanathukkul Tiruppur from its inception. The Company planted more than 2,000 trees in 35-40 acres of land.

Corporation Middle School: In the memory of Shri Kishan Kumar Todi, Lux Group donated for the construction of a class room in Corporation Middle School, Tiruppur. The school is run by the Government of Tamil Nadu and maintained by Tiruppur Corporation. The classroom (325 sq.ft.) accommodates more than 35 students.

Tata Medical Center: Lux provided funds to construct an operation theatre at Tata Medical Center, West Bengal. The project is at a development stage.

Friends of Tribal Society: Lux collaborated with Friends of Tribal Society to provide education to underprivileged rural and tribal masses in West Bengal, benefitting thousands of students.

United Educational Trust (Chennai): Lux collaborated with United Educational Trust to reconstruct a primary school at Tiruppur.

5.06
₹ crore, total CSR expenditure for the year ended March 31, 2021

136.45
%, Increase in CSR expenditure over the year ended March 31, 2020

OUR MANAGEMENT

Mr. Ashok Kumar Todi
Chairman

He is a commerce graduate and has been engaged in the hosiery business for over five decades. He has expertise in marketing the products of Lux and making strategies for growth & expansion of the business across India. He has formulated various schemes for distributors, retailers and consumers from time to time. He is also involved in various philanthropic activities through organisations across the nation.

Mr. Pradip Kumar Todi
Managing Director

He graduated in Commerce and looks after the manufacturing functions and product development for the Company. He has rich technical know-how of the hosiery sector and his expertise is in the areas of developing new patterns, yarn combinations, knitting technologies which have helped the Company to introduce new and innovative products. His efforts towards decreasing production costs and introduction of new products have helped Lux to enhance its profit margin.

Mr. Navin Kumar Todi
Executive Director

He is a Commerce graduate and is engaged with the Company for more than 21 years. He manages the GenX and Lux Cozi Her brands. He also oversees operations of the Tiruppur unit. He is responsible for product premiumisation, new brands and product categories.

Mr. Rahul Kumar Todi
Executive Director

He has completed his post-graduation in Marketing from GRD, Coimbatore. He is engaged with the Company for more than 17 years. He oversees several functions like finance, personnel, operations, among others.

Mr. Saket Todi
Executive Director

He has completed his post-graduation in Brand Management from Mudra Institute of Communications (MICA) and has extensive knowledge in marketing. He has been actively involved in the premiumisation of the Company's brand ONN and its export market. He has introduced in-house capacity for stitching for better quality and cost control. He helped the Company to expand its footprint by 24+ countries.

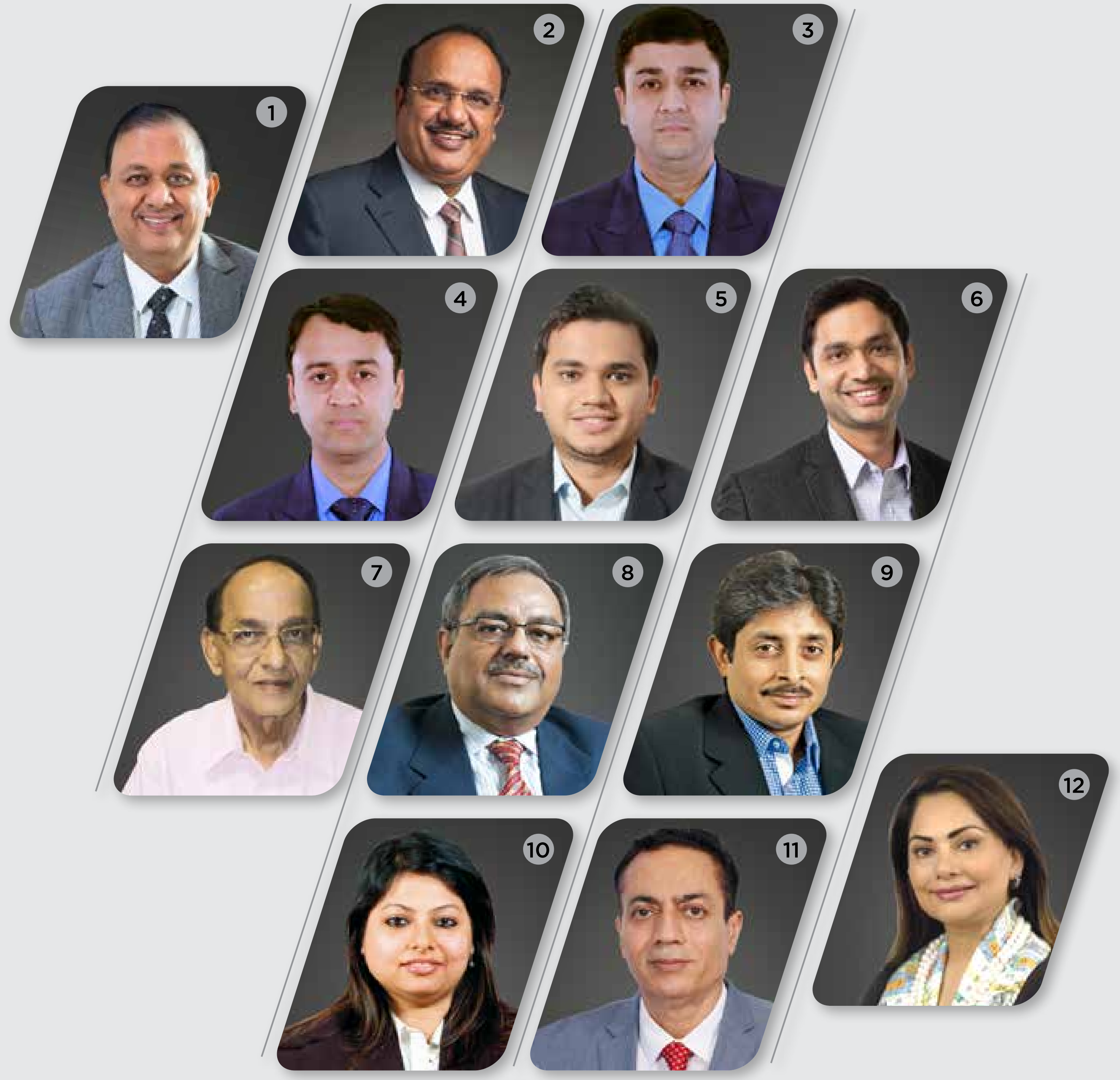
Mr. Udit Todi
Executive Director

He has pursued M.Sc in Finance from The London School of Economics and Political Science (LSE) and Economics (Hons) from St. Stephen's College, Delhi. He was instrumental behind launching Lyra, which is expected to become a ₹500+ crore brand within 5 years, emerging as the market leader. He was also involved in setting up the Dankuni facility with cost optimisation.

Mr. Saurabh Kumar Bhudolia
Chief Financial Officer

He is a qualified Chartered Accountant with more than 18 years of experience in Corporate Finance, Accounts, Planning, Risk Management, Mergers and Acquisitions, among others. He possess strong business and financial acumen, instrumental in fund raising, investor relationship. Earlier he has worked as a CFO in Future Lifestyle and in his early career handled multiple roles in Tata Steel, Mondelez and Sula Vineyards.

BOARD OF DIRECTORS



1. **Mr. Ashok Kumar Todi,** Chairman
2. **Mr. Pradip Kumar Todi,** Managing Director
3. **Mr. Navin Kumar Todi,** Executive Director
4. **Mr. Rahul Kumar Todi,** Executive Director
5. **Mr. Saket Todi,** Executive Director
6. **Mr. Udit Todi,** Executive Director
7. **Mr. Nandanandan Mishra,** Independent Director
8. **Mr. K. K. Agrawal,** Independent Director
9. **Mr. Snehasish Ganguly,** Independent Director
10. **Ms. Rusha Mitra,** Independent Director
11. **Mr. Rajnish Rikhy,** Independent Director
12. **Ms. Ratnabali Kakkar,** Independent Director

CORPORATE INFORMATION

Board of Directors

Mr. Ashok Kumar Todi
Chairman

Mr. Pradip Kumar Todi
Managing Director

Mr. Navin Kumar Todi
Executive Director

Mr. Rahul Kumar Todi
Executive Director

Mr. Saket Todi
Executive Director

Mr. Udit Todi
Executive Director

Mr. Nandanandan Mishra
Independent Director

Mr. K. K. Agrawal
Independent Director

Mr. Snehasish Ganguly
Independent Director

Ms. Rusha Mitra
Independent Director

Mr. Rajnish Rikhy
Independent Director

Ms. Ratnabali Kakkar
Independent Director

Chief Financial Officer

Mr. Saurabh Kumar Bhudolia

Company Secretary and Compliance Officer

Ms. Smita Mishra

Registrar and Share Transfer Agents

KFin Technologies Private Limited
(Previously known as Karvy Fintech Private Limited)
Karvy Selenium Tower B, Plot – 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032
E-mail: einward.ris@kfintech.com

Auditors

M/s. S.K. Agrawal and Co Chartered Accountants LLP
Suite Nos. 606-608
The Chambers, Opp. Gitanjali Stdm.
1865, Rajdanga Main Road, Kasba
Kolkata - 700107

Bankers

Indian Bank
(Erstwhile Allahabad Bank)
Large Corporate Branch

State Bank of India
Overseas Branch, Strand Road

HDFC Bank
Stephen House Branch

Registered Office

Lux Industries Limited
39, Kali Krishna Tagore Street,
Kolkata - 700007
Phone: +91 33-22598155
Fax: +91 33-4001 2001

Corporate Office

PS Srijan Tech Park, 10th Floor DN-52,
Sector-V, Salt Lake City,
Kolkata - 700091
Phone: +91 33-40402121
Fax: +91 33-4001 2001
Email: investors@luxinnerwear.com
Website: www.luxinnerwear.com

STATUTORY SECTION

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 26th Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2021.

1. Financial Highlights

(₹ in crores)

Particulars	Standalone		Consolidated	
	March 31, 2021	March 31, 2020*	March 31, 2021	March 31, 2020*
Revenue from Operations (Gross)	1,938.42	1,664.36	1,952.52	1,667.80
Other Income	12.34	6.83	12.34	6.38
Total Revenue	1,950.76	1,671.19	1,964.86	1674.18
Profit Before Tax	366.09	242.58	362.11	239.05
Tax Expense (Including Deferred Tax)	92.72	61.84	92.73	61.80
Profit after Tax	273.37	180.74	269.38	177.25

*As part of reorganization, the Board of Directors of Lux Industries Limited (the Company), J. M. Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) have in their respective board meetings held on June 26, 2018 approved the proposal for the amalgamation of JMHL & Ebell with the Company, subject to all the necessary statutory/regulatory approvals. Hon'ble NCLT, Kolkata bench vide its order dated March 25, 2021 has sanctioned the Scheme with Appointed Date April 1, 2020. The Scheme became effective from May 1, 2021 on completion of necessary formalities. Pursuant to the Scheme 48,18,681 equity shares were allotted by the Company on May 8, 2021 to the shareholders of the JMHL & Ebell. The merger has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations' and comparatives have been restated for merger from the beginning of the preceding year i.e. April 1, 2019.

2. Operating & Financial Performance

The financial year 2020-21 has been the most volatile and challenging year. Covid-19 changed almost all the aspect of human lives in ways never imagined. The economic toll from the pandemic was unprecedented. Operational challenges mounted due to restricted movement and disrupted supply lines. As the Covid-19 cases continued to rise exponentially, the economy declined sharply. The Union Budget 2021 focused on regaining the growth momentum in the economy through several measures including keeping tax rates stable and enhancing investments in infrastructure.

The business performance in the financial year 2021-22 is expected to be better with continued favorable progress on vaccination rollout. Further the lockdown restrictions are likely to be more targeted and regionally focused compared to the national lockdown implemented last year, and companies are better prepared to follow protocols, respond to restrictions and minimize loss of operations. The Company has delivered a credible performance inspite of COVID-19 lockdown during the financial year. The Company has been growing continuously as targeted and working towards all the financial parameters including working capital requirements which has been substantially reduced and as a result now the company is net debt free. Amidst this challenging time, the Company has displayed resilience and shown strong performance. The Company delivered double-digit growth in bottom line while maintaining steady top line growth.

The company has posted robust performance for the year ended March 31, 2021 despite Covid-19 Pandemic induced challenges. Also, with the completion of merger, we have reported the merged financials for Financial Year 2020-21 as well as Financial Year 2019-20. The revenues grew by 17.36% to ₹1,964.86 crores. The EBITDA and PAT were at ₹392.69 crores and ₹269.38 crores respectively, registering a stellar growth of 42.67% and 51.98% respectively. The EBITDA margins have seen a significant improvement by 355 basis points to 19.99% majorly on account of an increased share of value-added products and overall cost efficiency measures including reduction in advertisement expenditure. We have also seen a healthy improvement in PAT Margins by 312 basis points to 13.71%.

During the year under review, the plants of the Company were closed in the month of April, 2020 and resumed its operations from May, 2020 and gradually restored to normal level. All the plants are adhering to all requisite norms of social distancing, health and safety measures to control the spread of Covid-19 pandemic. The Company has its manufacturing capacities at West Bengal, Tamil Nadu, Punjab and U.P. The Company has its sales offices almost all over the country.

There is no change in the nature of the business of the Company.

3. Composite Scheme of Arrangement

The Board of Directors in their meeting held on June 26, 2018 had approved the Scheme of Amalgamation of J. M. Hosiery & Co Limited (JMHL) and Ebell Fashions Private Limited (Ebell) with Lux Industries under Section 230 to 232 of the Companies Act, 2013 (the 'Scheme"). During the year under review, the Hon'ble NCLT, Kolkata Bench has sanctioned the Scheme vide its order dated March 25, 2021 with the Appointed Date April 1, 2020. The Scheme became effective from May 1, 2021. Pursuant to the Scheme 48,18,681 equity shares were allotted by the Company to the shareholders of the JMHL & Ebell on May 8, 2021.

4. Performance of Subsidiary Company

Artimas Fashions Private Limited

During the year under review, Artimas Fashions Private Limited has captured good market segment under the brand name of One8- Brand of Indian Cricket Team's Captain Virat Kohli. The Company has recorded growth of 167.24% in Revenue from Operations. The Total Income for the current financial year was ₹16.18 crores as compared to ₹6.07 crores in the previous financial year.

5. Dividend

Over the years, Lux has consistently followed a policy of paying high dividend, keeping in mind the cash-generating capacities, the expected capital needs of business and strategic considerations. Considering the current pandemic situation, the Board of Directors of the Company has decided to reserve the cash and postponed the decision to declare any dividend for the financial year ended March 31, 2021.

Previous financial year the Company has declared total dividend of ₹12.50 per share.

The Dividend Distribution Policy of the Company annexed as **Annexure - 'A'**

6. Capex and Liquidity

During the financial year 2020-21, the Company has approved a greenfield expansion plan of ₹110 crores. The expansion will be completed over next 12-18 months. The Company expects to maintain net cash status positive even after incurring the Capex backed by strong operating cash flow and focus on working capital reduction. The new Capex of ₹110 crores will have an asset turnover of around 4 times.

7. Material Changes and Commitments

No material changes and commitments have occurred from the date of close of the financial year till the date of this report, which affects the financial position of the company.

8. Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this report.

Pursuant to section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries is given in Form AOC-1 and annexed as **Annexure- 'K'**.

9. Share Capital

Pursuant to the Scheme of Amalgamation as sanctioned by Hon'ble NCLT, Kolkata vide its order dated March 25, 2021 with Appointed date being April 01, 2020, 48,18,681 equity shares were allotted by the Company on May 8, 2021 to the shareholders of the J.M. Hosiery & Co Limited and Ebell Fashions Private Limited.

The new shares issued pursuant to Scheme are ranking pari-passu with the existing equity shares of the company.

10. Transfer to Reserves

The Company has not transferred any amount to the General Reserve during the financial year under review.

11. Transfer to Investor Education and Protection Fund

During the financial year under review, the Company has transferred unpaid/unclaimed dividend, amounting to ₹34,808/- for Financial Year 2012-13 to the Investor Education and Protection Fund (IEPF) of the Central Government of India.

Dividend which remains unclaimed which was declared for the year ended March 31, 2014 at the Annual General Meeting held on September 26, 2014 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by November, 2021 pursuant to the provisions of the section 124 and 125 of the Companies Act, 2013. Thereafter no claim shall lie on the Company for these unclaimed dividends. Shareholders will have to make their claim with the IEPF Authority following the appropriate rules in this regard. Equity Shares corresponding to the dividend unclaimed for seven consecutive years will also be transferred to the Demat account of the IEPF Authority. Individual notices and necessary newspaper publication will be made in this regard.

1,000 Equity shares in respect of 1 folio corresponding to the dividend for the year ended on March 31, 2013 which remained unclaimed for seven consecutive years were transferred to the IEPF Authority in compliance with Section 124 of the Companies Act, 2013 read with rule 6 of the Investor Education and Protection Fund (Accounting Audit, Transfer and Refund) Rules, 2017. Necessary individual notices to concerned shareholders were served and advertisements in newspapers were published by the Company in this regard.

Equity Shares corresponding to the dividend declared for the year ended on March 31, 2014 and remaining unclaimed for seven consecutive years will also be transferred to the IEPF, if the dividend is not encashed within October 31, 2021. Individual notices will be sent to the concerned Shareholders and advertisements will be published in the newspapers in this regard. The advertisement will also be made available on the website of the Company.

List of shareholders whose dividend remained unclaimed till date of ensuing AGM will be uploaded on the website of the company www.luxinnerwear.com under heading Investors Section. Shareholders are requested to check their unpaid dividend from the list and contact the Registrar & Share Transfer Agent or Company Secretary to encash these unpaid dividends.

12. Fixed Deposits

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013 and rules made there under during the year under review.

13. Particulars of Loans, Guarantees or Investments

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security provided is proposed to be utilised by the recipient are provided in the Standalone Financial Statements. (Refer Note 38 to the Standalone Financial Statements).

14. Internal Control System and their adequacy

The Company has adequate internal control procedures commensurate with its size and the nature of its business for the purchase of inventories, fixed assets and with regard to the sale of goods and services. Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis which forms part of this Report.

15. Corporate Social Responsibility Initiatives

Pursuant to section 135 of the Companies Act 2013, read with rules made there under, the directors have constituted a Corporate Social Responsibility Committee. The Company works primarily towards supporting projects in the areas of healthcare. The Company has also contributed funds for the schemes relating to eradicating hunger and poverty, promoting education, animal and social welfare, ensuring environmental sustainability, making available safe drinking water and medical aid. Contributions in this regard have been made to the registered trusts and / or section 8 companies which are undertaking such schemes.

During the year under review, the Company has spent an amount of ₹5.06 Crores against the prescribed amount of ₹4.84 Crores.

The CSR Policy may be accessed on the Company's website at the link:

https://luxs.s3.amazonaws.com/uploadpdf/upload+pdf/Cgovernance/policies_03.pdf

The Annual Report on CSR activities is annexed herewith as **Annexure 'B'**

16. Management Discussion and Analysis Report

Pursuant to Regulation 34(2)(e) of SEBI (Listing Obligations And Disclosures Requirements) Regulations, 2015, Management Discussion and Analysis Report is annexed as **Annexure 'C'** forming part of this report.

17. Corporate Governance

The Company is committed to maintain good Corporate Governance practices. Pursuant to Regulation 34(3) read with Part C of Schedule V of SEBI (Listing Obligations And Disclosures Requirements) Regulations, 2015, a separate section on Corporate Governance together with a certificate from the Company's Auditor confirming compliance is set out in **Annexure 'D'** and **Annexure 'F'** forming part of this report. Further a declaration on the Code of Conduct is given in **Annexure 'E'**.

18. CEO and CFO Certification

As required under Part E of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the CEO and CFO certification on the accounts of the Company as given by Mr. Pradip Kumar Todi, Managing Director and Mr. Saurabh Kumar Bhudolia, Chief Financial Officer is set out in **Annexure 'E'** forming part of this report.

19. Directors & Key Managerial Personnel

Retirement by Rotation

Mr. Ashok Kumar Todi, Chairman (DIN: 00053599), retires by rotation and, being eligible, offers himself for re-appointment. The Directors recommend his re-appointment.

During the year under review, Mr. Ajay Kumar Patodia, resigned from the position of Chief Financial Officer of the Company with effect from closing of business hours on February 12, 2021 due to personal reasons and subsequently, Mr. Saurabh Kumar Bhudolia have been appointed as Chief Financial Officer of the Company w.e.f. February 13, 2021.

Mr. Navin Kumar Todi, Mr. Rahul Kumar Todi, Mr. Saket Todi & Mr. Udit Todi have been appointed as Executive Directors of the Company by the Board of Directors in their meeting held on May 25, 2021 subject to the approval of the shareholders in the ensuing General Meeting of the Company.

Mrs. Ratnabali Kakkar & Mr. Rajnish Rikhy have been appointed as Non-Executive, Independent Directors of the Company by the Board of Directors in their meeting held on May 25, 2021 subject to the approval of the shareholders in the ensuing General Meeting of the Company.

Brief resume / details of above-mentioned Directors are furnished in the annexure to the notice of the ensuing Annual General Meeting as required under the Code of Corporate Governance.

The following person have been designated as KMP of the Company in compliance with the provision of section 203 of the Companies Act, 2013.

Sl. No.	Name of the KMP	Designation
1.	Mr. Ashok Kumar Todi	Whole-time Director, Chairman
2.	Mr. Pradip Kumar Todi	Managing Director
3.	Mr. Saurabh Kumar Bhudolia	Chief Financial Officer
4.	Mrs. Smita Mishra	Company Secretary & Compliance Officer

Declarations from Independent Directors

All Independent Directors have given declarations under section 149(7) declaring that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

Familiarisation Program

At the time of appointing a Director, a formal letter of appointment is given to him / her, which, inter alia, explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The format of the letter of appointment is available on the website at https://luxs.s3.amazonaws.com/uploadpdf/upload+pdf/Cgovernance/id_02.pdf. The Director is also explained in detail the various compliances required from him/her as a director under various provision of Companies Act, 2013, and such other rules and regulations.

The Directors are also updated about the financials of the company and new product launches. They are also provided with the booklets relating to the business and operations of the company. They are updated on the changes in relevant corporate laws relating to their roles and responsibilities as Directors, from time to time.

During the financial year under review, the Company organized familiarization programs for the Directors in accordance with the requirements of Listing Regulations. The Directors were also provided with relevant documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices, from time to time, besides regular briefing by the senior members of the leadership team.

The details of such familiarization programs for Independent Directors may be accessed on the company's website:-

https://luxs.s3.amazonaws.com/uploadpdf/upload+pdf/Cgovernance/id_01.pdf

Board Evaluation

Pursuant to the provisions of section 178 of Companies Act, 2013 and Regulation 17, 19 & 20 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the performance of individual directors as well as the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in Nomination & Remuneration Policy in the Corporate Governance Report. Further, the Independent Directors of the Company met once during the year on February 12, 2021 to review the performance of the Executive Directors, Chairman of the Company and performance of the Board as a whole. Details of separate meeting of Independent Director are given in the Corporate Governance Report.

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. And also has been posted on the Company's website:-

https://luxs.s3.amazonaws.com/uploadpdf/upload+pdf/Cgovernance/policies_07.pdf

Meetings

Minimum four meetings which are scheduled in advance are held annually. A calendar of meetings is prepared and circulated in advance to all the Directors. Any additional meeting, if any, is convened by giving appropriate notice in order to meet the requirements.

During the year, five Board Meetings and six Audit Committee Meetings were convened and held. Details are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and such other rules and regulations.

20. Directors' Responsibility Statement

Pursuant to the requirement under section 134 clause (c) of sub section (3) of the Companies Act, 2013, the directors confirm:

a. that in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;

b. that such accounting policies as mentioned in the notes to annual accounts have been selected and applied consistently and judgments and estimates have been made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;

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 accounts of the Company have been prepared on a 'going concern basis;

e. that proper internal financial controls are in place and that the financial controls are operating effectively;

f. that proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems were adequate and operating effectively.

21. Related Party Transactions

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with the Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. All the related party transactions are reviewed by the Audit Committee. The prescribed Form AOC-2 is not applicable to the Company. A policy on related party transactions and dealing with related parties as approved by the Board has been posted on the company's website

https://luxs.s3.amazonaws.com/uploadpdf/upload+pdf/Cgovernance/policies_09.pdf

Further as required under Part A of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 following promoters are holding more than 10% of shareholding as on March 31, 2021 with whom transactions were carried out by the Company.

1. Mr. Ashok Kumar Todi
2. Mr. Pradip Kumar Todi
3. Mrs. Prabha Devi Todi
4. Mrs. Bimla Devi Todi
5. Mrs. Shobha Devi Todi

Disclosure of transaction with above-mentioned promoters is given in note no. 33 to the financial statements.

22. Subsidiaries, Associate and Joint Ventures Companies

The Company has one subsidiary, Artimas Fashions Private Limited (unlisted private limited company). Further, the Company does not have any associate and there were no joint ventures entered into by the company.

24. Vigil Mechanism

The Company has a vigil mechanism contained in the Whistle Blower Policy, in terms of section 177 of the Companies Act 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to deal with instances of fraud and mismanagement, if any. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. The Whistle Blower Policy also provides employees to report instances of leak of unpublished price sensitive information as required under sub regulation 6 of Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015. ('the PIT Regulations") It protects employees wishing to raise a concern about serious irregularities within the Company. A quarterly report with number of complaints, if any, received under the Policy and their outcome is placed before the Audit Committee and the Board. The policy on vigil mechanism may be accessed on the company's website:-

https://luxs.s3.amazonaws.com/uploadpdf/upload+pdf/Cgovernance/policies_10.pdf

25. Auditor's Report / Secretarial Audit Report

The observation made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

As required under section 204 (1) of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Mohan Ram Goenka of M/s MR & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company. The Secretarial Auditor's Report is annexed herewith as **Annexure 'H'**.

26. Auditors

In the 22nd Annual General Meeting of the Company held on September 21, 2017, M/s S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP (Firm Registration Number: 306033E/E300272) were appointed as Statutory Auditors of the Company for a period of five years from the conclusion of the 22nd AGM until the conclusion of the 27th AGM of the Company to be held in the year 2022. The Audit Committee and the Board recommend the continuity of M/s S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP (Firm Registration Number: 306033E/E300272) as Statutory Auditors for the Financial Year 2021-22.

M/s S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP (Firm Registration Number: 306033E/E300272) Statutory Auditors of the Company have submitted their Independent Auditor's report on the Financial Statements of the Company for the year ended on March 31, 2021.

27. Insider Trading Code

In compliance with the Securities and Exchange Board of India the PIT Regulations on prevention of insider trading, the Company had instituted a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code lays down guidelines, which advise Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances. During the year under review, this Code was amended by the Company in its Board Meeting held on November 10, 2020 & March 23, 2021 to make it in line with recent circular issued by SEBI vide circular no. SEBI/HO/ISD/ISD/CIR/P/2 dated July 23, 2020 and SEBI/HO/ISD/ISD/CIR/P/2021/19 dated 09.02.2021 under the PIT Regulations in relation to Reporting to Stock Exchanges regarding violations under Securities and Exchange Board of India "the PIT Regulation" Regulations, 2015 relating to the code of conduct and change in format for disclosure under Regulation 7. Except this, there were no other changes made in the Code by the Company. The Company has further put in place a Code of practices and procedures of fair disclosures of unpublished price sensitive information. During the year under review no change in this Code was made by the Company. Both the aforesaid Codes are in line with the PIT Regulations. The code may be accessed on the Company's website.

http://s3.amazonaws.com/luxs/ckeditors/pictures/98/original/Insider_trading_code.pdf

28. Ratings

During Financial Year under review, Acuite Research & Ratings Limited (previously known as SMERA Ratings Limited) has revised and reaffirmed the following ratings given to the Company:-

(₹ in Crores)

Ratings	Amount	Category	Remarks
ACUITE AA+	374.18	Long-Term Bank Facilities	Revised
ACUITE A1+	1.50	Short Term Instruments	Reaffirmed
ACUITE A1+	50.00	Commercial Paper	Withdrawn

29. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website at http://s3.amazonaws.com/luxs/ckeditors/pictures/140/original/Annual_Return_31.03.2021.pdf

30. Business Responsibility Report

The Company was ranked 374 by National Stock Exchange out of 500 top listed companies in India based on market capitalization as on March 31, 2020. Accordingly in compliance with regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Business Responsibility Report has been prepared and forms part of the Annual Report as **Annexure 'I'**. The Report provides a detailed overview of initiatives taken by the Company from environmental, social and governance perspectives.

31. Business Risk Management

The Board of the company realizes that risk evaluation and risk mitigation is its vital responsibility. Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 21 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee. The details of the committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. Identifying critical risks and their mitigation in various departments of the Company, is an ongoing process. The Company has not identified any material element of risk which may threaten the existence of the Company.

32. Industrial Relation

During the year under review, the industrial relations remained cordial and stable. The directors wish to place on record their appreciation for the excellent cooperation received from the employees at all levels.

33. Particulars of Employees

As on March 31, 2021, total number of employees on the records of the Company was 2,382 as against 2,199 in the previous financial year.

Disclosure required in respect of employees of the Company, in terms of provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure- 'J'** and forms part of Directors' Report. In terms of first proviso to Section 136(1) of the Companies Act, 2013, the Directors' Report is being sent excluding the information on employees' particulars mentioned in Section 197(12) of the Companies Act, 2013 and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, which is available for inspection by the Members at the Registered Office of the Company during business hours on all working days, except Sundays and National Holidays up to the date of the 26th AGM. If any Member is interested in inspecting the same, such Member may write to the Company Secretary in advance on investors@luxinnerwear.com.

Particulars of Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-

I. Details of Employees employed throughout the financial year who were in receipt of the remuneration for that year which, in aggregate, was not less than ₹1.02 Crore are: **6**

II. Employees employed for a part of the financial year and who were in receipt of the remuneration during for that financial year at a rate not less than ₹8,50,000 per month: **Nil**

III. Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: **None**

Directors place on record their appreciation for the significant contribution made by all employees, who through their competence, dedication, hard work, co-operation and support, have enabled the Company to cross new milestones on a continual basis.

34. Prevention of Sexual Harassment at workplace

The company is committed to provide a work environment which ensures that every employee is treated with dignity, respect and equality. There is zero tolerance towards sexual harassment. Any act of sexual harassment invites serious disciplinary action. The company has established policy against Sexual Harassment for its employees. The Company had also constituted a Prevention of Sexual Harassment Committee. The policy allows any employee to freely report any such act and prompt action will be taken thereon. Further details of complaints filed, disposed and pending during the financial year is provided in the Corporate Governance report of this Annual Report.

35. Board Policies

The Company has not approved any new policy during the year, however some existing policies were amended and revised by the Board as required under Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018. The policies are reviewed periodically by the Board and updated as needed.

During the year the Board revised and adopted following policies:

Name of the Policy	Summary of Key Changes	Web link
Corporate Social Responsibility Policy	The Corporate Social Responsibility Policy was amended in line with SEBI(LODR) Regulations, 2015 and the Companies Act, 2013 as amended from time to time.	https://luxs.s3.amazonaws.com/uploadpdf/upload+pdf/Cgovernance/policies_03.pdf
Code of Internal Procedure and Conduct to Prohibit Insider Trading	The Code of Internal Procedure and Conduct to Prohibit Insider Trading under SEBI (Prohibition of Insider Trading) Regulations, 2015 was amended as per recent circular under the said regulation.	http://s3.amazonaws.com/luxs/ckeditors/pictures/98/original/Insider_trading_code.pdf

36. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo required to be disclosed under section 134(3) (m) of the Companies Act, 2013, are annexed here to and forms part of this report as **Annexure 'L'.**

37. Annexures forming part of Directors' Report

The Annexures referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report of the Directors:

Annexure	Particulars
Annexure – A	Dividend Distribution Policy
Annexure – B	Annual Report on Corporate Social Responsibility (CSR) Activities
Annexure – C	Management Discussion and Analysis Report
Annexure – D	Report on Corporate Governance
Annexure – E	Certification by Managing Director and Chief Financial Officer of the Company
Annexure – F	Auditors' Certificate on Corporate Governance
Annexure – G	Certificate from Practicing Company Secretary
Annexure – H	Secretarial Auditor's Report
Annexure – I	Business Responsibility Report ('BRR')
Annexure – J	Details pertaining to remuneration as required under section 197 (12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
Annexure – K	Statement containing salient features of the financial statements of Subsidiaries in Form AOC-1
Annexure – L	Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

38. Acknowledgement

The Board wishes to place on record its sincere appreciation for the continued assistance and support extended to the company by its customers, vendors, investors, business associates, banks, government authorities, employees and other stakeholders.

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Todi
Chairman
DIN:00053599

Kolkata
May 25, 2021

Annexure 'A' to Directors' Report

Dividend Distribution Policy of Lux Industries Limited

1. Scope, Purpose and Objective

The Securities Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations).

Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website.

Lux Industries Limited (the "Company") being one of the top five hundred listed company as per the criteria mentioned above, the Company has approved and adopted this Dividend Distribution Policy (the "Policy") at its meeting held on February 13, 2017.

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

The Policy shall not apply to:

- Determination and declaration of dividend on preference shares, as the same was as per the terms of issue approved by the shareholders
- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Buyback of Securities.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

2. Effective Date

The Policy shall become effective from the date of its adoption by the Board i.e. February 13, 2017.

3. Definitions

- "Act" shall mean the Companies Act, 2013 including the Rules made there under, as amended from time to time.
- "Applicable Laws" shall mean the Companies Act, 2013 and Rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.
- "Company" shall mean Lux Industries Limited.
- "Board" or "Board of Directors" shall mean Board of Directors of the Company.
- "Dividend" shall mean Dividend as defined under Companies Act, 2013.
- "MD & CEO" shall mean Managing Director and Chief Executive Officer of the Company.
- "Policy or this Policy" shall mean the Dividend Distribution Policy.
- "SEBI Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued there under, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

4. Parameters and Factors for declaration of Dividend

The dividend pay-out decision of the Board depends upon the following financial parameters and internal and external factors-

4.1 Financial Parameters

4.1.1 Internal Factors:

i. Operating cash flow of the Company
ii. Net operating profit after tax
iii. Profit available for distribution
iv. Earnings Per Share (EPS)
v. Working capital requirements
vi. Capital expenditure requirement
vii. Business expansion and growth

viii. Likelihood of crystalization of contingent liabilities, if any

ix. Up gradation of technology and physical infrastructure

x. Creation of contingency fund

xi. Acquisition of brands and business

xii. Cost of Borrowing

xiii. Past dividend payout ratio / trends

4.1.2 External Factors:

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

i. Economic environment

ii. Capital markets

iii. Global conditions

iv. Statutory provisions and guidelines

v. Dividend pay-out ratios of companies in the same industry.

4.1.3 Dividend Payout Ratio:

Board of Directors shall endeavor to maintain the Dividend Payout Ratio (Dividend/ Net Profit after Tax for the year) as near as possible to 25% of Lux Industries Limited's Standalone profit after tax, subject to

- Company's need for Capital for its growth plan
- Positive Cash Flow and other parameters stated in the policy.

4.2 Circumstances under which the Shareholders of the Company may or may not expect dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

i. Proposed expansion plans requiring higher capital allocation

ii. Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow

iii. Requirement of higher working capital for the purpose of business of the Company

iv. Proposal for buy-back of securities

v. In the event of loss or inadequacy of profit

4.3 Utilization of retained earning

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan.
- Product expansion plan.
- Increase in production capacity
- Modernization plan.
- Diversification of business
- Long term Strategic plans
- Replacement of Capital assets
- Where the cost of debt is expensive
- Dividend Payment.

Such other criteria as the Board may deem fit from time to time.

4.4 Manner of dividend payout

4.4.1 In case of final dividend:

i. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

ii. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.

iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

4.4.2 In case of interim dividend:

i. Interim dividend, if any, shall be declared by the Board.

ii. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.

iv. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

4.4.3 Parameters to be adopted with regard to various classes of shares

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

5. Disclosures

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at www.luxinnerwear.com

6. Policy Review and Amendments

6.1 This Policy would be subject to revision/ amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

6.2 The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

6.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such Amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions here under and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Todi
Chairman
DIN:00053599

Kolkata
May 25, 2021

Annexure 'B' to Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company strongly believes in development of and giving back to the society. A long term view is taken in implementation of the CSR program. The objective of the company is to improve quality of life with direct interventions with the society. During the year the CSR expenditure was done in the following areas identified by the company:

- Promotion of education
- Promotion of health care through support for medical facilities
- Supporting economically backward group
- Animal welfare
- Support to elderly people
- Promotion of traditional art and culture

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder. The CSR Policy provides for carrying out CSR activities in respect of those areas as provided in Schedule VII of the Companies Act, 2013.

2. Composition of CSR committee:

Sl. No.	Name of the Committee Member	Designation	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Mr. Ashok Kumar Todi	Chairman/ Whole time Director	4	4
2.	Mr. Pradip Kumar Todi	Member/ Managing Director	4	4
3.	Mr. Kamal Kishore Agrawal	Member/ Independent Director	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

These details are disclosed on the Company's website at https://www.luxinnerwear.com/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

The Company at present is not required to carry out impact assessment in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial year	Amount available for set-off from preceding financial years (₹ In Crores)*	Amount required to be set-off for the financial year, if any (₹ In Crores)
1.	2017-18	0.02	-
2.	2018-19	0.06	-
3.	2019-20	-	-
	Total	**0.08**	**Nil**

*The Company has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off.

6. Average net profit of the company for last three financial years:

Average net profit: ₹216.23 Crores

7. (a) Two percent of average net profit of the company as per section 135(5):

₹4.84 Crores (including ₹ 0.52 crores of last year unspent CSR of the Company)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹4.84 Crores

8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (₹ In Crores)	Amount Unspent (₹ In crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
5.06	Nil	N.A.	N.A.	Nil	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	-----	NOT APPLICABLE										

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the projects (₹ In Crores)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Promotion of Education	Schedule VII (ii) Promotion of Education	Yes No	West Bengal Tamil Nadu	Kolkata Tiruppur Chennai	0.69	Yes	Direct#	N.A.
2.	Healthcare	Schedule VII(i) Promoting healthcare	Yes No	West Bengal Tamil Nadu	Kolkata Tiruppur	2.69	Yes	Direct#	N.A.
3.	Social Welfare	Schedule VII (iii) Social Welfare of Socially and economically backward group	Yes No No	West Bengal Tamil Nadu Punjab	Kolkata Tiruppur Coimbatore Jalandhar	0.75	Yes	Direct#	N.A.
4.	Animal Welfare	Schedule VII (iv)Animal Welfare	Yes No No	West Bengal Tamil Nadu Rajasthan	Kolkata Tiruppur Salasar Jaipur	0.81	Yes	Direct#	N.A.
5.	Support to elderly people	Schedule VII (iii) Old age homes, day care centres and other facilities for senior citizen.	Yes	West Bengal	Kolkata	0.00*	Yes	Direct#	N.A.
6.	Promotion of traditional art and culture	Schedule VII (v)Promotion of traditional art and culture	Yes No	West Bengal Tamil Nadu	Kolkata Tiruppur	0.12	Yes	Direct#	N.A.
		Total				**5.06**			

#The total CSR amount was spent directly by the Company and not through any Implementing Agencies.

*Full Amount - ₹ 31,000

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 5.06 crores

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ In Crores)
(i)	Two percent of average net profit of the company as per section 135(5)	4.84
(ii)	Total amount spent for the Financial Year	5.06
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.22
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.22

9. (a) **Details of unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Crores)	Amount spent in the reporting Financial Year (₹ in Crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Crores) allocated for the project (in ₹)
				Name of the Fund	Amount (₹ In Crores)	Date of Transfer	
1.	2017-18	-	-	-	-	-	-
2.	2018-19	-	-	-	-	-	-
3.	2019-20	-	0.52	-	-	-	-
	Total	**-**	**0.52**	**-**	**-**	**-**	**-**

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

Sl. No.	Project ID	Name of the Project	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
1.	--------------- NOT APPLICABLE -----------------						

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not Applicable

(a) **Date of creation or acquisition of the capital asset(s):** N.A.

(b) **Amount of CSR spent for creation or acquisition of capital asset.:** N.A.

(c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** N.A.

(d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** N.A.

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**

The Company has completed spending its CSR obligation in full for the Financial Year 2020-21.

For and on behalf of the Board of Directors

Sd/-
Pradip Kumar Todi
Managing Director
DIN: 00246268

Sd/-
Ashok Kumar Todi
Chairman (CSR Committee)
DIN:00053599

Kolkata
May 25, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic overview

The global economy reported de-growth of 3.3% in 2020 compared to a growth of 2.9% in 2019, the sharpest contraction since World War II. This steep decline in global economic growth was largely due to the outbreak of the novel coronavirus and the consequent suspension of economic activities across the world. This led to global supply chain disruptions, resulting in a de-growth in some of the largest global economies.

Consequently, global FDI reported a significant decline from $1.5 trillion in 2019 to $859 billion in 2020, the lowest since the 1990s and more than 30% below the investment trough that followed the 2008-09 global financial meltdown.

United States: The country witnessed a GDP de-growth of 3.4% in 2020 compared to a growth of 2.3% in 2019.

China: The country's Gross Domestic Product grew 2.3% in 2020 compared to 6.1% in 2019 despite being the epicentre of the outbreak of the novel coronavirus.

United Kingdom: Britain's GDP shrank 9.9% in 2020 compared to 1.4% growth in 2019, 2x the annual contraction recorded in the aftermath of the global meltdown in 2009.

Japan: Japan witnessed a contraction of 4.8% in 2020, the first instance of a contraction since 2009.

The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies.

Regional growth %	2020	2019
World output	(3.3)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

(Source: CNN, IMF, Economic Times, trading economics, Statista, CNBC)

Indian economic review

The Indian economy passed through one of the volatile periods in living memory in 2020-21.

At the start of 2020, India was among five largest global economies; its economic growth rate was the fastest among major economies (save China); its market size at 1.39 bn was the second largest in the world; its rural population of the under-consumed was the largest in the world.

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-growing economy as 1.38 billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9 per cent in the first quarter of 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. Interestingly, as controls relaxed what the country observed was a new normal: individuals were encouraged to work from home; inter-city business travel was replaced by virtual engagement; a greater premium was placed on the ownership of personal mobility modes (cars and two-wheelers); there was a sharp increase in home purchase following the need to accommodate an additional room for home working.

The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India – real estate, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. India de-grew at a relatively improved 7.5 per cent in the July-September quarter and reported 0.4 per cent growth in the October-December quarter and a 1.6% growth in the last quarter of the year under review.

The result is that India's GDP contracted 7.3% during 2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery – one of the most decisive among major economies – validated India's robust long-term consumption potential.

Y-o-Y growth of the Indian economy

	FY18	FY19	FY20	FY21
Real GDP growth (%)	7	6.1	4.2	(7.3)

Growth of the Indian economy, 2020-21

	Q1, FY21	Q2, FY21	Q3, FY21	Q4, FY21
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

Global textile and apparel industry overview

The year 2020 was the most challenging year in the company's existence. The COVID-19 pandemic brought the entire world to a standstill, affecting markets and supply chains. The pandemic triggered the biggest economic contraction since World War II, affecting countries and industries. Consumer purchase of textile and apparel was affected due to the global lockdown and recession. The global apparel market declined by 22% to US$ 1,280 billion in 2020 from US$ 1,635 billion in 2019. However, in 2021 the industry is expected to revive following accelerated vaccination, growth in e-commerce and resumption in the global supply chain. Apparel consumption is expected to reach pre-Covid levels over the next couple of years and retrace its growth to US$2,007 billion by 2025.

The global textiles market was estimated at US$942. 8 billion in 2020 and expected to reach US$1,230 billion by 2024. There is growing awareness of personal protective equipment (PPE) in the manufacturing industry on account of stringent regulations for worker safety, expected to lead to an increased demand for engineered fiber products. Technological innovation in terms of new upholstery products derived from coated fabrics and spider silk are expected to open avenues.

(Source: Globalnewswire, Wazir advisors)

Global apparel market

Region	2019	2020	Y-o-y change	Projected CAGR (2019-2025)	2025P
EU-27	264	219	(17)%	1%	280
United States	235	171	(27)%	2%	265
China	181	173	(4)%	11%	340
Japan	106	83	(21)%	0.50%	110
India	78	55	(29)%	10%	135
Brazil	48	34	(30)%	4%	60
Canada	33	27	(19)%	2%	37
RoW	690	517	(25)%	2%	780
World	1,635	1,280	(22)%	3.50%	2,007

(Source: Wazir Advisors)

Indian textile and apparel industry overview

India is the second largest textiles and garments producing country and the fifth-largest exporter of textiles spanning apparel, home and technical products in the world. The textile industry contributes 2.3% to India's GDP and 13% to industrial production and 12% to exports. The industry is the second largest employer in the country, employing more than 4.5 crore people directly and 6 crores in allied sectors.

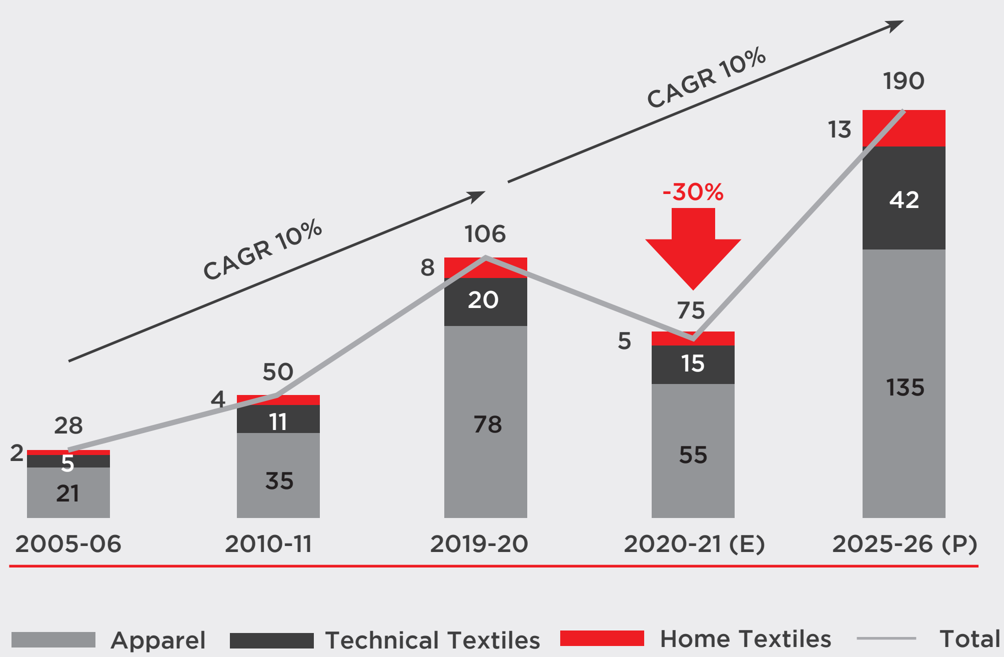
India's textile and apparel market were valued at US$ 75 billion in 2020-21and is projected to grow at a CAGR of 10% from 2019-20 to reach US$ 190 billion by 2025-26. Apparel constitutes ~73% share of the textile and apparel market in India. Men's clothing continues to comprise a major share of the sector at 41%, women's wear stood at 38%, followed by kids wear at 21% (the fastest growing segment in India). Growing population, demographic advantage, transformation of consumer preferences to branded products is expected to boost demand in the long term.

Due to the impact of Covid-19, India's T&A exports was estimated to decline by 15% to reach US$ 28.4 billion in 2020-21. India's exports of T&A are expected to grow to US$ 65 billion by 2025-26, growing at a CAGR of 11% on the back of free trade agreements with USA, UK and European Union, along with comprehensive economic partnership agreement with Australia and Canada. India's textiles and apparel imports were estimated to decline by ~35% to reach US$ 5.6 billion in 2020-21 and is expected to grow at a CAGR of ~ 10% to reach US$ 15.2 billion by 2025-26.

Production-linked Incentive (PLI) Scheme worth ₹ 10,683 crores for manmade fibre and technical textiles over a five-year period is expected to boost the sector's growth. Furthermore, the government aims to establish integrated textile parks and technology upgradation funds scheme to boost private investment in the Indian textile and apparel industry.

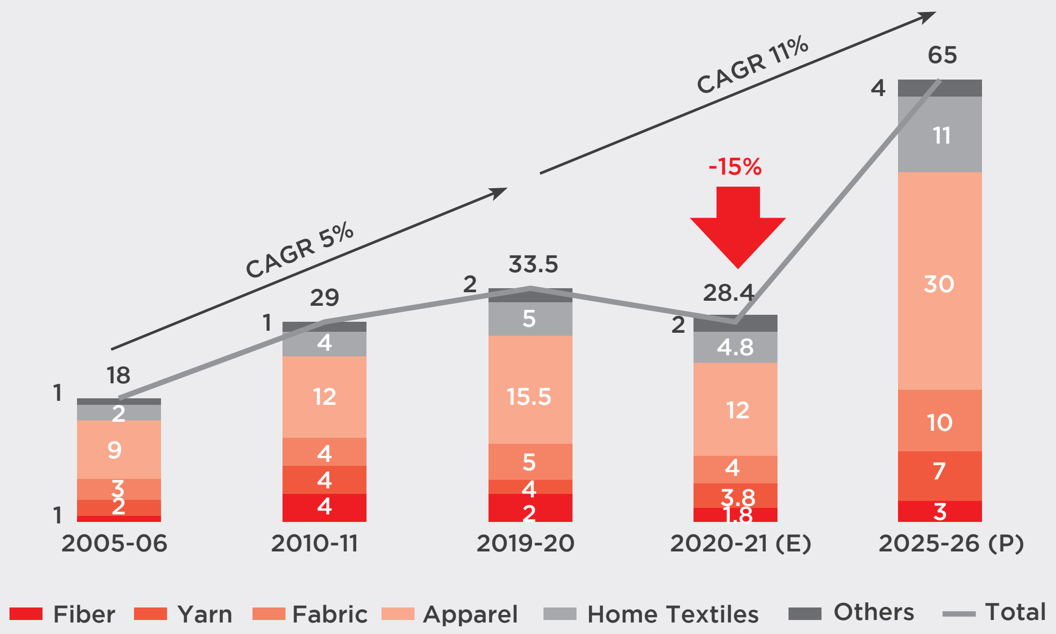
(Source: IBEF, Invest India, Wazir Advisors)

India's Domestics Textile and Apparel Market Size (US$ billion)



(Source: Wazir Advisors)

Indian Textile and Apparel Exports (US$ billion)



(Source: Wazir Advisors)

2.3

% share of India's GDP, 2020

12

% share of textile exports in country's overall exports, 2020

45

Million, Direct employment generated by the Indian textile and apparel industry, 2020

3.45

USD billion, FDI in the Indian textile and apparel industry, 2020

(Source: iMarc, Financial Express, InvestIndia)

The India advantage

Manufacturing value chain: India is among few countries to possess a complete textile manufacturing value chain whereas other nations, except China, possess discontinuous value chains and are dependent on other nations for their fabric and yarn.

Sufficient raw materials: India is the largest cotton producer, second largest polyester and silk producer, third largest viscose producer and fourth largest acrylic and nylon producer. A substantial availability of raw material fosters the growth of India's manufacturing value chain and provides a strategic advantage in the domestic and foreign markets.

Skilled workforce: India is the most preferred manufacturing destination on the back of its availability of skilled labour force.

Cost: India's labour cost, power cost and water cost are competitive compared to countries such as USA, Turkey, China, Egypt, Korea and Brazil.

Foreign Direct Investment: The Indian government allowed 100% FDI in the textile sector through the automatic route, which is expected to attract substantial FDI due to its competitive cost advantage.

SWOT analysis

Strengths

- Substantial availability of raw material empowers the industry to standardize production costs and moderate lead time in delivery
- Availability of low costs and skilled workforce
- Rich cultural heritage encourages designers to innovate attractive and creative designs
- Growing population, increase in urbanization and high disposable income
- Flexibility in manufacturing enables high productivity

Weakness

- Highly discontinuous
- Excessive dependence on cotton
- Lack of modernization or advanced technology (spinning)
- Soaring power costs and high export lead time
- Unfavourable labour laws

Opportunities

- Increase in trade between regional trade blocs due to bilateral agreements between member countries
- Supply chain management and Information technology plays a pivotal role in apparel manufacturing.
- Growing need for value-added products
- Higher investments and 100% FDI
- Emergence of retail industry and malls
- Increase in seasons per year has resulted in shortening of fashion cycles

Threats

Fierce competition from China	Economic slowdown could hamper growth	Global supply chain disruption following COVID-19 outbreak

Government initiatives

- The government signed an MOU between Nissenken Quality Evaluation Centre, Japan, and Textile Committee, India, for renovating the quality and testing of Indian textiles for the Japanese market.
- The Government of India undertook measures comprising Amended Technology Up-gradation Fund Scheme (A-TUFS), which is projected to generate employment for 35 lakh people and infuse investment worth ₹ 95,000 crore (US$ 14.17 billion) by 2022.
- The Government launched a production-linked incentive scheme to encourage manufacturers and exporters of textile goods (specifically of products made with man-made fibre).

(Sources: IBEF)

Budgetary provisions, 2021-22

- The Government of India allocated ₹ 3,614.64 crore to the textile and clothing industry.
- Allocated ₹ 700 crore for Amended Technology Upgradation Fund Scheme.
- Allocated ₹30 crore for Export Promotion Studies and ₹100 crore for Integrated Scheme for Skill Development.
- Proposed the establishment of seven mega textile parks over three years under Mega Investment Textile Region and Apparel Park (MITRA) scheme for establishing world-class textile facilities under the Atmanirbhar Bharat Abhiyan
- Proposed the Production Linked Incentive scheme for man-made fibres and technical textiles with an allocation of ₹ 10,683 crore

(Sources: Financial Express)

Growth drivers

Lower production cost: India has a lower production cost in terms of skilled manpower and availability of abundant raw materials

Growth of online retail sector: The size of Indian online retail sector increased from USD 32.7 billion in 2018 to USD 60 billion in 2020

Fashion market: The Indian fashion market size in financial year 2020 was estimated to be USD 67 billion and is expected to grow by 10% to reach USD 107 billion by 2025.

Millennial demand: India is a young country with a median age of 29. Millennials comprises 34% of the total population of the country and 47% of the nation's working population.

Affluent middle-class: Aspiring and affluent households that earn in the income bracket of ₹ 5 Lakh to ₹ 20 Lakh have induced domestic consumption in the country in the past decade. Since 2008, affluent households more than doubled from 10 million to 24 million. Aspirers increased from 31 million households to 57 million. Elites earning beyond ₹ 20 Lakhs jumped from 3 million to 9 million.

Growing aspirations: Along with a rising population, the country's aspirations are rising, marked by improved lifestyle.

Growing population: India ranks second in terms of population (~1.38 billion in 2020) and growing at 0.99% per year, the largest population increment anywhere.

Urbanization: India's urban population is 34%; around 400 million more are estimated to become urban dwellers by 2050. As the population becomes larger, India's urban population is expected to grow to 40% by 2030.

Western wear demand: The western wear market was estimated at ₹ 1332.46 billion in 2018 and estimated to grow at a CAGR of 10.9% between 2020 and 2025. Owing to 40% of the population economically productive and growing urbanization, demand for western wear could grow.

Growing fashion consciousness: Increase in disposable income and access to digital and other media are making the consumers more aware.

Growing e-commerce: India's e-commerce is expected to reach US$ 99 billion by 2024, growing at a 27% CAGR over 2019-24, with grocery and fashion/apparel likely to be key drivers.

(Sources: Economic Times, Wazir Advisors, Live mint, IBEF)

Indian innerwear sector overview

The Indian innerwear market is valued at ₹ 32,000 crore, accounting for 9% of the total domestic fashion retail market. Innerwear has emerged as one of the fastest growing categories among all other fashion categories. The innerwear market is divided into five product categories: low, economy, mid-market, premium, super-premium. The ₹ 650-crore super premium category grew 26% and the ₹ 1,800-crore premium segment grew 22% while the ₹ 4,700 crore medium category, retailing at an average ₹ 250 a piece, grew slower at 17%. Most Indian brands are serving the masses and concentrated largely in the mid to economy segment. There are more than 1 lakh MBOs across India that contribute 60% of the total sales of undergarments; the rest is contributed by malls and online platforms.

Impact of Covid-19 on Indian T&A industry

Manufacturing shutdown: The industry faced a complete shutdown for around 2-3 months, while a few manufacturers who dedicated their production systems for PPE manufacturing were permitted to function. However, most of the units operated at sub-optimal utilization levels for next several months.

Logistics suspended: Disrupted logistics and frozen external trade caused due to the pandemic affected the entire value chain. India's April and May 2020 net trade was around 50% lower month-on-month compared to the previous year.

Cancelled orders: Due to uncertainty, international and domestic buyers cancelled or suspended their orders.

Slump in physical retail sales: Lockdown restrictions resulted in a slump in retail apparel sales for at least 4-5 months; festive and wedding season sales were impacted.

New consumer trends emerged: India's e-commerce sale of goods and apparel increased in 2020.Work-From-Home drove the demand for casual wear apparel over formals.

The Company's overview

Incorporated in 1995, Lux Industries Limited has emerged as one of the leading players of the textile and apparel sector, accounting for a 15% share of the organized men's innerwear market. The Company offers more than 100 products across 16 brands and ~5,000 SKUs. The Company's seven manufacturing facilities possess a cumulative capacity of 30 crores garment pieces a year. The Company's products are available in approximately 2,00,000+ retailers across India. The Company exports to nearly 46 countries.

Financial overview

Analysis of the profit and loss statement

Revenues: Revenue increased by 17.36% from ₹ 1,674.18 crores in 2019-20 to ₹ 1,964.86 crores in 2020-21.

Expenses: Total expenses increased 11.68% from ₹ 1,435.13 crores in 2019-20 to ₹ 1,602.75 crores in 2020-21 due to an increase in the cost of raw material consumed and change in inventories of stock-in-trade and work-in-progress.

Analysis of the Balance Sheet

Sources of funds

The capital employed by the Company increased by 35.05% from ₹ 768.50 crores as on March 31, 2020 to ₹ 1,037.88 crores as on March 31, 2021 owing to increase in shareholder funds. Return on capital employed, a measurement of returns derived from every rupee invested in the business, stood at 36.11% in 2020-2021 compared to 33.85% in 2019-20 on account of market sluggishness.

The net worth of the Company increased by 35.69% from ₹ 737.55 crores as on March 31, 2020 to ₹ 1,000.79 crores as on March 31, 2021 owing to an increase in reserves and surpluses.

Total debt decreased by 47.55% to ₹ 123.60 crores as on March 31, 2021 on account of repayments.

Finance costs decreased by 39.60% from ₹ 21.06 crores in 2019-20 to ₹ 12.72 crores in 2020-21 following the repayment of debts. The Company's interest cover stood at a comfortable 29x in 2020-21 (12x in 2019-20).

Applications of funds

Property, Plant & Equipments (PPE)

PPE (gross) of the Company increased by 23.76% from ₹ 191.21 crores as on March 31, 2020 to ₹ 236.65 crores as on March 31, 2021 owing to an increase in land, plant and machinery.

Working capital management

Current assets of the Company increased by 18.75% from ₹ 1,074.05 crores as on March 31, 2020 to ₹ 1,275.39 crores as on March 31, 2021 owing to the growing scale of business of the Company. The Current and Quick ratios of the Company stood at 2.81 and 1.76 in 2020-21 compared to 2.23 and 1.20, respectively in 2019-20. The inventory days stood at 89 in 2020-21 compared to 109 in 2019-20. Gross Cash and Cash equivalents of the Company was ₹ 261.43 crores as on March 31, 2021. Loans and advances by the Company reduced by 100% from ₹ 18 crores as on March 31, 2020 on account of refund of loan given.

Key ratios and numbers

Particulars	2019-20	2020-21	% change
Debt-equity ratio	0.32	0.12	(62.50)
RONW (%)	24.03	26.92	12.03
Debtors Turnover (days)	96	85	(11.46)
Inventory turnover (days)	109	89	(18.35)
Interest coverage ratio (x)	12.35	29.47	138.62
Current Ratio	2.23	2.81	26.01
Operating profit margin (%)	16.44	19.99	21.59
PAT margin (%)	10.59	13.71	29.46

Detail of significant changes in key financial ratios

Debt-equity ratio: The Company's low debt-to-equity ratio indicates a strong financial position, a reflection of the commitment to reduce long-term debt.

Interest coverage ratio: The Company enjoys a high interest coverage ratio, indicating strong financial health and capability in meeting interest obligations. The higher interest coverage ratio was on account of a reduction in interest expenses.

Current Ratio: The Company has been net Cash positive in the current Financial Year as a result of which liquidity of the Company has improved resulting in better current ratio.

PAT margin: During the year, reduction in expenses resulted in a higher PAT margin.

Risk management

The Company has a defined risk management policy. The aim of risk management is to identify, monitor and take precautionary measures with respect to events that may pose risks for the business.

Key risks

Geographic risk: The revival of slowdown in the global economy may take some time which could hamper global demand and exports.

Mitigation: The Company is exporting to 46 countries and seeks to enter new markets. The Company derived 7% revenues from exports in 2020-21.

Competition risk: Lux faces competition risk from domestic branded players and Asian countries such as Sri Lanka, China and Taiwan.

Mitigation: The Company's investments in R&D, quality control, cost optimization, timely delivery and an extended distribution network translated into superior product quality and competitiveness.

Commodity price risk: A volatility in basic raw materials (cotton, yarn and fabric) could impact profitability.

Mitigation: The Company countered volatility owing to its strong long-term relationship with suppliers and long-term contracts. The Company absorbed increases in raw material prices through its backward integrated facility in Dankuni.

Changing fashion trends risk: The Company's failure to address changing fashion trends could result in loss of sales and revenue.

Mitigation: The Company has a well-equipped design team. The Company provides a bouquet of choice through more than 100 products under 16 brands.

Liquidity risk: Liquidity crisis can hamper daily operations

Mitigation: The Company strengthened its cash flows by reducing the working capital cycle in FY 2020-21.

Safety risk: The garments industry is labour intensive and exposed to risks arising from accidents, injury and health.

Mitigation: The Company established and executed critical safety standards across manufacturing facilities and developed training needs identification protocol at each level.

Human resource risk: There is a requirement of qualified and skilled manpower to support the growth of the business.

Mitigation: The Company's employee strength stood at 2,382 on March 31, 2021 while its retention stood at 90% during the year under review.

Internal control systems and their adequacy

The Company's internal audit system has been monitored continuously and updated to ensure that assets are safeguarded, regulations established are complied with and pending issues are promptly addressed. The reports presented by internal auditors are reviewed by the audit committee on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. The committee maintains constant dialogue with statutory and internal auditors to make sure that internal control systems are operating effectively.

Human resources and industrial relations

The Company believes that the quality of the employees is crucial for its success and wishes to equip them with new skills so that they can uninterruptedly cope up with ongoing technological advancements. Various training programmes were organised during the year in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. The Company's employee strength stood at 2,382 as on March 31, 2021.

Cautionary statement

The statements made in this section describe the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations.

Annexure 'D' to Directors' Report

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Part C of Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015]

1. Company's philosophy on Corporate Governance

The Company is committed to the highest standards of Corporate Governance practices with ethical behavior and business principles as its roots and creation of long-term value as its goal, these standards not only ensure integrity and accountability but also promote long term economic interest of the Stakeholders of the Company. The Company makes all legal and regulatory compliances. Apart from accepting the role of a responsible Corporate Representative, the Company recognizes the fact that good Corporate Governance is an essential pre-requisite for sustained growth.

2. Board of Directors

a. Composition of the Board:

The Board of the Company has good and diverse mix of Executive and Non-Executive Directors. As on date of this report, the Company's Board of Directors comprised of twelve directors. The Chairman of the Board is an Executive Promoter Director. In addition, the Board comprises of eleven other Directors; five Promoter Executive Director, two woman Non-Executive Independent Director (as prescribed under Regulation 17(1) of SEBI(LODR) (Amendment) Regulations, 2018) and remaining four being Non– Executive Independent Directors. None of the Directors on the Board were member of more than ten Committees or acted as Chairman of more than five Committees, [as prescribed in Regulation 26 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] across all companies in which they were Director. Moreover, none of the Directors were acting as Independent Director in more than seven listed companies and none of the Independent Director who has served as a Whole Time Director in any listed company was an Independent Director in more than three listed companies.

Mr. Navin Kumar Todi, Mr. Rahul Kumar Todi, Mr. Saket Todi & Mr. Udit Todi have been appointed as an Additional and Executive Director of the Company with effect from May 25, 2021 by the Board of Directors of the Company subject to the approval of shareholders in the ensuing General Meeting of the Company.

Mrs. Prabha Devi Todi has resigned from the post of Directorship of the Company with effect from May 25, 2021.

Mrs. Ratnabali Kakkar & Mr. Rajnish Rikhy have been appointed as an Additional and Non-Executive Independent Director of the Company with effect from May 25, 2021 by the Board of Directors of the Company subject to the approval of shareholders in the ensuing General Meeting of the Company.

Mr. Navin Kumar Todi, Mr. Rahul Kumar Todi, Mr. Saket Todi, Mr. Udit Todi, Mr. Ashok Kumar Todi and Mr. Pradip Kumar Todi are related to each other. Mr. Ashok Kumar Todi and Mr. Pradip Kumar Todi are brothers and Mr. Navin Kumar Todi & Mr. Rahul Kumar Todi are the son of elder brother of Mr. Ashok Kumar Todi and Mr. Pradip Kumar Todi, Mr. Saket Todi is the son of Mr. Ashok Kumar Todi and Mr. Udit Todi is the son of Mr. Pradip Kumar Todi. Apart from this relationship there is no other inter-se relation amongst the Directors.

The composition of the Board of Directors, the number and name of other Directorship and Committee position held by the Directors as a Member/ Chairman as on March 31, 2021 is as under:

Name of the Director	Name of the company*	Category of Directorship	No. of other Directorships**	No. of Committee Memberships***		Key skills & attributes****
				Chairman	Member	
Executive & Non- Independent Director						
Mr.Ashok Kumar Todi, Chairman	Lux Industries Limited	Executive & Non-Independent	12	-	1	Sales & Marketing, Brand Promotion and advertisement.
Mr. Pradip Kumar Todi, Managing Director	Lux Industries Limited	Executive & Non-Independent	12	-	-	Product Development & Production.
Mrs. Prabha Devi Todi	Lux Industries Limited	Executive & Non-Independent	2	-	-	Board service and governance.
Non- Executive & Independent						
Mr. Nandanandan Mishra	Lux Industries Limited United Credit Limited	Non- Executive & Independent	1	1	3	Accounting & Financing, Legal, Board Service and governance.
Mr. Snehasish Ganguly	Lux Industries Limited	Non- Executive & Independent	9	1	2	Printing & Packaging
Mr. Kamal Kishore Agrawal	Lux Industries Limited	Non- Executive & Independent	1	-	1	Accounting & Financing.
Mrs. Rusha Mitra	Lux Industries Limited Harrisons Malayalam Limited GKW Ltd Texmaco Rail & Engineering Limited	Non- Executive & Independent	3	1	3	Legal

* Name of the Company includes directorship held in Indian listed Companies.

**Other Directorships includes Directorships held in listed, unlisted and private limited companies.

*** In accordance with Regulation 26 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships / Chairmanships of only the Audit Committees and Stakeholders' Relationship Committees of all Public Limited Companies (including Lux Industries Limited) have been considered.

**** Details of key skills and attributes are mentioned in the other part of Corporate Governance Report.

b. Board Procedure:

The Board of Directors meets from time to time to transact the business in respect of which the Board's attention is considered necessary. The Board meets at least once in each quarter, which is scheduled in advance. There is a well-laid procedure to circulate detailed agenda papers to the Directors before each meeting and in exceptional cases these are tabled. The Directors discuss and express their views freely and seek clarifications on items of business taken up in the meetings. The discussions are held in a transparent manner. Various decisions emanating from such meetings are implemented to streamline the systems and procedures followed by the Company.

The Board regularly reviews the strategic, operational policy and financial matters of the Company. The Board has also delegated its powers to the Committees. The Board reviews the compliance of the applicable laws in the meeting. The Budget for the financial year is discussed with the Board at the commencement of the financial year and the comparison of the quarterly/ annual performance of the Company vis-a-vis the budgets is presented to the Board before taking on record the quarterly/ annual financial results of the Company. The requisite information as required is provided to the Board.

The information as specified in Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is regularly made available to the Board.

c. Attendance of each Director at the Board Meetings and the Last Annual General Meeting:

Name of the Director	No. of Board Meeting attended	Attendance at last AGM held on September 24, 2020.
Mr. Ashok Kumar Todi	5/5	Yes
Mr. Pradip Kumar Todi	5/5	Yes
Mr. Nandanandan Mishra	5/5	Yes
Mr. Snehasish Ganguly	1/5	Yes
Mr. Kamal Kishore Agrawal	4/5	Yes
Mrs. Prabha Devi Todi	1/5	Yes
Mrs. Rusha Mitra	5/5	No

Directors seeking appointment / re-appointment at the ensuing Annual General Meeting (AGM):

As required under Listing Regulations, particulars of Directors seeking appointment / re-appointment are appended to the notice of AGM to be held on September 28, 2021.

d. Independent Directors:

The Independent Directors of the Company are individuals of eminence & repute in their respective fields and they actively contribute to the strategic direction, operational excellence & Corporate Governance of the Company. In accordance with the criteria set for selection of Independent Directors and for determining their independence, the Nomination and Remuneration ('NR') Committee of the Board, inter alia, considers the qualifications, positive attributes, areas of expertise and Directorships/ Committee memberships held by these individuals in other companies. The Board considers the NR Committee's recommendation and takes appropriate decisions in appointment of the Independent Directors.

e. Familiarisation Programme for Independent Directors:

The Company organizes familiarisation programme generally forming a part of Board process and sometime seperate programme for Independent Directors were also held by Company Secretary & functional heads. Such programmes include briefing on Regulatory changes and the implications thereof; Annual operating plan and performance of the Company; Major business customers of the Company; Strategic investments in the Company; Different Products of the Company.

The Board members are also provided with relevant documents, reports and internal policies to facilitate familiarisation with the Company's procedures and practices, from time to time.

The details of Company's familiarisation programme for Directors are posted on the Company's website, and can be viewed at the following link:

http://www.luxinnerwear.com/upload%20pdf/Cgovernance/id_01.pdf

f. Codes & Policies:

The Company strives to conduct its business and strengthen its relationships in a manner that is dignified, distinctive and responsible. It adheres to highest ethical standards to ensure integrity, transparency, independence and accountability in dealing with its stakeholders. Accordingly, the following codes and policies have been adopted by the Company:

- Code of Conduct
- Vigil Mechanism/Whistle Blower Policy
- Risk Management Policy
- Nomination and Remuneration Policy
- Related Party Transaction Policy
- Corporate Social Responsibility Policy
- Code of Internal Procedure and conduct to Prohibit Insider Trading in Securities of Lux Industries Limited ("Company")
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)
- Policy on Preservation of documents/Archival Policy
- Policy on Disclosure of Material Events
- Policy for Prevention of Sexual Harassment at Work Place
- Business Responsibility Policy
- Dividend Distribution Policy
- Policy on Material Subsidiaries

g. Code of Conduct for the Board and Senior Management Employees:

The Company has laid down a comprehensive Code of Conduct ('Code') for the Board and Senior Management Employee of the Company.

The Company has received affirmations from Board Members as well as Senior Management confirming their compliance with the said Code for the FY 2020-21. An annual declaration signed by the Managing Director & CFO to this effect forms part of this Report. The Code is available on the website of the Company at:

http://www.luxinnerwear.com/upload%20pdf/Cgovernance/code%20of%20conduct.pdf

h. Key Board qualifications, expertise and attributes:

The board of the Company comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the board and its committee. The Board members are committed to ensuring that the Company's board is in compliance with the highest standards of corporate governance.

Following are the key qualifications, skills, and attributes which are taken into consideration while nominating candidate to serve on the board.

- Accounting & Financing - experience in financial management, tax administration, professional knowledge and experience in the field of industry, commerce, business, and corporate management.
- Sales & Marketing – experience in formulating and monitoring various policies for growth and expansion of business.
- Brand Promotion & Advertisement – experience in brand management and developing strategies to grow market share, build brand awareness and enhance enterprise reputation.
- Product Development & Production – skill in developing new patterns, optimum use of resource and knowledge of various production technology.
- Legal – experience in the area of various law applicable to company for smooth functioning of board without any hindrance.
- Printing and Packaging – Expert in printing and packaging that helps the Company to develop new packaging and quality printing.
- Board service and governance – Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.

3. Board/ Committee Meetings

a. Details of Board Meeting held during the Year:

Date of Board Meeting	June 29, 2020	August 17, 2020	November 10, 2020	February 12, 2021	March 23, 2021
Board Strength	7	7	7	7	7
No. of Directors Present	6	5	5	6	5

The maximum interval between any two meetings was not more than four months.

b. Details of Shareholding of Directors as on March 31, 2021:

SL No.	Name	No. of shares held
1	Mr. Ashok Kumar Todi	3467834
2	Mr. Pradip Kumar Todi	4226500
3	Mrs. Prabha Devi Todi	3623000

Note: Other directors do not hold shares in the Company as on March 31, 2021.

c. Minutes of Board/Committee Meetings:

Minutes of proceedings of each Board and Committee meeting are recorded and draft minutes are circulated to Board/Committee members for their confirmation within 15 days from the date of meeting. The inputs, if any, of the Board & Committee Members are duly incorporated in the Minutes after which these are entered in the Minutes Book within 30 days from the date of meeting.

d. Independent Directors Meeting:

During the year under review, the Independent Directors met on February 12, 2021, inter alia, to evaluate:-

1. The performance of Non Independent Directors and the Board of Directors as a whole;

2. The performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;

3. The quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

e. Committees of the Board:

Audit Committee

The Company has an Audit Committee at the Board Level, with the powers and role that are in accordance with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

i. Composition of Audit Committee:

The composition of the Audit Committee as on March 31, 2021 is as follows:

Name of the Committee Member	Category
Mr. Nandanandan Mishra, Chairman	Independent, Non-Executive
Mr. Snehasish Ganguly, Member	Independent, Non-Executive
Mr. Kamal Kishore Agrawal, Member	Independent, Non-Executive

All these members possess knowledge of corporate finance, accounts and company law. The executive responsible for the finance and accounts functions and the representative of Statutory Auditors and Internal Auditors are regularly invited by the Audit Committee to its meetings. Company Secretary of the Company acts as the Secretary of the Audit Committee.

ii. Attendance of each Member at the Audit Committee Meeting held during the year:

During the year, six meetings of the Audit Committee were held on June 29, 2020, August 17, 2020, October 14, 2020, November 10, 2020, February 12, 2021 and March 19, 2021 and attendance was as under:

Name of the Committee Member	No. of Meetings	
	Held	Attended
Mr. Nandanandan Mishra, Chairman	6	6
Mr. Snehashish Ganguly, Member	6	1
Mr. Kamal Kishore Agrawal, Member	6	6

iii. Terms of reference of the Audit Committee:

Brief terms of reference of the Audit Committee include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are true and accurate and provide sufficient information.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of their audit fees.

3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

4. Reviewing, with the management, the annual financial statements before submission to the Board for approval.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.

7. Discussion with Internal Auditors with respect to the coverage and frequency of internal audits as per the annual audit plan, nature of significant findings and follow up thereof.

8. Obtaining an update on the Risks Management Framework and the manner in which risks are being addressed.

9. 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.

10. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loan/ advances/investment already made by the company.

11. Audit Committee can:-

    a. Call for comments of auditors about internal control systems, scope of audit and their observations.

    b. Review the financial statements before submission to the board and may discuss related issue with Internal/Statutory Auditors and Management.

c. Full access to information contained in the records of company.

Detailed terms of reference of the Audit Committee has been uploaded in the company website:

http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_11.pdf

Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee at the Board level, with powers and role that are in accordance with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 or any other laws/rules, as applicable or amended from time to time.

i. **Composition of the Nomination & Remuneration Committee:**

The composition of the Nomination & Remuneration Committee as on March 31, 2021 is as follows:

Name of the Committee Member	Category
Mr. Kamal Kishore Agrawal, Chairman	Independent, Non- Executive
Mr. Snehasish Ganguly, Member	Independent, Non- Executive
Mr. Nandanandan Mishra, Member	Independent, Non- Executive

The Company Secretary acts as the Secretary of the Committee.

ii. **Attendance of each Member at the Nomination & Remuneration Committee held during the year:**

The Committee met twice during the financial year ended March 31, 2021 on June 29, 2020 and February 12, 2021 and attendance was as under:-

Name of the Committee Member	No. of Meetings	
	Held	Attended
Mr. Kamal Kishore Agrawal, Chairman	2	2
Mr. Snehasish Ganguly, Member	2	1
Mr. Nandanandan Mishra, Member	2	2

iii. **Terms of Reference of the Nomination & Remuneration Committee:**

Brief terms of reference of the Committee include the following:

1. Review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes and personal and professional backgrounds for service as a Director of the Company, as determined by the Committee;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMPs) and other employees of the Company;
3. Formulate criteria for evaluation of Independent Directors and the Board;
4. Devise a policy on board diversity;
5. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Detailed terms of reference of the Nomination and Remuneration Committee has been uploaded in the website of the company http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_12.pdf

Policy for selection and Appointment of Directors, KMP and Senior Management and their Remuneration.

The Nomination and Remuneration (N&R) Committee has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors, Whole Time Director, Managing Director and KMP and their remuneration. The contents of the policy are as below:

A. **Appointment and Removal of Director, KMP and Senior Management**

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/ Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

1. Managing Director/Whole-time Director/ Manager (Managerial Person):

   - The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

   - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

   - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

   - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serve is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

  The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

- **Removal:**

  Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

  The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013, SEBI(LODR) Regulations, 2015 as applicable from time to time and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

- **General:**

1. The remuneration/compensation/commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required.

2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force, SEBI(LODR) Regulations, 2015 as applicable from time to time.

3. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.

   Increments will be effective from the date of reappointment or from April 1, as the case may be, within the slab approved by the shareholders.

4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Managerial Person, KMP and Senior Management:**

  1. **Fixed pay:**
     Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force, SEBI (LODR) Regulations, 2015 as applicable from time to time. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders, wherever required.

  2. **Minimum Remuneration:**
     If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013.

  3. **Provisions for excess remuneration:**
     If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013, SEBI(LODR) Regulations, 2015 as applicable from time to time he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

- **Remuneration to Non-Executive / Independent Director:**

  1. **Remuneration / Commission:**
     The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force, SEBI (LODR) Regulations, 2015 as applicable from time to time.

  2. **Sitting Fees:**
     The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee, SEBI (LODR) Regulations, 2015 as applicable from time to time. However, subject to the discretion of the Board, if deem necessary, the Independent Director may receive different sitting fees per meeting.

  3. **Limit of Remuneration /Commission:**
     Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

Details of Remuneration to all the Directors for the year ended March 31, 2021

(₹ In Lakhs)

Name of Directors	Remuneration (Salary)	Sitting Fees		Total
		Board Meeting	Other Committee	
Mr. Ashok Kumar Todi	285.00	-	-	285.00
Mr. Pradip Kumar Todi	285.00	-	-	285.00
Mrs. Prabha Devi Todi	-	-	-	-
Mr. Nandanandan Mishra	-	0.25	0.50	0.75
Mr. Snehasish Ganguly	-	0.05	0.10	0.15
Mr. Kamal Kishore Agrawal	-	0.25	0.65	0.90
Mrs. Rusha Mitra	-	0.25	0.05	0.30

Board Diversity Policy

- **Purpose:**

  The need for diversity in the Board has come into focus post the changes in the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (SEBI) under Listing Regulations.

  The NRC has framed this Policy to set out the approach to diversity on the Board of the Company.

- **Scope:**

  This Policy is applicable to the Board of the Company.

- **Policy Statement:**

  The Company recognizes the importance of diversity in its success. Considering the global footprint of the Company, it is essential that the Company has as diverse a board as possible.

  A diverse board will bring in different set of expertise and perspectives. The combination of board having different skill set, industry experience, varied cultural and geographical background and gender diversity will bring a variety of experience and viewpoints which will add to the strength of the Company.

  While all appointments to the Board are made on merit, the diversity of board in aggregate will be of immense strength to the board in guiding the Company successfully through various geographies.

  The committee reviews and recommends appointments of new Directors to the Board. In reviewing and determining the board composition, the committee will consider the merit, skill, experience, gender and other diversity of the board.

- **Monitoring and Reporting:**

  The committee will report annually, in the Corporate Governance section of the Annual Report of the Company, the process it employed in board appointments. The report will include summary of this policy including purpose and the progress made in achieving the same.

Stakeholder Relationship Committee (Previously known as Shareholders Grievance Committee)

The Company has a Stakeholder Relationship Committee at the Board Level to look into various issues relating to shareholders including transfer and transmission of shares, non-receipt of dividend, Annual Report, shares after transfer and delay in transfer of shares. In addition, the Committee looks into other issues including status of dematerialisation / re- materialisation of shares as well as system and procedures followed to track investor complaints and suggest measures for improvement from time to time. To expedite the transfer in the physical segment, necessary authority has been delegated by the Board to a Committee called as Share Transfer Committee.

(a) Composition of Stakeholder Relationship Committee:

Details of the composition of the Stakeholder Relationship Committee as on March 31, 2021 is as follows:

Name of the Committee Member	Category
Mr. Snehasish Ganguly Chairman	Independent, Non- Executive
Mr. Nandanandan Mishra Member	Independent, Non-Executive
Mr. Ashok Kumar Todi Member	Non Independent, Executive

(b) Attendance of Members at the Stakeholder Relationship Committee meetings held during the year:

The Committee met once on February 12, 2021 and all members had attended the meeting except Mr. Snehasish Ganguly.

During the year the Company has received 6 complaints which were attended to. No investors' complaint is pending as on March 31, 2021.

Mrs. Smita Mishra, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations.

(c) Terms of Reference of Stakeholders Relationship Committee:

Brief terms of reference of the Committee include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. ;
- Reviewing of measures taken for effective exercise of voting rights by shareholders;
- Reviewing of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Reviewing of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

(d) Board Support and Role of Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. Investor queries are handled promptly and reports to the Board about compliance with the applicable statutory requirements and laws.

The Company Secretary attends the meetings of the Board and its Committees and ensures appropriate recording of minutes of the meetings.

The process for the Board/Committee meetings provides an effective post meeting follow up, review and reporting mechanism for the action taken on the decisions/ instructions of the Board and its Committees. As per Board's decision, the Company Secretary informs the concerned functional heads about matters arising out of the deliberations during a meeting. The functional heads in turn provide updates to the Board at the following meeting. All the Directors of the Company have access to the advice of the Company Secretary.

The Company Secretary has also been designated as Compliance Officer.

Corporate Social Responsibility (CSR) Committee

The role of the CSR committee is to, inter alia, monitor, review and provide strategic direction to the Company's CSR initiatives. The terms of reference of the Corporate Social Responsibility Committee are as per section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 or any other laws/rules, as applicable or amended from time to time. Its mandate includes recommending to the Board of Director's a CSR Policy, expenditure to be incurred on CSR and monitor CSR activities.

The Company is focused to address the objectives and requirements set for CSR, both in letter and spirit of the provisions of the Companies Act, 2013.

(a) Composition of Corporate Social Responsibility (CSR) Committee:

The composition of the committee as on March 31, 2021 is as under:

Name of the Committee Member	Category
Mr. Ashok Kumar Todi Chairman	Non-Independent, Executive
Mr. Pradip Kumar Todi Member	Non Independent, Executive
Mr. Kamal Kishore Agrawal Member	Independent, Non-Executive

(b) Attendance of Members at the Corporate Social Responsibility Committee meetings held during the year:

During the Financial Year ended March 31, 2021, four meetings of the Corporate Social Responsibility Committee were held on June 29, 2020, August 17, 2020, November 10, 2020 and February 12, 2021 and all the members had attended the meeting.

Risk Management Committee

In terms of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Risk Management Committee to mitigate risks by devising policies for it. The composition of the committee is as under:

(a) Composition of Risk Management Committee:

The composition of the committee as on March 31, 2021 is as under:

Name of the Committee Member	Category
Mr. Ashok Kumar Todi Chairman	Non-Independent, Executive
Mr. Pradip Kumar Todi Member	Non-Independent, Executive
Mr. Kamal Kishore Agrawal Member	Independent, Non-Executive

(b) Attendance of Members at the Risk Management Committee meetings held during the year:

The Committee met once during the financial year ended March 31, 2021 on February 12, 2021 and all the members had attended the meeting.

(c) Terms of Reference of Risk Management Committee

The terms of reference of the Risk Management Committee are as per Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any other laws/rules, as applicable or amended from time to time.

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of:

1. Oversight of risk management performed by the executive management;
2. Reviewing the risk management policy and framework in line with local legal requirements and SEBI guidelines;
3. Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
4. Defining framework for identification, assessment, monitoring, mitigation and reporting of risks;
5. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, and potential impact analysis and mitigation plan.

Committee of Directors

The Company has a Committee of Directors constituted in terms of section 179(3) of Companies Act, 2013.

(a) Composition of Committee of Directors:

The composition of the committee as on March 31, 2021 is as under:

Name of the Committee Member	Category
Mr. Ashok Kumar Todi Chairman	Non Independent, Executive
Mr. Pradip Kumar Todi Member	Non Independent, Executive

(b) Attendance of Members at the Committee of Directors meetings held during the year:

During the Financial Year ended March 31, 2021, eight meetings of the Committee of Directors were held on May 30, 2020, July 27, 2020, September 01, 2020, October 16, 2020, January 02, 2021, January 18, 2021, March 01, 2021 and March 19, 2021 and all the members had attended the meeting.

(c) Terms of Reference of Committee of Directors

Brief terms of reference of the Committee include the following:

- Borrow money.
- Invest fund of the Company.
- Grant loan or give guarantee or provide security in respect of loans made by the company.
- Opening and closing of bank account in the name of company.
- Changing the mode of operations of various bank accounts.

Share Transfer Committee

The ambit of the Share Transfer Committee is to streamline work related to share transfers and approval of processing relating to remat and demat. The composition of the committee is as under:

(a) Composition of Share Transfer Committee:

The composition of the committee is as under:

Name of the Committee Member	Category
Mr. Ashok Kumar Todi Chairman	Non Independent, Executive
Mr. Pradip Kumar Todi Member	Non Independent, Executive

(b) Attendance of Members at the Share Transfer Committee meetings held during the year:

During the year under review no share transfer committee meeting was held.

4. Management

(a) Management Discussion and Analysis:

This Annual Report has a detailed chapter on Management Discussion and Analysis as annexure to the Directors' Report for the year 2020-21.

(b) Disclosures by management to the Board:

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither in the discussion, nor do they vote on such matters.

5. Disclosure regarding appointment or reappointment of Directors

A brief resume, nature of expertise in specific functional areas, number of equity shares held in the Company by the Directors or other person on beneficial basis, names of companies in which the person already holds directorship and membership of committees of the Board forms part of the Notice convening the ensuing Annual General Meeting.

6. Compliance certificate of the Auditors

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the same is annexed separately to this Report.

7. Code of Conduct

The Board has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. A Certificate from the Managing Director and CFO affirming compliance of the said code by all the Board Members and Members of the Senior Management of the Company, to whom the Code is applicable, is annexed separately to this Report.

8. CEO and CFO Certification

The CEO and CFO certification on the financial statements and internal control is separately annexed.

9. Certificate from Company Secretary in Practice

MR & Associates, Practicing Company Secretaries has issued a certificate as required under the Listing regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director which is annexed separately to this report as **Annexure "G"**.

10. General Body Meeting

a) Location and time, where last three Annual General Meetings were held are given below:

AGM	Date and Time	Venue	Special Resolution
23rd	September 27, 2018, 11:00 a.m.	India Power Convergence Centre, Plot no. X-1, 2&3, Block-EP Sector – V, Salt lake City, Kolkata – 700091.	i) Continuation of appointment of Mr. Nandanandan Mishra (DIN 00031342) as an Independent Director. ii) Re-appointment of Mr. Nandanandan Mishra (DIN 00031342) as an Independent Director. iii) Re-appointment of Mr. Snehasish Ganguly (DIN 01739432) as an Independent Director. iv) Re-appointment of Mr. Kamal Kishore Agrawal (DIN 01433255) as an Independent Director.
24th	September 05, 2019, 11:00 a.m.	India Power Convergence Centre, Plot no. X-1, 2&3, Block-EP Sector – V, Salt lake City, Kolkata – 700091.	Re-appointment of Mr. Pradip Kumar Todi (DIN 00246268) as Managing Director.
25th	September 24, 2020, 11:00 a.m.	Through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”)	Nil.

b) Passing of Resolutions by Postal Ballot:

No postal ballot was conducted during the financial year 2020-21. At the forthcoming AGM also, there is no items on the Agenda that needs approval by Postal Ballot.

c) Tribunal Convened Meeting:

As per the directions of Kolkata Bench of the Hon’ble National Company Law Tribunal (NCLT), by its Order dated October 21, 2020, the Company convened meetings of its Equity Shareholders, Secured Creditors and Unsecured Creditors, to consider and approve, the Scheme of Amalgamation of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited with Lux Industries Limited and its shareholders. Pursuant to the said Order, the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors were held on November 27, 2020, through video conferencing / other audio visual means, in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. Voting Results of the aforesaid meetings are available on the website of the Company.

11. Disclosures

a) Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

Transactions with related parties as per Indian Accounting Standard (IND AS-24) ‘Related Party Disclosures’ issued by the Institute of Chartered Accountants of India are disclosed in Notes to accounts. There were no materially significant related party transactions which could have potential conflict with interest of the Company at large. The Company’s Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is available on the website of the Company.

b) Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013, Read with Rule 7 of Companies Accounts Rules, 2014. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to Accounts.

c) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

d) **Risk Management:**

The Company has risk management committee which makes periodic review and reporting to the Board of Directors of risk assessment with a view to minimize risk.

e) **Proceeds from public issue, right issue, preferential issues etc:**

During the year, the company did not raise any funds by way of public, right, preferential issue etc.

f) **Compliance with Governance Framework**

The Company is in compliance with all mandatory requirements under the Listing Regulations.

g) **Vigil Mechanism:**

The Company has a vigil mechanism contained in the Whistle Blower Policy, in terms of section 177 of the Companies Act, 2013 to deal with instances of fraud and mismanagement, if any. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. A quarterly report with number of complaints, if any, received under the Policy and their outcome placed before the Audit Committee and the Board. The policy on vigil mechanism may be accessed on the company's website :-

http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_10.pdf

h) **Legal Proceedings**

There is no pending case related to any dispute.

i) **Disclosure of Non Mandatory Requirement:**

Chairman's Office:

The Company has an Executive Chairman and the office with required facilities is provided and maintained at the Company's expenses for use by the Chairman.

Nomination and Remuneration Committee:

The Company has constituted a Nomination and Remuneration Committee and the full details of the same are available in the report.

Shareholders Rights:

The financials are normally published in Economic Times (English) and Ei Samay (Bengali) newspapers and therefore, have not been separately circulated to the shareholders.

Audit Qualification:

The company has moved towards a regime of unqualified financial statement.

12. Means of Communication

Company Website:

Pursuant to Regulation 46 of the Listing Regulations, the Company's website, www.luxinnerwear.com contains a dedicated functional segment, Investor Section where all the information meant for the shareholders are available, including information on Directors, Shareholding Pattern, Quarterly Reports, Financial Results, Annual Reports, Press Releases, details of unpaid/unclaimed dividends and various policies of the Company.

NSE Electronic Application Processing System (NEAPS):

NEAPS is a web-based application designed by the National Stock Exchange of India Ltd. ('NSE') for corporate filings. All periodical compliance related filings, like shareholding pattern, corporate governance report, media releases, and corporate actions are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (Listing Centre):

The Listing Centre of BSE Ltd. is a web based application designed for corporate filings. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.

Financial Results:

Pursuant to Regulation 33 of Listing Regulations, the Company has regularly furnished within the prescribed timeline the quarterly un-audited, as well as annual audited financial results to all the Stock exchanges i.e. BSE & NSE.

Quarterly and Annual financial results are also published in English language national daily newspaper Economic Times (English) newspapers, circulating in the whole of India and Arthik Lipi/ Ei Samay (Bengali), published in the vernacular language in state where registered office of the Company is situated.

News Releases and Presentations:

Official news releases and official media releases are sent to Stock Exchanges on which the shares of the Company are listed and are also uploaded on the Company's website at www.luxinnerwear.com

Presentations to Institutional Investors/ Analysts:
During the year presentation were made to Institutional Investors/ Analysts and intimation about the same were duly given to Stock Exchanges and copy of Investor Presentation of company is also available on the website of the Company www.luxinnerwear.com

Annual Report:

The Annual Report containing, inter alia, the Audited Financial Statements, Directors' Report, Auditors' Report, the Management Discussion and Analysis (MDA) Report and other important information is circulated as desired and is also available on the Company's website at www.luxinnerwear.com

Green Initiative:
Information is uploaded on Company's website and other information may be sent to them in electronic form to save paper whose e-mail ids are registered with Company.

Detail of total fees paid to statutory auditor
The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, are as follows:

(₹ In Crores)

Type of Service	2020-21	2019-20
Audit fees	0.28	0.27
Others	0.03	0.06
Total	0.31	0.33

Complaints pertaining to sexual harassment
The following is reported pursuant to section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and regulation 34(3) read with sub-clause 10(l) of Clause C of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015,:

Particulars	Numbers
Number of complaints file during the financial year.	Nil
Number of complaints disposed of during the financial year.	Nil
Number of complaints pending as on end of the financial year.	Nil

13. General Shareholder Information

Annual General Meeting:

Date and Time	September 28, 2021 at 11:00 a.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")
Book closure dates	September 22, 2021 - September 28, 2021
Proposed dividend	Nil
Dividend payment date	Not Applicable

Financial Year	April 1 to March 31
Financial calendar:	
First Quarterly Results	4th week of July, 2021
Second Quarterly Results	4th week of October, 2021
Third Quarterly Results	4th week of January, 2022
Fourth Quarterly Results	4th week of April, 2022
Annual General Meeting	September, 2022

Details of Stock Exchange & Stock Code:

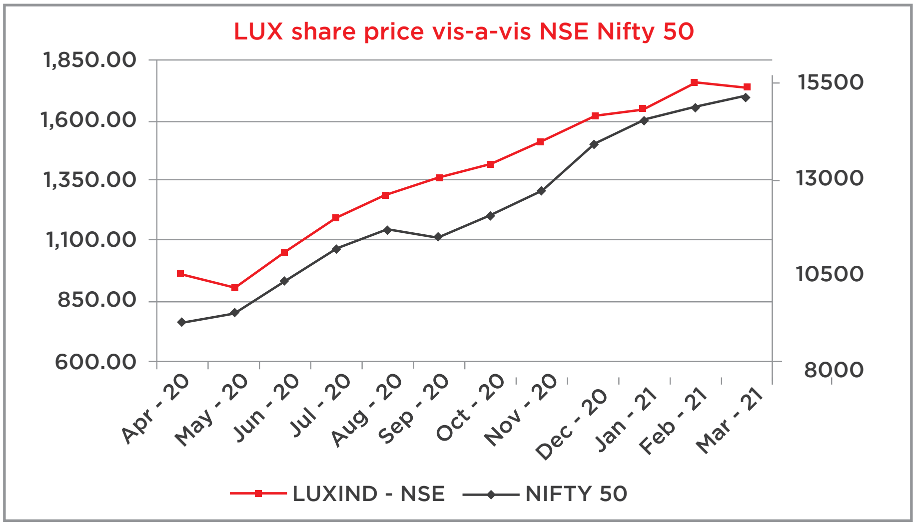
Exchange	Code
Bombay Stock Exchange Limited (BSE)	539542
National Stock Exchange Limited (NSE)	LUXIND

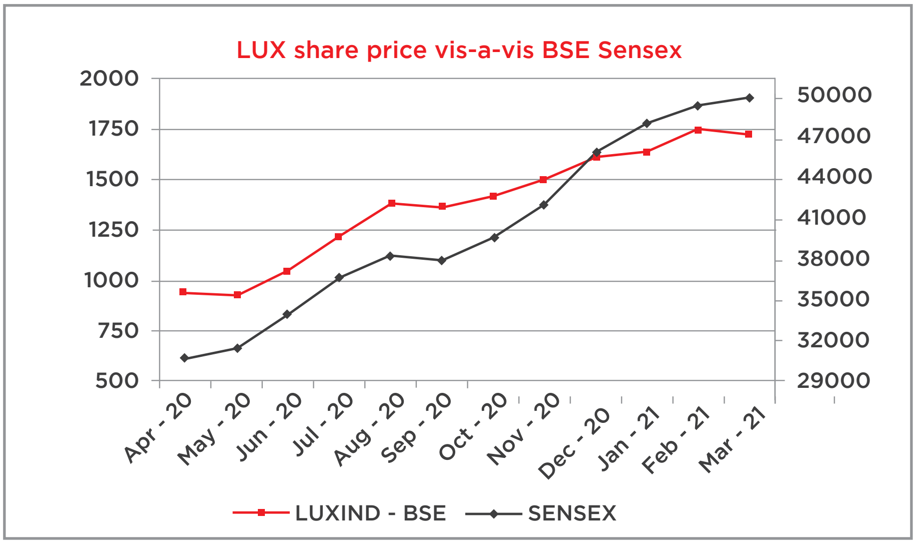
Payment of Listing Fee:
Annual listing fees for the year 2020-21 have been duly paid to the above Stock Exchanges.

Stock Price data

Month	The National Stock Exchange of India Ltd. (NSE)			Bombay Stock Exchange Limited (BSE)		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
April, 2020	1004	892	966921	1000.9	890.25	19468
May, 2020	945	840	1055081	999	840	15934
June, 2020	1199	902.30	1654959	1197	917	135729
July, 2020	1295.6	1114.7	1394887	1297.60	1115.60	67318
August, 2020	1480	1104.85	1649772	1650.60	1112	76664
September, 2020	1472	1251	2169756	1468.30	1251	52194
October, 2020	1493.95	1340.1	1611494	1490	1341	25414
November, 2020	1644	1370	1275731	1644.20	1372	31289
December, 2020	1723	1514.95	1032288	1722	1504.85	55699
January, 2021	1709.7	1567.1	798169	1710	1565.60	32178
February, 2021	1900	1610	1037096	1899.15	1613.75	60139
March, 2021	1836.8	1638.6	1587036	1836	1617.55	82899

Graphical representation of movement of share price of the company in line with indices of NSE and BSE:





Dematerialisation of Shares:

The Company has arrangements with both NSDL and CDSL to establish electronic connectivity for scrip less trading and as on March 31, 2021, 99.99% of the paid up share capital is held in dematerialised form. The Annual Custodial Charges to NSDL and CDSL have been paid. The ISIN Number allotted to Company's Shares is INE150G01020.

Shares held in Demat and physical mode as at March 31, 2021

Category	Number of		% to total equity
	Shareholders	Shares	
A. Demat mode			
No. of Shares held by NSDL	8557	23361538	92.51
No. of Shares held by CDSL	6731	1889248	7.48
Total	**15,288**	**25,250,786**	**99.99**
Physical mode	58	2214	0.01
Grand total	**15,346**	**25,253,000**	**100.00**

Unclaimed Dividend:

Section 123 of the Companies Act, 2013, mandates that companies should transfer dividend that has been Unpaid / Unclaimed for a period of seven years from the unpaid account to the Investor's Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned below, if unclaimed within a period of seven years, will be transferred to IEPF.

Year	Dividend Type	Dividend per share (₹)	Date of declaration	Due date for Transfer
2011-2012	Final	2.20	September 28, 2012	November 05, 2019
2012-2013	Final	2.20	September 27, 2013	November 04, 2020
2013-2014	Final	3.00	September 26, 2014	November 03, 2021
2014-2015	Final	6.00	September 26, 2015	November 03, 2022
2015-2016	Interim	6.00	March 12, 2016	March 19, 2023
2015-2016	Final	1.00	September 27, 2016	November 04, 2023
2016-2017#	Final	1.40	September 21, 2017	October 28, 2024
2017-18 #	Final	2.00	September 27, 2018	November 04, 2025
2018-19#	Final	3.50	September 21, 2019	October 28, 2026
2019-20#	Interim	10.00	February 13, 2020	February 20, 2027
2019-20#	Final	2.50	September 24, 2020	November 01, 2027

#Note: For the financial year 2016-17, 2017-18, 2018-19 & 2019-20 the Company declares dividend on the face value of ₹2/- each and dividend declared in the previous financial years were at the face value of ₹10/-each.

The Company is sending periodic communication to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividend. Shareholders are cautioned that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company. Further detail process of sending dividend and shares to IEPF and for claiming shares and dividend is provided in the directors' report section of this Annual Report.

As per Regulation 34(3) read with Schedule V of the Listing Regulations, there are no shares lying in the Suspense Account of the Company so details are not applicable:

Distribution of Shareholding as on March 31, 2021:

S. no	Range of Shares held	No. of Shareholders	%	No. of shares	%
1	1 - 500	14629	95.33	575586	2.28
2	501 - 1000	254	1.66	198313	0.79
3	1001 - 2000	178	1.16	265293	1.05
4	2001 - 3000	84	0.55	214120	0.85
5	3001 - 4000	42	0.27	152083	0.60
6	4001 - 5000	42	0.27	198025	0.78
7	5001 - 10000	47	0.31	348286	1.38
8	10001 - 20000	17	0.11	255565	1.01
9	20001 and above	53	0.35	23045729	91.26
	Total	**15346**	**100.00**	**25253000**	**100.00**

Share Transfer System:

Shares lodged in physical form with the Company / its Registrar and Shares Transfer Agent are processed and returned duly transferred, within 15-20 days normally, except in cases where any dispute is involved.

In case of shares held in Demat mode, the transfer takes place instantaneously between the transferor, transferee and the Depository Participant through electronic debit/ credit of accounts involved.

The company has share transfer committee which looks after the share transfer process. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

Shareholding pattern as on March 31, 2021:

Category	Number of		% to total equity
	Shareholders	Shares	
A. Promoters and Promoters Group			
- Indian Promoters	9	17552834	69.51
B. Public Shareholding			
- Corporate Bodies	209	1048365	4.15
- NBFC	2	11632	0.05
- Banks	1	13	0.00
- Indian Financial Institutions	1	1295	0.01
- Non Resident Non Repatriable	131	41948	0.17
- Non Resident Indians	317	71920	0.28
- Qualified Institutional Buyer	2	833341	3.30
- Foreign Portfolio Corp	28	831855	3.29
- Mutual Funds	6	1205545	4.77
- Alternative Investment Fund	3	340505	1.35
- IEPF	1	10710	0.04
- Indian Public	14110	2588430	10.25
- HUF	413	126709	0.50
- Trust	3	1395	0.01
- Clearing Members	110	586503	2.32
Total	**15,346**	**25,253,000**	**100.00**

Credit Rating: The rating obtained by the Company during the financial year were provided in the director report section of this Annual Report.

Location of Plants:

1. S. F. 473/1B1, Avinashi Lingam Palayam, Palangarai Village, Avinashi (T.K.), Coimbatore – 641 654.	2. Mollaber, Janai, Durgapur Expressway, Dankuni, Hooghly, West Bengal-712702.	3. Sankrail Industrial Park, Jalan Complex, Kendwa, Howrah (W.B.)
4. Angeripalayam Main Road 11/5, Shastri Nagar Tiruppur-641602 Tamil Nadu .	5. B-XXXII-1429/11, Jujhar Singh Nagar, Gahlewal Pind, Rahon Road, Ludhiana -141008.	6. Srijan Logistic Park, West Bengal.
7. E-5, Sec- D1, Tronica City, Loni, Ghaziabad- 201102.		

Address for Correspondence:

KFin Technologies Private Limited **(Previously known as Karvy Fintech Private Limited,)** "Karvy Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032. Toll Free No : 18003094001 Fax:+91-40-23420814 E-Mail: einward.ris@kfintech.com	Secretarial Department Lux Industries Limited, 39, Kali Krishna Tagore Street, Kolkata- 700 007 Tel:033-40402121 Fax:033-40012001 E-mail: investors@luxinnerwear.com

Registrar and Share Transfer Agents:

Particulars	Local Address
KFin Technologies Private Limited **(Previously known as Karvy Fintech Private Limited)** "Karvy Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032. Toll Free No : 18003094001 Fax:+91-40-23420814 E-Mail: einward.ris@kfintech.com	**KFin Technologies Private Limited** **(Previously known as Karvy Fintech Private Limited)** Apeejay House, Block "B", 3rd Floor 15, Park Street, Kolkata – 700016 Tel : +033-66285934/901

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Todi
Chairman
DIN:00053599

Kolkata
May 25, 2021

Certification by Managing Director and Chief Financial Officer of the Company

We, Pradip Kumar Todi, Managing Director and Saurabh Kumar Bhudolia, Chief Financial Officer of Lux Industries Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement of the company for the year ended March 31, 2021 and to the best of our knowledge and belief we state that:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
   b. these statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
2. We further state that to best of our knowledge and belief, there are no transactions entered into by the Company, which are fraudulent, illegal or violate the Company's code of conduct.
3. We and the Company's other Certifying Officers are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedure.
4. We and the Company's other Certifying Officers have indicated, based on our most recent evaluation, whichever applicable, to the Company's auditors and to the Audit Committee:
   a. significant changes, if any, in the internal control over financial reporting during the year;
   b. significant changes if any, in the accounting policies during the year and that the same has been disclosed in the notes to financial statements; and
   c. instance of significant fraud of which we have become aware of and the involvement therein, if any of the management or an employee having significant role in the company's internal control system over financial reporting.

We further declare that all members of the Board and Committees and all Senior Management Team have affirmed compliance with the Code of Conduct of the Company for the financial year 2020-21.

Pradip Kumar Todi
Managing Director
(DIN: 00246268)

Saurabh Kumar Bhudolia
Chief Financial Officer

Kolkata
Date: May 25, 2021

Annexure 'F' to Directors' Report

Auditors' Certificate on Corporate Governance

To,
The Members of
Lux Industries Limited

1. We, S K AGRAWAL AND CO Chartered Accountants LLP, the statutory auditors of Lux Industries Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2021, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended.

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as per relevant provisions during the year ended March 31, 2021.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP
Chartered Accountants
Firm Registration No. – 306033E/E300272

Sandeep Agrawal
Partner
Membership No 058553
UDIN: 21058553AAAAB19297

Place: Kolkata
Date: May 25, 2021

Annexure 'G' to Directors' Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Lux Industries Limited
39, Kali Krishna Tagore Street,
Kolkata-700007

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Lux Industries Limited having CIN L17309WB1995PLC073053 and having registered office at 39, Kali Krishna Tagore Street, Kolkata-700007(hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers , we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. ASHOK KUMAR TODI	00053599	21/07/1995
2	Mr. PRADIP KUMAR TODI	00246268	21/07/1995
3	Mrs. PRABHA DEVI TODI	00246219	11/02/2015
4	Mr. NANDANANDAN MISHRA	00031342	31/07/2007
5	Mr. KAMAL KISHORE AGRAWAL	01433255	10/03/2008
6	Mr. SNEHASISH GANGULY	01739432	10/10/2003
7	Mrs. RUSHA MITRA	08402204	29/03/2019

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M R & Associates
Company Secretaries

M.R. Goenka
Partner
FCS No.: 4515
CP No.: 2551
UDIN:F004515C000365271

Place: Kolkata
Date : May 25, 2021

Annexure 'H' to Directors' Report

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Lux Industries Limited
39, Kali Krishna Tagore Street
Kolkata 700007

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LUX INDUSTRIES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our 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, 2021 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, 2021 according to the provisions of:

i) The Companies Act, 2013 (the Act), amendment and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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, 2015;

   (c) 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;

   (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time;

I further report that, there were no actions/ events in pursuance of;

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016;

We further report that as per the representation made by the Management no specific laws are applicable to the Company except for general laws like Factories Act, 1948, Industrial Dispute Act, 1947, Payment of Wages Act, 1936 and other applicable labour laws, Environment (Protection) Act, 1986 and other environment laws etc.

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

(i) Secretarial Standards as mandated and issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that,

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors, if any that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally 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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that 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 due to the spread of COVID-19 pandemic, compliances had been made considering the various relaxations granted, from time to time, by the Securities and Exchange Board of India and the Ministry of Corporate Affairs and other Regulatory authorities, as applicable.

We further report that during the audit period, the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, has passed an order dated March 25, 2021, sanctioning the scheme of Amalgamation ("Scheme") under section 230 read with sections 232 of the Companies Act,2013 of M/s J.M. Hosiery & Co Limited (Transferor Company 1) and M/s Ebell Fashions Private Limited (Transferor Company 2) with M/s Lux Industries Limited (Transferee Company).

This Report is to be read with our letter of even date which is annexed **"ANNEXURE - A"** and forms an Integral Part of this Report.

For M R & Associates
Company Secretaries

M.R. Goenka
Partner
FCS No.: 4515
CP No.: 2551
UDIN: F004515C000365337

Place: Kolkata
Date : May 25, 2021

Note: In view of the situation emerging out of the outbreak of COVID-19 Pandemic, physical documents, records & other papers of the Company for the quarter ended March 31, 2021 required by us for our examination were obtained from the Company through electronic Mode and verified to the extent possible.

"ANNEXURE – A"

(TO THE SECRETARIAL AUDIT REPORT OF LUX INDUSTRIES LIMITED FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021)

To,
The Members,
Lux Industries Limited
39, Kali Krishna Tagore Street
Kolkata 700007

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M R & Associates
Company Secretaries

M.R. Goenka
Partner
FCS No.: 4515
CP No.: 2551
UDIN: F004515C000365337

Place: Kolkata
Date : May 25, 2021

Note: In view of the situation emerging out of the outbreak of COVID-19 Pandemic, physical documents, records & other papers of the Company for the quarter ended March 31, 2021 required by us for our examination were obtained from the Company through electronic Mode and verified to the extent possible.

Annexure 'I' to Directors' Report

BUSINESS RESPONSIBILITY REPORT ('BRR')

The Business Responsibility Report for the year ended March 31, 2021 has been issued in compliance with the requirements of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of the Director's Report of the Company, for the financial year 2020-21

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L17309WB1995PLC073053
Name of the Company	Lux Industries Limited
Registered Office Address	39, Kali Krishna Tagore Street, Kolkata-70007.
Website	www.luxinnerwear.com
E-mail Id	cs@luxinnerwear.com
Financial Year reported	2020-21
Sectors that the company is engaged (Industry activity code wise)	Group*: 143 Class: 1430 Sub-Class: 14309 Description: Manufacture of other knitted and crocheted apparel including hosiery. *As per classification under National Industrial Classification.
List three key products/services that the Company manufactures/ provides (as in balance sheet)	Vests Briefs Thermal wear
Total number of locations where business activity is undertaken by the Company	The headquarter of the Company is in Kolkata. We have 7 manufacturing plants in 4 States in the country: *State/Union Territory Location* - West Bengal, Tamil Nadu, Punjab and U.P.
Markets served by the Company - Local/ State/ National/International	We have a global footprint that serves both in National and International Markets. International markets are served through exports. Currently, we are catering to 47 countries and are committed to cover more countries by 2025.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ In Crores)

Paid up Capital	6.26
Total Turnover (Standalone)	1,950.76
Total Profit after tax (Standalone)	273.37
Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profits (%)	Our total spending on CSR is ₹5.06 Crs which is 2.34% of average net profits of the last three financial years
List of activities on which expenditure in (4) above has been incurred	(a) Promotion of Education (b) Medical Facilities (c) Social Welfare (d) Animal Welfare (e) Promotion of traditional art and culture (f) Support to elderly people.

SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company?	The Company has one Subsidiary: 1) Artimas Fashions Private Limited
Do the Subsidiary Company participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Currently, the Company is carrying the BR initiative individually. The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of running business with responsibility.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

Details of Director responsible for implementing BR Policies- (Name, DIN, Designation, Contact Details)	1) Mr. Ashok Kumar Todi DIN:00053599 Designation: Chairman Contact Details: 033-40402121 2) Mr. Pradip Kumar Todi DIN:00246268 Designation: Managing Director Contact details:033-40402121 3) Mr. Kamal Kishore Agrawal DIN:01433255 Designation: Independent Non-Executive Director Contact details: 9830007755
Details of BR head responsible for implementing BR Policies (Name, Designation, Contact Details)	Mr. Saurabh Kumar Bhudolia Designation: Chief Financial Officer Contact Details: 033 40402121 E-mail Id: saurabh.bhudolia@luxinnerwear.com

The National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business (NVGs), released by the Ministry of Corporate Affairs, has adopted nine areas of Business Responsibility. The same are mentioned below:

<table>
<tr>
<td>Principle 1 [P1]
BUSINESS CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY.</td>
<td>Principle 2 [P2]
BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.</td>
<td>Principle 3 [P3]
BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES.</td>
<td>Principle 4 [P4]
BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED.</td>
</tr>
<tr>
<td>Principle 5 [P5]
BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.</td>
<td>Principle 6 [P6]
BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT.</td>
<td>Principle 7 [P7]
BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER.</td>
<td>Principle 8 [P8]
BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.</td>
</tr>
<tr>
<td colspan="4">Principle 9 [P9]
BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER.</td>
</tr>
</table>

(a) The detailed compliance of the above-mentioned Principles, by the Company are mentioned below:

<table>
<tr><th>No.</th><th>Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>P1</td><td>Businesses should conduct and govern themselves with Ethics, Transparency and Accountability</td><td colspan="9">Lux Code of Conduct and Whistle Blower Policy</td></tr>
<tr><td>P2</td><td>Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.</td><td colspan="9">Lux HSE Policy</td></tr>
<tr><td>P3</td><td>Businesses should promote the well-being of all employees.</td><td colspan="9">Lux HSE Policy.</td></tr>
<tr><td>P4</td><td>Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized</td><td colspan="9">Lux Corporate Social Responsibility Policy</td></tr>
<tr><td>P5</td><td>Businesses should respect and promote human rights</td><td colspan="9">Lux Code of Conduct</td></tr>
<tr><td>P6</td><td>Businesses should respect, protect, and make efforts to restore the environment.</td><td colspan="9">Lux HSE Policy</td></tr>
<tr><td>P7</td><td>Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner</td><td colspan="9">Lux Code of Conduct</td></tr>
<tr><td>P8</td><td>Businesses should support inclusive growth and equitable development.</td><td colspan="9">Lux Corporate Social Responsibility Policy</td></tr>
<tr><td>P9</td><td>Businesses should engage with and provide value to their customers and consumers in a responsible manner.</td><td colspan="9">Lux Code of Conduct</td></tr>
</table>

1	Do you have a policy/ policies for the following Principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	The company has taken into account relevant stakeholder's interest while formulating the BR Policy.								
3	Does the policy conform to any national / international standards? If yes, specify?	Yes, the Policy conforms to national and international standards. Since Lux is ISO certified Company in relation to quality it complies with International Standards.								
4	Has the policy being approved by the Board? Who has signed the Policy? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, the BR policy has been approved by the Board in their meeting held on 10.11.2016 and the Policy was signed by Managing Director of the Company.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Corporate Social Responsibility (CSR) Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows: i. DIN Number: 00053599 Name: Mr. Ashok Kumar Todi Designation: Chairman ii. DIN Number: 00246268 Name: Mr. Pradip Kumar Todi Designation: Managing Director iii. DIN Number: 01433255 Name: Mr. Kamal Kishore Agrawal Designation: Independent Non-Executive Director								
6	Is the Policy uploaded on the website of the Company? what is its link?	Yes, the weblink is as follows: www.luxinnerwear.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Company has uploaded its BR Policy on its website.								
8	Does the company have in-house structure to implement the policy/ policies.	Yes.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The Board has given responsibility to CSR Committee of the Company to redress the stakeholder's grievances.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, the Company has an external agency to carry out independent audit of the working of its BR policy.								

(b) Governance related to BR

- The frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. (Within 3 months, 3-6 months, Annually, More than 1 year)
  Annually.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

  Yes, Company has published its first BR Report which forms part of the Directors Report under Annual report of the Company for the financial year 2020-21 and the same can be viewed under investor section on the website of the Company, the weblink is as follows: www.luxinnerwear.com

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

No.	Questions	Yes/No
1	Does the policy relating to ethics, bribery and corruption cover only the company? Does the above mentioned policy extend to the Group/JV/Suppliers/Contractors/ NGOs/Others	All the companies in Lux Group and its employees are covered by the Policy relating to ethics, bribery and corruption. The Company's Code of Conduct ensures that all its employees, suppliers and vendors respect human rights not only among themselves, but also within communities in which they operate. Lux has instituted a set of policies, codes, and guidelines to govern its employees. This mechanism includes directors, senior executives, officers, employees and third parties including suppliers and customers associated with Lux. In this regard Company has following policies: Code of Conduct and Business Ethics: This Code is applicable to Company's directors, senior management and employees. All those concerned are required to strictly adhere to this Code of Conduct and Business Ethics. Any violation of any Code of Conduct is/ shall be viewed strictly and shall lead to disciplinary action, up to and including discharge. The Company has established a vigil mechanism for employees and directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. This Policy does not extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others. However, the Company encourages them to participate in the BR initiatives of the Company.
2	Details of stakeholder complaints received in the past financial year and what % was satisfactorily resolved by the management? If so, provide details thereof.	No complaints of this nature was received in the past financial year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

No.	Questions	Yes/No
1	List up to 3 of your products or services whose design has	NA
2	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes, the Company has taken few initiatives relating to long term sustainable contracts made with large suppliers for raw materials.

No.	Questions	Yes/No
3	What percentage of your inputs was sourced sustainably? Also, provide details thereof	It is difficult to ascertain the percentage of inputs sourced. All inputs have sustainable source in place.
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If Yes, What steps have been taken to improve their capacity and capability of local and small vendors?	Yes, while the criteria for selection of goods and services is quality, reliability and price, Lux gives preference to small organisations, particularly promoted by entrepreneurs from socially backward communities.
5	Does the company have a mechanism to recycle products and waste? What is the percentage of recycling of products. Also, provide details thereof/ What is the percentage of recycling of waste. Also, provide details thereof	Yes, the nature of the Company's business is such that there are no emissions or process wastes. Around 95% cutting waste generated are resaled and ultimately recycled. We declare recycling details on product packaging.

Principle 3 : Businesses should promote the wellbeing of all employees

No.	Questions	Yes/No
1	Total number of employees	2382
2	Total number of employees hired on temporary/ contractual/casual basis	24
3	Number of permanent women employees	245
4	Number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognized by management? What percentage of your permanent employees is members of this recognized employee association?	The Company does not have any employee association.
6	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Child labour, forced labour, involuntary labour is prohibited in the workplace as stated in the Company's Code of Conduct. The Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder. During the financial year 2020-21, the Company has not received any complaints on sexual harassment, child labour, forced labour, involuntary labour and discriminatory environment. Further, no such complaint was received in the past year as well.
3	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/ Temporary/Contractual Employees (d) Employees with Disabilities	All the categories of employees mentioned here have been covered through our training modules. Training on health and safety is imparted to employees as a part of the induction training.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

No.	Questions	Yes/No
1	Has the company mapped its internal and external stakeholders?	Yes. We have mapped and identified external stakeholders, including disadvantaged, vulnerable and marginalised stakeholders. Our stakeholders include – employees, customers, dealers, suppliers, investors, media, government and regulators and peers and industry ecosystem.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes, there are no such stakeholders.
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof.	There is contract engagement, audit and physical verifications of documents of all vendors and other stakeholders to ensure that they have a sustainable business, generate sufficient profits, pay remuneration and social security benefits to their employees, follow all safety and ethical process and supply products consistent in quality and specifications.

Principle 5: Businesses should respect and promote human rights.

No.	Questions	Yes/No
1	Does the above mentioned policy extend to the Group/JV/Suppliers/Contractors/NGOs/Others	All the companies in Lux Group are covered by the BR Policy. As a socially responsible organisation, the Company is committed to protect and safeguard human rights. Your Company has put in place a Code of Conduct which is applicable on the Board of Directors and Senior Executives one level below the Directors, including all functional heads, though we expect our stakeholders to adhere and uphold the standards contained therein.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaints of this nature was received in the past financial year.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

No.	Questions	Yes/No
1	Does the above mentioned policy extend to the Group/JV/Suppliers/Contractors/NGOs/Others	All the companies in Lux Group are covered by the Health, Safety & Environment Policy and therefore, there is no separate environmental policy. Lux itself follows and also persuades and encourages its external stakeholders to move towards environmental friendly practices.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? please give hyperlink for webpage, Does the company identify and assess potential environmental risks?	Not applicable. Lux is engaged in a non-polluting industry and do not contribute to environmental issues such as climate, global warming to alarming extent.

No.	Questions	Yes/No
3	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof.	Not applicable.
4	Whether any environmental compliance report is filed?	Not applicable.
5	Has the company undertaken any other initiatives on – Clean Technology?, Energy Efficiency?, Renewable energy?	In the field of energy efficiency- Use of renewable energy- The Company has taken several measures like installed a solar panel on rooftop in its factories to conserve solar energy.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Not applicable. Lux is basically engaged in manufacturing hosiery goods, the nature of Company's business is such that there are no significant emissions or process wastes so do not require approval from pollution control department.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Not applicable.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

No.	Questions	Yes/No
1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, The Company or its executive(s) is the member, or associated with the (a) Bharat Chamber of Commerce; (b) Merchant Chamber of Commerce; (c) Indian Chamber of Commerce; (d) Federation of Hosiery Manufacturers Association of India; (e) West Bengal Hosiery Association; and (f) South India Hosiery Association.(g) Federation of Indian Export Organisations.
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas:- Governance and Administration, Economic Reforms,Inclusive Development Policies, Energy security, water, food security, Sustainable Business Principles and others.	Yes, Lux has participated in industry body consultations in the following areas: a. Governance and Administration, b. Economic Reforms, c. Inclusive Development Policies, d. Tax and other legislation.

Principle 8: Businesses should support inclusive growth and equitable development

No.	Questions	Yes/No
1	Does the company have specified programs/ initiatives/projects in pursuit of the policy related to Principle 8? details thereof.	Yes. The Company has policy on CSR and programs that are being pursued as part of this. Refer the CSR report as Annexure B to the Board's Report.
2	Details of Programs:	Lux has taken various step with the help of through in-house team, government bodies, trust, NGOs to promote education to tribal children, promoting health care by providing medical facilities to underprivileged people, Animal Welfare & Supporting to elderly People & Social Welfare of Socially and economically backward group.

<table>
<tr><th>No.</th><th>Questions</th><th colspan="2">Yes/No</th></tr>
<tr><td>3</td><td>Are the programmes/projects undertaken through, in-house team, own foundation, external NGO, government structures, any other organization?</td><td colspan="2">Through external registered trust, NGO, local municipal bodies and government structures.</td></tr>
<tr><td>4</td><td>Have you done any impact assessment of your initiative?</td><td colspan="2">Each program has its short-term and long-term goals, reviewed regularly as per the defined timelines. The impact is measured by the overall societal outcomes.</td></tr>
<tr><td rowspan="7">5</td><td rowspan="7">What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.</td><td>Activities</td><td>Amt in Lakhs</td></tr>
<tr><td>Promotion of Education</td><td>68.74</td></tr>
<tr><td>Medical Facilities, Healthcare</td><td>269.62</td></tr>
<tr><td>Social Welfare</td><td>74.61</td></tr>
<tr><td>Animal Welfare</td><td>80.55</td></tr>
<tr><td>Promotion of traditional art and culture</td><td>12.37</td></tr>
<tr><td>Support to elderly people</td><td>0.31</td></tr>
<tr><td>6</td><td>Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain</td><td colspan="2">Yes. Most of our programs are participatory in nature and focus on institution development and capacity building and each of the projects is having an outcome which is acknowledged by the community. We work with partners who have a grass root understanding of the community that make it successful, both in the short term and long term.</td></tr>
</table>

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No.	Questions	Yes/No
1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	No customer complaints are pending in the past financial year. All complaints were successfully resolved.
2	Does the company display product information on the product label, over and above what is mandated as per local laws? additional information	Yes. Lux in all its products sticks labels which displays all the information that is required as per local laws and any other applicable laws.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising, anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof	As on date, there are no anti-competitive, abuse of dominant position or unfair trade practices cases pending against the Company.
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes, Lux from time to time takes feedback from distributors, agents directly by conducting conference.

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Todi
Chairman
DIN:00053599

Kolkata
May 25, 2021

Annexure 'J' to Directors' Report

Details pertaining to Remuneration of Directors and employees 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.

(1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of the Director/KMP	Director Identification Number(DIN)	Designation	% increase of remuneration in the financial year 2020-21	Ratio of remuneration to MRE
1	Mr. Ashok Kumar Todi	00053599	Whole-Time Director	-5	259.12
2	Mr. Pradip Kumar Todi	00246268	Managing Director	-5	259.12
3	Mr. Ajay Kumar Patodia#	AFVPP9103P	Chief Financial Officer (upto 12.02.2021)	41	69.10
4	Mr. Saurabh Kumar Bhudolia*	AISPB8804D	Chief Financial Officer (w.e.f. 13.02.2021)	NA	13.64
5	Mrs. Smita Mishra	BCLPM5354D	Company Secretary and Compliance Officer	17	12.73

#Mr. Ajay Kumar Patodia resigned as CFO w.e.f 12.02.2021 and thus the increase in remuneration for the financial year 2020-21 is calculated on prorata basis.

**Mr. Saurabh Kumar Bhudolia was appointed as CFO during the financial year. Hence, percentage increase is not comparable with the previous financial year.*

Note:-

(i) MRE - Median Remuneration of employees based on annualised salary.

(ii) Sitting fees paid to Non-executive Independent Directors during the year is not considered as remuneration for ratio calculation purpose. There was no change in the amount of sitting fees for every Board or Committee meeting attended by each Director.

(2) In the financial year, there was decrease of 4.08 % in the Median Remuneration of Employees.

(3) No. of permanent employees on the rolls of Company as on March 31, 2021 was 2,382. The total number of employees as on the current financial year and comparative financial year includes the employees of J.M. Hosiery & Co Limited and Ebell Fashions Private Limited since amalgamated with the Company.

(4) Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year was 1.93% whereas the increase in the managerial personnel was 0.22%. Average increase in remuneration of employees compared to increase in remuneration of KMP is in line with the performance of the company over period of time. There is no exceptional increase in the Managerial Remuneration.

(5) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board

Sd/-
Ashok Kumar Todi
Chairman
(DIN: 00053599)

Kolkata
May 25, 2021

Annexure ‘K’ to Directors’ Report

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with Amount in Crs.)

Sl. No.	Particulars	Name
1.	Name of the subsidiary	Artimas Fashions Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Equity Share capital	0.20
5.	Reserves & surplus	(9.94)
6.	Total assets	28.63
7.	Total Liabilities	38.37
8.	Investments	-
9.	Turnover	16.18
10.	Profit before taxation	(4.08)
11.	Provision for taxation	(0.01)
12.	Profit after taxation	(4.09)
13.	Proposed Dividend	-
14.	% of shareholding	50.97%

For and on behalf of the Board

Sd/-
Ashok Kumar Todi
Chairman
(DIN: 00053599)

Kolkata
May 25, 2021

Annexure 'L' to Directors' Report

Information Under Section 134 (3) (M) of the Companies Act, 2013 Read With Rule 8 (3) of the Companies (Accounts) Rules, 2014 and Forming Part of Director's Report for the Year Ended March 31, 2021

A. CONSERVATION OF ENERGY

i) **The steps taken or impact on conservation of energy:-** The Company continuously identifies the areas to conserve energy. The maintenance and up-gradation of machines and equipments is done from time to time keeping energy conservation in mind.

ii) **The steps taken by the company for utilizing alternate source of energy:-** The Company does not use / employ any alternate source of energy as there is no availability of the same.

iii) **The Capital Investment on energy conservation equipments:-** No direct identifiable investment pertaining to conservation of energy was done during the year, other than maintenance and up-gradation of machines and equipments. Hence the amount of investment cannot be directly measured.

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

a. **Expenditure on Research & Development (R & D):-** R & D are carried out separately by the Hosiery Association. There is therefore no expenditure incurred on this account.

b. **Technology absorption, adaptation and innovation:-**

(i) **The efforts made towards technology absorption:** The Company keeps a close watch on the technological developments pertaining to its industry. Up-gradation and replacement of old machines is done as and when required in order to maintain high quality of output.

(ii) **The benefits derived through use of the machines:** By using new technology, the Company is able to produce the finest quality of knitted products. It has enabled to reduce wastage, expedite the production process and reduction in the inventory of WIP.

(iii) **In case of imported technology [imported during the last three (3) years reckoned from the beginning of the financial year]:**

(a) The Company has imported following machines with the latest and updated technology:-

- Cutting Machine, Bieerebiltalia, Italy.
- Sewing & Stitching Machine from Brother Machinery Taiwan.
- Sewing & Stitching Machine from Pegasus Sewing Machine Pte Ltd., Singapore
- Knitting Machine from United Texmac, China.
- Knitting Machine from Quonzhou China

(b) The year of import: F.Y. 2020-21.

(c) Whether technology has been fully absorbed: Partially absorbed during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a. **Activities relating to exports, initiatives taken to increase exports, development of new export market for products and exports plans:** During the year the Company export edits products to Middle East Countries, Africa, Australia and South East Countries.

b. **Information in respect of Foreign Exchange Earning and Outgo is:**

(₹ in crores)

Sl. No.	Particulars	Current Year	Previous Year
i)	Earning	130.85	130.31
ii)	Outgo		
	Capital Goods	9.86	12.80
	Expenses	1.62	5.42
	Total	**11.48**	**18.22**

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Todi
Chairman
DIN:00053599

Kolkata
May 25, 2021

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of **Lux Industries Limited**

Report on the audit of Standalone Ind AS financial statements

Opinion

We have audited the standalone financial statements of Lux Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 45 to the standalone financial statement, which describes the uncertainties and potential impact of the Covid-19 pandemic on the Company's operation and results as assessed by the management. The actual results may differ from such estimates depending upon future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matters	How our audit addressed the key audit matter
Accounting for the Scheme of amalgamation	
During the year, the Company had received final approval for scheme of arrangement for amalgamation of "J.M. Hosiery & Company Limited" and "Ebell Fashions Private Limited" (jointly referred to as Transferor Companies") as set out in Note 44 of the standalone financial statements. The Amalgamation has been accounted for in accordance with the treatment provided for 'pooling of interests' method as provided in Appendix C of Ind AS 103 'Business Combinations' and comparatives have been restated. Accounting for the amalgamation has involved judgment in order to: ▪ Recording of all assets and liabilities including reserves of the transferor companies pursuant to amalgamation; ▪ Restatement of comparative financial statements of the Company; ▪ Elimination of inter-company transactions and balances; This is material for the Company and accordingly we considered it to be a key audit matter.	Our procedures included but were not limited to: ▪ We examined the terms and conditions of the scheme of arrangement and examined the accounting treatment as prescribed and approved; ▪ We have examined the restated comparative financial information of the Company after incorporating the financial information of the Transferor Companies as prepared by the management of the Company; ▪ We have checked the elimination of inter-company transactions and balances; ▪ Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.
Revenue from Sale of Goods	
The Company recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. As described in the accounting policy in note 3(i) and as reflected in note 23 to the Ind AS Standalone financial statements, revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates / incentives. The Company has various incentive schemes for its retailers and distributors which are based on volume of sales achieved during the stipulated period. The estimate of sales likely to be achieved by each retailer / distributor requires judgment. Considering the judgment and estimates involved in revenue recognition, it is considered to be a key audit matter.	Our audit procedure includes the following: ▪ Considered the adequacy of the company's revenue recognition policy and its compliance in terms of Ind AS 115 "Revenue from contracts with customers' ▪ Assessed the design and tested the operating effectiveness of the internal financial controls related to revenue recognition. ▪ Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested and the revenue has been recognized in accordance with Ind AS 115. ▪ We discussed and obtained an understanding from the management on the key assumptions applied and inputs used in estimating provisions for discounts, sales incentives and sales returns and compared the same with the past trends and the provision made by the management. ▪ Selected Samples of rebates and discounts during the year, compared them with the supporting documents and performed recalculation of those variable considerations as per scheme documents. ▪ Assessed the relevant disclosure made in the standalone Ind AS financial statement.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Other Section of Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that gives a true and fair view of the financial position, financial performance, Changes in Equity 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 implementation and maintenance of 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 gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Standalone Financial Statements

Our objectives is to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We draw attention to Note 44 to the standalone financial statement regarding the Scheme of Arrangement (Scheme) which has been approved by the National Company Law Tribunal (NCLT) vide its order dated March 25, 2021. The Company has given effect to the Scheme in the standalone financial statement.

The standalone financial statement of the merged business for the period ended March 31, 2020 includes financial statement of Ebell Fashion Private Limited which have been audited by another auditor who had expressed unmodified opinion vide their audit report dated October 15, 2020 has been furnished to us by the management and has been relied upon by us for the purpose of audit of the statement. Our opinion is modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. As required by Section 143(3) of the Act, we report that:

    i. 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;

    ii. 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;

    iii. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statements of Cash Flows dealt with by this report are in agreement with the books of account;

iv. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014;

v. On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;

vi. 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 B".

vii. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

viii. 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 has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note no. 32 of the Ind AS financial statements).

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**
Chartered Accountants
Firm Registration No.-306033E/E300272

Sandeep Agrawal
(Partner)
Membership No. 058553
UDIN: 21058553AAAABF8700

Place: Kolkata
Dated: May 25, 2021

Annexure -A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of **Lux Industries Limited** (the Company') on the standalone Ind AS financial statements for the year ended on March 31, 2021. We report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventories have been physically verified during the year by the management at regular intervals (except for materials lying with third parties which have substantially been confirmed by such third parties at the yearend). In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.

iv In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 with respect to Loans and Advances made, guarantee given and investment made.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.

vi. According to the information and explanation given to us, the central Govt. of India has not specified the maintenance of cost records under sub section (1) of section 148 of the Act for the product of the company.

vii According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, GST and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.

b) According to information and explanations given to us, the following dues of customs, income tax, service tax, sales tax, duty of excise and value added tax have not been deposited by the Company on account of disputes:

Name of Statute	Nature of dues	Amount (₹ in Crores)	Period to which amount relates	Forum where the dispute is pending
West Bengal Sales Tax Act	Sales Tax	0.50	2003-04 & 2004-05	High Court, Kolkata
Punjab Vat Act, 2005	Sales Tax	0.12	2002-03 to 2005-06	Deputy Commissioner (Appeal) Ludhiana, Excise and Taxation
The Finance Act, 1994	Service Tax	1.36	2007-08 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1994	Penalty	3.46	2011-12 to 2012-13	Deputy Excise and Service Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	0.01	2018-19	Asst. Commissioner of Income Tax
Customs Act, 1962	Duty Drawback	0.10	2011-12	Government of India, Ministry of Finance, Department of Revenue (Revised Application unit)

viii. In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution and banks. The Company does not have any loans or borrowings from Government and has not issued any debentures.

ix. To the best of our knowledge and belief and according to the information and explanations given to us, the term loan have been applied by the company during the year for the purpose for which they were raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us, the Company has paid/provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**
Chartered Accountants
Firm Registration No.-306033E/E300272

Sandeep Agrawal
(Partner)
Membership No. 058553
UDIN: 21058553AAAABF8700

Place: Kolkata
Dated: May 25, 2021

Annexure -B to the Independent Auditors' Report

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 Lux Industries Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS 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 ('ICAI'). 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") issued by ICAI 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 about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

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 authorisations 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**
Chartered Accountants
Firm Registration No.-306033E/E300272

Sandeep Agrawal
(Partner)
Membership No. 058553
UDIN: 21058553AAAABF8700

Place: Kolkata
Dated: May 25, 2021

Standalone Balance Sheet as at March 31, 2021

₹ in Crores

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
A Non-current assets			
Property, plant and equipment	4	184.34	144.62
Capital work-in-progress	4	9.23	0.76
Other intangible assets	4	0.09	0.21
Right of use assets	4	10.03	12.07
Financial assets			
Investments	5	0.19	0.19
Other financial assets	6	5.72	9.65
Other non-current assets	7	1.84	3.62
Total Non-current assets		**211.44**	**171.12**
B Current assets			
Inventories	8	463.64	487.38
Financial assets			
Investments	8A	75.30	38.67
Trade receivables	9	453.77	437.39
Cash and cash equivalents	10	84.29	6.00
Bank balance other than above	11	101.44	0.96
Loans	12	-	18.00
Other financial assets	6	7.24	2.94
Other current assets	13	68.71	66.34
Total Current assets		**1,254.39**	**1,057.68**
TOTAL ASSETS		**1,465.83**	**1,228.80**
EQUITY AND LIABILITIES			
C Equity			
Equity share capital	14	6.26	6.26
Other equity	15	1,004.43	737.19
Total Equity		**1,010.69**	**743.45**
D Non-current liabilities			
Financial liabilities			
Borrowings	16	12.01	7.30
Other financial liabilities	17	8.48	10.36
Deferred tax liabilities (Net)	30	4.20	4.71
Provisions	18	6.58	5.37
Total Non-current liabilities		**31.27**	**27.74**
E Current liabilities			
Financial liabilities			
Borrowings	16	82.83	208.01
Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	19	5.80	4.74
B) total outstanding dues of creditors other than micro enterprises and small enterprises	19	269.60	194.30
Other financial liabilities	20	39.24	37.97
Provisions	18	1.04	0.81
Other current liabilities	21	10.79	11.26
Current tax liabilities	22	14.57	0.52
Total Current liabilities		**423.87**	**457.61**
TOTAL EQUITY AND LIABILITIES		**1,465.83**	**1,228.80**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
ICAI Firm Registration No. 306033E/E300272

For and on Behalf Of Board of Directors

Sandeep Agrawal
Partner
Membership no. 058553

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Saurabh Kumar Bhudolia
Chief Financial Officer
(PAN-AISPB8804D)

Smita Mishra
Company Secretary
(Mem No - A26489)

Place : Kolkata
Dated: May 25, 2021

Standalone Statement of Profit and Loss for the year ended March 31, 2021

₹ in Crores

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	23	1,938.42	1,664.36
II	Other income	24	12.34	6.83
III	**Total income (I+II)**		**1,950.76**	**1,671.19**
IV	**Expenses**			
	Cost of raw materials consumed	25	778.39	722.71
	Purchases of stock-in-trade	25	9.06	4.62
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	42.16	(68.64)
	Employee benefit expense	26	67.00	65.09
	Finance costs	27	10.92	20.40
	Depreciation and amortisation expense	28	17.09	14.82
	Other expenses	29	660.05	669.61
	Total expenses (IV)		**1,584.67**	**1,428.61**
V	**Profit before tax (III - IV)**		**366.09**	**242.58**
VI	**Tax expense**			
	(i) Current tax	30	92.75	62.08
	(ii) Deferred tax	30	(0.53)	(1.69)
	(iii) Income tax for earlier years		0.50	1.45
	Income tax expense (i+ii+iii)		**92.72**	**61.84**
VII	**Profit for the year (V-VI)**		**273.37**	**180.74**
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified subsequently to profit and loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)		0.19	(0.22)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.01)	0.06
	Other comprehensive income for the year (net of tax) (i+ii)		**0.18**	**(0.16)**
	Total comprehensive income for the year, net of income tax (VII + VIII)		**273.55**	**180.58**
	Earnings per equity share [nominal value of share ₹2 (March 31, 2020 ₹2)]			
	Basic in ₹per share	31	90.91	60.10
	Diluted in ₹per share	31	90.91	60.10
	Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
ICAI Firm Registration No. 306033E/E300272

For and on Behalf Of Board of Directors

Sandeep Agrawal
Partner
Membership no. 058553

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Saurabh Kumar Bhudolia
Chief Financial Officer
(PAN-AISPB8804D)

Smita Mishra
Company Secretary
(Mem No - A26489)

Place : Kolkata
Dated: May 25, 2021

Standalone Statement of changes in equity for the year ended March 31, 2021

a. Equity share capital

	No. of shares	₹ in Crores
Equity shares of ₹2 each issued, subscribed and fully paid		
As at April 1, 2019	**2,52,53,000**	**5.30**
Changes in equity share capital during the year	-	-
As at March 31, 2020	**2,52,53,000**	**5.30**
Changes in equity share capital during the period	-	-
As at March 31, 2021	**2,52,53,000**	**5.30**

b. Equity share capital-suspense account

48,18,681 Equity shares of ₹2/- each	48,18,681	0.96
	48,18,681	**0.96**
Total Equity Share Capital- (a)+(b)	**3,00,71,681**	**6.26**

c. Other Equity

₹ in Crores

	Capital Redemption Reserve on consolidation	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
As at April 1, 2019	**56.00**	**6.54**	**-**	**14.78**	**331.42**	**(0.11)**	**408.63**
Add: Opening Balance of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) as on 01.04.19 arising on account of amalgamation. **(Refer Note 44)**	-	32.75	-	-	153.53	-	186.28
Add: Capital Reserves arising on account of amalgamation of J M Hosiery & Co. Limited and Ebell Fashions Private Limited. **(Refer Note 44)**	-	-	2.80	-	-	-	2.80
Restated Balance as on April 1, 2019	**56.00**	**39.29**	**2.80**	**14.78**	**484.95**	**(0.11)**	**597.71**
Add: Profit for the year		-	-	-	180.74	-	180.74
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	(0.16)	(0.16)
Less: Dividend	-	-	-	-	34.09	-	34.09
Less: Dividend tax	-	-	-	-	7.01	-	7.01
Balance as at March 31, 2020	**56.00**	**39.29**	**2.80**	**14.78**	**624.59**	**(0.27)**	**737.19**
Add: Profit for the period	-	-	-	-	273.37	-	273.37
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	0.18	0.18
Less: Dividend	-	-	-	-	6.31	-	6.31
Balance as at March 31, 2021	**56.00**	**39.29**	**2.80**	**14.78**	**891.65**	**(0.09)**	**1,004.43**

Standalone Statement of changes in equity for the year ended March 31, 2021

Nature and Purpose Of Reserves:

(A) Capital Redemption Reserve: This reserve has been created on redemption of Preference Share Capital and can be utilized in accordance with the provisions of the Companies Act, 2013.

(B) Securities Premium: This reserve represents premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(C) Capital Reserve: This reserve has been created pursuant to merger of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) with the Company and can be utilized in accordance with the provisions of the Companies Act, 2013. **(Refer Note 44)**

(D) General Reserve: This reserve is a free reserve which is used from time to time to transfer profits from retained earnings and can be utilized in accordance with the provisions of the Companies Act, 2013.

(E) Retained Earnings : This reserve represents undistributed cumulative profits of the Company and can be utilized in accordance with the provisions of the Companies Act, 2013

(F) Other Comprehensive Income Reserves : This reserve represents effect remeasurements of defined benefit plans that will not be reclassified to Statement of Profit & Loss.

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
ICAI Firm Registration No. 306033E/E300272

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Dated: May 25, 2021

For and on Behalf Of Board of Directors

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Saurabh Kumar Bhudolia
Chief Financial Officer
(PAN-AISPB8804D)

Smita Mishra
Company Secretary
(Mem No - A26489)

Standalone Statement of Cash Flows for the year ended March 31, 2021

₹ in Crores

	Year ended March 31, 2021 Audited	Year ended March 31, 2020 Audited
Cash flows from operating activities		
Profit before tax	366.09	242.58
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	17.09	14.82
Interest on lease liability	1.38	0.81
Finance costs - others	9.54	19.59
Profit on sale of property, plant and equipment	(0.01)	-
Loss on sale of property, plant and equipment	0.07	0.50
Loss on discard of assets	2.04	-
Finance income	(6.45)	(2.53)
Provision for doubtful debts and advances (net)	0.72	0.12
Bad debt (net)	1.13	1.11
Liabilities written back	(0.37)	0.00
Net gain on sale of current investments	(0.79)	(0.70)
Gain on investment carried at fair value through profit or loss	(0.35)	0.00
Operating profit before working capital changes	**390.09**	**276.30**
Movements in working capital:		
(Increase) / decrease in trade and other receivables	(18.23)	113.93
(Increase) / decrease in inventories	23.74	(89.67)
(Increase) / decrease in other assets	(1.23)	0.74
Increase / (decrease) in trade and other payables	76.36	(56.91)
Increase / (decrease) in other liabilities	1.37	(13.96)
Cash generated from operations	**472.10**	**230.43**
Direct taxes paid (net of refunds)	(79.17)	(67.05)
Net cash flow from operating activities	**392.93**	**163.38**
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets and capital advance	(65.34)	(15.80)
Proceeds from sale of property, plant and equipment and intangible assets	0.83	2.80
Purchase of investments (net)	(35.49)	(37.18)
Decrease in loan given	18.00	5.37
Increase in term deposit	(98.68)	(0.34)
Finance income	4.91	2.85
Net cash flow used in investing activities	**(175.77)**	**(42.30)**

Standalone Statement of Cash Flows for the year ended March 31, 2021

₹ in Crores

	Year ended March 31, 2021 Audited	Year ended March 31, 2020 Audited
Cash flows from financing activities		
Proceeds from non-current borrowings	5.57	0.39
Repayment of current borrowings	(125.18)	(81.42)
Finance costs - others	(9.75)	(19.54)
Dividend paid	(6.31)	(34.09)
Dividend tax paid	0.00	(7.01)
Payment of lease liability - principal	(1.82)	(0.68)
Payment of lease liability - interest	(1.38)	(0.81)
Net cash flow used in financing activities	**(138.87)**	**(143.16)**
Net increase / (decrease) in cash and cash equivalents	**78.29**	**(22.08)**
Cash and cash equivalents at the beginning of the year	6.00	1.92
Amalgamation of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) **(Refer Note 44)**	-	26.16
Cash and cash equivalents at the end of the year	**84.29**	**6.00**
Components of cash and cash equivalents		
Cash on hand (Refer Note 10)	0.63	1.32
Balances with banks - in current account (Refer Note 10)	83.66	4.68
Total cash and cash equivalents	**84.29**	**6.00**
Debt reconciliation statement as per Ind AS 7		
Current borrowings		
Opening balance	208.01	172.45
Amalgamation of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) **(Refer Note 44)**	-	116.98
Repayment of current borrowings (net)	(125.18)	(81.42)
Closing balance	**82.83**	**208.01**
Non-Current borrowings and certain components of financial liabilities		
Opening balance	10.67	7.71
Amalgamation of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) **(Refer Note 44)**	-	2.57
Proceeds from current borrowings (net)	5.57	0.39
Closing balance	**16.24**	**10.67**

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
ICAI Firm Registration No. 306033E/E300272

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Dated: 25th May, 2021

For and on Behalf Of Board of Directors

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Saurabh Kumar Bhudolia
Chief Financial Officer
(PAN-AISPB8804D)

Smita Mishra
Company Secretary
(Mem No - A26489)

NOTE : 1

REPORTING ENTITY

Lux Industries Limited ('the Company') is a public company domiciled and headquartered in India, having its registered office situated at 39, Kali Krishna Tagore Street, Kolkata. The Company has its shares listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company is primarily engaged in the manufacturing and sales of knitwears. The Company has operations in India and caters to both domestic and international markets. The Company also has a subsidiary in India in the name of Artimas Fashions Private Limited. The Manufacturing units of the Company are located in Kolkata (West Bengal), Ludhiana (Punjab), Ghaziabad (Utter Pradesh) and Tirupur (Tamil Nadu).

NOTE : 2

BASIS OF PREPARATION OF STANDALONE FINANCIAL STATEMENTS

(a) Statement of compliance

These Standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable.

The Standalone financial statements were approved for issue by the Board of Directors of the Company at their meeting held on May 25, 2021. The details of the Company's accounting policies are included in Note 3.

(b) Functional and presentation currency

These Standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest crores, unless otherwise indicated.

(c) Basis of measurement

The Standalone financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

(i) Certain financial assets and financial liabilities measured at fair value;

(ii) Assets held for sale-measured at the lower of its carrying amount and fair value less costs to sell; and

(iii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(d) Use of estimates and judgments

The preparation of the Company's Standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Standalone financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the Standalone

Notes to Standalone financial statements for the year ended March 31, 2021

financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone financial statements.

Critical accounting estimates and key sources of estimation uncertainty: Key assumptions

(i) Useful lives of Property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets. See note 3(d) and 4 for details.

(ii) Fair value measurement of financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss. See note 3(r) and 39 for details.

(iii) Defined benefit plan

The cost of the defined benefit plan includes gratuity and leave encashment. The present value of the obligations are determined using actuarial valuations using Projected unit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 3(g) and 36 for details.

(iv) Recognition of current tax and deferred tax

Current taxes are recognized at tax rates (and tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. See note 3(k) and 30 for details.

(v) Recognition and measurement of provisions and contingencies

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for. See note 3(h) and 32 for details.

(e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 40.

NOTE : 3

SIGNIFICANT ACCOUNTING POLICIES

(a) Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realized within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within 12 months after the reporting date; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

For the purpose of current/ non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

Notes to Standalone financial statements for the year ended March 31, 2021

(b) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the Statement of Profit and Loss in the period in which they arise.

(c) Financial instruments

(i) Recognition and initial measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

(ii) Classification and subsequent measurement

Financial assets

(a) Financial assets at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at FVOCI

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(c) Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of Profit and Loss.

(iv) Off setting

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(d) Property, plant and equipment & Intangible assets

(i) Recognition and measurement

- **Tangible assets and Capital Work in Progress**

  Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

  Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

  If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

  A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

  Property, plant and equipment under construction and not yet ready for their intended use are disclosed as Capital work-in- progress.

  Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other 'Non-Current Assets'.

- **Intangible assets:**

  Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each

Notes to Standalone financial statements for the year ended March 31, 2021

financial year end. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly. The Intangible assets include Computer Software. Amortization of Intangible Assets is made based on management's evaluation of duration of life cycle of intangible assets.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation & Amortization

Depreciation and amortization for the year is recognized in the Statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method in the manner specified in Part C of Schedule II to the Companies Act, 2013. Depreciation for the assets purchased/ sold during a period is proportionately charged.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate. The estimated useful lives of the assets are as follows:

Class of assets	Useful lives of the assets (Years)
Factory buildings	30
Non factory buildings	60
Plant and equipment	10 to 15
Computer and data processing equipment	3
Office equipment	5
Furniture and fixtures	10
Vehicles	8 to 10
Computer software	2.5

(e) Inventories

Inventories comprise raw materials, work-in progress, finished goods and packing materials and are measured at the lower of cost and net realizable value.

The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition and are net of input tax credits. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.

Assessment of net realizable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed.

(f) Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including subsequent information.

(ii) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of Profit and Loss.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

The Company makes specified monthly contributions to employee provident fund to Government administered provident fund scheme, which is a defined contribution plan. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Notes to Standalone financial statements for the year ended March 31, 2021

(iii) Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

(iv) Other long term employee benefits

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(h) Provision, Contingent Liabilities And Contingent Assets

A provision is recognized if, as a result of past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provisions in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

During the financial year the company has made provision for doubtful debts and doubtful advances to the extent of 100% of the total amount identified as doubtful debts and advances.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(i)(a) Revenue Recognition

(i) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

(ii) Sale of Products

Revenue from sale of products is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the company believes that the control gets transferred to the customer on dispatch of the goods from the factory/ depots and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them.

(iii) Rendering of Services

Revenue from services is recognized as the service performed based on agreements/ arrangements with the concerned parties.

(i)(b) Contract balances

(i) Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(ii) Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Dividend income is recognized in Statement of Profit and Loss on the date on which the Company's right to receive payment is established. Interest income is recognized using the effective interest method.

All other income are recognized on accrual basis.

(j) Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are deducted from the cost of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the statement of profit & loss.

(k) Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognized in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Notes to Standalone financial statements for the year ended March 31, 2021

(ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(l) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(m) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

(n) Cash and cash equivalents

Cash and cash equivalents include cash and cash-on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(o) Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) Operating segment

Based on the synergies, risks and returns associated with business operations and in terms of Ind AS-108, the Company's operating operation comprises of only one primary segment viz. manufacturing and sale of Knitwear's. The Company also believes that even geographically, the product of the Company faces similar risk and returns and there is no separate segment that can be identified for the purpose of reporting under Ind AS 108 on "Segment Reporting".

(r) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(s) Business combinations

Business combinations are accounted for using the acquisition method, except for common control business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the

Notes to Standalone financial statements for the year ended March 31, 2021

acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date.

The merger of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) has been accounted under the 'pooling of interests' method in accordance with Appendix C of IND AS 103 'Business Combinations' and comparatives have been restated for merger from the beginning of the preceding year i. e. April 1, 2019. Refer Note 44 for details.

(t) Ind AS 116 – Leases Standards

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method on the date of initial application . Pursuant to adoption of Ind AS 116, the Company recognised right-of-use assets and lease liabilities for those leases which were previously classified as operating leases, except for short-term leases and leases of low-value assets.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land & Building 2 to 10 years

Leasehold Land is amortised over the period of lease ranging from 30 to 99 years.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The company as a lessor classifies a lease either as an operating lease or a finance lease. Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 4

PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, RIGHT OF USE ASSETS (PREVIOUS YEAR)

₹ in Crores

	Gross Block						Depreciation/ Amortization						Net Block	
	As at April 1, 2019	Amalgamation (Refer Note 44)	Restated Balance As at April 1, 2019	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2020	As at April 1, 2019	Amalgamation (Refer Note 44)	Restated Balance As at April 1, 2019	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2020	As at March 31, 2020	As at April 1, 2019
Tangible Assets														
Land	11.44	-	11.44	-	-	11.44	-	-	-	-	-	-	11.44	11.44
Building	75.29	3.80	79.09	1.56	-	80.65	5.87	0.52	6.39	2.42	-	8.81	71.84	72.70
Plant & equipments	54.61	10.83	65.44	11.08	3.54	72.98	15.39	3.27	18.66	7.44	0.25	25.85	47.13	46.78
Office equipments	1.59	0.10	1.69	0.14	-	1.83	0.74	0.04	0.78	0.30	-	1.08	0.75	0.91
Furniture & fixture	5.90	1.50	7.40	0.46	-	7.86	1.55	0.51	2.06	0.85	-	2.91	4.95	5.34
Vehicle	9.12	4.80	13.92	0.41	0.03	14.30	2.55	1.53	4.08	1.73	0.02	5.79	8.51	9.84
	157.95	**21.03**	**178.98**	**13.65**	**3.57**	**189.06**	**26.10**	**5.87**	**31.97**	**12.74**	**0.27**	**44.44**	**144.62**	**147.01**
Capital work-in-progress	0.41	-	0.41	0.76	0.41	0.76	-	-	-	-	-	-	0.76	0.41
Sub Total (A)	**158.36**	**21.03**	**179.39**	**14.41**	**3.98**	**189.82**	**26.10**	**5.87**	**31.97**	**12.74**	**0.27**	**44.44**	**145.38**	**147.42**
Intangible assets														
Computer software	1.84	0.01	1.85	0.21	-	2.06	1.39	0.01	1.40	0.45	-	1.85	0.21	0.45
Brand			-	-	-	-			-		-	-	-	-
Sub Total (B)	**1.84**	**0.01**	**1.85**	**0.21**	**-**	**2.06**	**1.39**	**0.01**	**1.40**	**0.45**	**-**	**1.85**	**0.21**	**0.45**
Right of use assets														
Building **(Refer note 43)**	-	0.02	0.02	13.68	-	13.70	-	-	-	1.63	-	1.63	12.07	0.02
Sub Total (C)	**-**	**0.02**	**0.02**	**13.68**	**-**	**13.70**	**-**	**-**	**-**	**1.63**	**-**	**1.63**	**12.07**	**0.02**
Total (A+B+C)	**160.20**	**21.06**	**181.26**	**28.30**	**3.98**	**205.58**	**27.49**	**5.88**	**33.37**	**14.82**	**0.27**	**47.92**	**157.66**	**147.89**

NOTE: 4 (Contd.)

PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, RIGHT OF USE ASSETS

₹ in Crores

	Gross Block				Depreciation/ Amortization				Net Block	
	As at April 1, 2020	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2021	As at April 1, 2020	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Tangible Assets										
Land	11.44	33.18	-	44.62	-	-	-	-	44.62	11.44
Building	80.65	6.45	-	87.10	8.81	2.50	-	11.31	75.79	71.84
Plant & equipments	72.98	15.52	11.17	77.33	25.85	8.96	8.98	25.83	51.50	47.13
Office equipments	1.83	0.22	-	2.05	1.08	0.30	-	1.38	0.67	0.75
Furniture & fixture	7.86	0.57	-	8.43	2.91	0.75	-	3.66	4.77	4.95
Vehicle	14.30	0.63	0.73	14.20	5.79	1.69	0.27	7.21	6.99	8.51
	189.06	**56.57**	**11.90**	**233.73**	**44.44**	**14.20**	**9.25**	**49.39**	**184.34**	**144.62**
Capital work-in-progress	0.76	8.77	0.30	9.23	-	-	-	-	9.23	0.76
Sub Total (A)	**189.82**	**65.34**	**12.20**	**242.96**	**44.44**	**14.20**	**9.25**	**49.39**	**193.57**	**145.38**
Intangible assets										
Computer software	2.06	-	-	2.06	1.85	0.12	-	1.97	0.09	0.21
Brand	-	-	-	-	-	-	-	-	-	-
Sub Total (B)	**2.06**	**-**	**-**	**2.06**	**1.85**	**0.12**	**-**	**1.97**	**0.09**	**0.21**
Right of use assets										
Building **(Refer note 43)**	13.70	0.73	-	14.43	1.63	2.77	-	4.40	10.03	12.07
Sub Total (C)	**13.70**	**0.73**	**-**	**14.43**	**1.63**	**2.77**	**-**	**4.40**	**10.03**	**12.07**
Total (A+B+C)	**205.58**	**66.07**	**12.20**	**259.45**	**47.92**	**17.09**	**9.25**	**55.76**	**203.69**	**157.66**

NOTE: 5

INVESTMENTS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
A. Non-Current Investments		
Equity instruments carried at fair value through profit or loss (FVTPL)		
Unquoted-fully paid-up		
West Bengal Hosiery Park Infrastructure Limited	-	-
500 equity shares (PY - 500) (FV - ₹10 each)		
Investment carried at cost (Unquoted)		
Investment in Equity Instrument in subsidiary		
Artimas Fashions Private Limited	0.19	0.19
1,02,000 equity shares (PY - 1,02,000) (FV - ₹10 each)		
Total	**0.19**	**0.19**
Aggregate amount of unquoted investments	**0.19**	**0.19**
Investment in quoted investment		
Aggregate book value	**-**	**-**
Aggregate market value	**-**	**-**
Investments carried at costs	**0.19**	**0.19**
Investments carried at fair value through profit or loss (FVTPL)	**-**	**-**

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 6
OTHER FINANCIAL ASSETS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Carried at amortised cost)		
Non-current		
Other bank balance		
Bank deposit more than 12 months maturity from balance sheet date (pledged)	3.15	7.25
Interest accrued on fixed deposit	0.05	0.19
Security deposit	2.52	2.21
	5.72	**9.65**
Current		
Interest accrued on fixed deposit	1.68	-
Interest accrued on perpetual bonds	2.29	-
Security deposit	1.00	0.97
Loans and advances to employees	2.27	1.85
Other loans and advances	-	0.12
	7.24	**2.94**
Total	**12.96**	**12.59**

Fixed deposits pledged with banks ₹6.53 Crores (Previous Year ₹7.25 Crores)

NOTE: 7
OTHER NON-CURRENT ASSETS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Capital advances	1.69	3.51
Others		
Prepaid expenses	0.15	0.11
Total	**1.84**	**3.62**

NOTE : 8
INVENTORIES

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Valued at lower of cost and net realisable value)		
Raw materials	63.31	51.22
Work-in-progress	150.31	165.51
Finished goods	192.23	219.04
Stock-in-trade	1.65	1.79
Packing materials	56.14	49.82
Total	**463.64**	**487.38**

NOTE: 8A
CURRENT INVESTMENT

₹ in Crores

	No. of Units Mar-21	No. of Units Mar-20	As at March 31, 2021	As at March 31, 2020
Investments in mutual funds - unquoted				
(at fair value through profit or loss (FVTPL)				
HDFC Liquid Fund Growth	-	17,142	-	6.66
SBI Liquid Fund Growth	-	23,472	-	7.26
SBI - Overnight Fund Regular Growth	-	43,521	-	14.03
LIC - Banking & PSU Debt Fund Growth	-	3,93,171	-	1.01
LIC - Liquid Fund Growth	-	5,723	-	2.05
Nippon India - Liquid Fund Growth	-	15,881	-	7.66
ICICI Pru Money Market Fund - Growth	51,534	-	1.51	-
Aditya Birla SL - Arbitrage Fund	26,46,935	-	5.51	-
Axis Arbitrage Fund	3,83,428	-	0.56	-
ICICI Equity Arbitrage Fund	3,73,066	-	1.00	-
Axis Money Market Fund	22,739	-	2.51	-
Investments in bonds - quoted				
(at amortised cost)				
8.85% HDFC Bank Limited SR 1-BD Perpetual Bond (FV ₹0.10 Crores)	90	-	9.28	-
8.15% Bank of Baroda SR XV BD Perpetual Bond (FV ₹0.10 Crores)	100	-	10.00	-
10.99% Union Bank of India SR-III BD Perpetual Bond (FV ₹0.10 Crores)	9	-	0.92	-
11.25% Canara Bank SR-III BD Perpetual Bond (FV ₹0.10 Crores)	20	-	2.03	-
9.2% ICICI Bank Limited SR-DMR-17 at BD Perpetual Bonds (FV ₹0.10 Crores)	5	-	0.51	-
7.74% State Bank of India SR I BD Perpetual Bond (FV ₹0.10 Crores)	150	-	15.04	-
8.50% State Bank of India Series II BD Perpetual Bond (FV ₹0.10 Crores)	150	-	15.26	-
8.15% State Bank of India SR-IV BD Perpetual Bond (FV ₹0.10 Crores)	3	-	0.31	-
9.56% State Bank of India Series 1 NCD Perpetual Bond (FV ₹0.10 Crores)	8	-	0.86	-
Fixed deposit with maturity more than 3 months but less than 12 months				
(at Amortised Cost)				
LIC Housing Finance Ltd	-	-	10.00	-
Total	**34,78,237**	**4,98,910**	**75.30**	**38.67**

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 8A (Contd.)
CURRENT INVESTMENT

₹ in Crores

	No. of Units Mar-21	No. of Units Mar-20	As at March 31, 2021	As at March 31, 2020
Aggregate amount of unquoted investments			21.09	38.67
Investment in quoted investment				
Aggregate book value			54.21	-
Aggregate market value			55.06	-
Investments carried at costs			64.21	-
Investments carried at fair value through profit or loss (FVTPL)			11.09	38.67

NOTE: 9
TRADE RECEIVABLES

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Carried at amortised cost)		
Unsecured		
- Considered good	453.77	437.39
- Considered doubtful	2.87	2.15
Less: Loss for allowances		
- Provision for doubtful debt	(2.87)	(2.15)
	453.77	**437.39**
Total	**453.77**	**437.39**

NOTE: 10
CASH AND CASH EQUIVALENTS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Current/Cash credit accounts	61.44	4.68
Fixed deposit with maturity less than 3 months	22.22	-
Cash on hand	0.63	1.32
Total	**84.29**	**6.00**

NOTE: 11
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Unpaid dividend - earmarked balances with bank	0.08	0.09
Fixed deposit with maturity more than 3 months but less than 12 months	101.36	0.87
Total	**101.44**	**0.96**

NOTE: 12
LOANS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Carried at amortized cost		
Loans receivables considered good - unsecured		
- to related paties **(Refer Note 33)**	-	17.44
- to others	-	0.56
Total	**-**	**18.00**

NOTE: 13
OTHER CURRENT ASSETS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Unsecured considered good unless otherwise stated)		
Advances to supplier		
- Unsecured, considered good	14.91	10.45
- Unsecured, considered doubtful	0.45	0.45
	15.36	**10.90**
Less: Provision for doubtful advances	(0.45)	(0.45)
	14.91	**10.45**
Others		
Prepaid expenses	1.64	0.93
Balances with government authorities	51.38	48.49
Incentive / duty drawback receivable	0.78	6.47
Total	**68.71**	**66.34**

NOTE : 14
SHARE CAPITAL

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Authorised:		
4,50,00,000 equity shares of ₹ 2/- each	9.00	9.00
(31.03.2020: 4,50,00,000 equity shares of ₹ 2/- each)		
56,00,000 preference shares of ₹ 100/- each	56.00	56.00
(31.03.2020: 56,00,000 preference shares of ₹ 100/- each)		
Issued and subscribed equity share capital		
2,77,37,500 equity shares of ₹ 2/- each	5.55	5.55
(31.03.2020: 2,77,37,500 Equity shares of ₹ 2/- each)		
Paid up equity share capital		
2,52,53,000 equity shares of ₹ 2/- each	5.05	5.05
(31.03.2020: 2,52,53,000 equity shares of ₹ 2/- each)		
Equity share capital-suspense account		
48,18,681 equity shares of ₹ 2/- each **(Refer Note 44)**	0.96	0.96
Forfeited equity share capital		
Add: 24,84,500 equity shares (paid-up)	0.25	0.25
(31.03.2020: 24,84,500 equity shares (paid-up))		
Total	**6.26**	**6.26**

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE : 14 (Contd.)

SHARE CAPITAL

₹ in Crores

	Equity share capital	
	No. of shares	₹ in Crores
Reconciliation of number of equity shares outstanding:		
As at April 1, 2019	**2,52,53,000**	**5.30**
Increase during the year	-	-
As at March 31, 2020	**2,52,53,000**	**5.30**
Increase during the year	-	-
As at March 31, 2021	**2,52,53,000**	**5.30**

(i) Terms / rights attached to Equity shares:

The Company has equity shares with a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the Company, after meeting all liabilities and distribution of all preferential amounts, in proportion to their shareholding.

(ii) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Ashok Kumar Todi	34,67,834	13.73%	34,67,834	13.73%
Pradip Kumar Todi	42,26,500	16.74%	42,26,500	16.74%
Bimla Devi Todi	32,80,000	12.99%	32,80,000	12.99%
Shobha Devi Todi	25,27,500	10.01%	25,27,500	10.01%
Prabha Devi Todi	36,23,000	14.35%	36,23,000	14.35%

NOTE: 15

OTHER EQUITY

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Capital redemption reserve	56.00	56.00
Securities premium	39.29	39.29
Capital reserve **(Refer Note 44)**	2.80	2.80
General reserve	14.78	14.78
Retained earnings	891.65	624.59
Other comprehensive income reserves	(0.09)	(0.27)
Total	**1,004.43**	**737.19**

NOTE: 16

FINANCIAL LIABILITIES - BORROWINGS

₹ in Crores

(a) Non-current borrowings	As at March 31, 2021	As at March 31, 2020
(Carried at amortised cost)		
Secured		
Term loans from banks	15.96	10.41
Less: Current maturity of long term debts **(Refer Note 20)**	4.23	3.37
	11.73	**7.04**
Vehicle loan from banks	0.28	0.26
Total	**12.01**	**7.30**

(i) Repayment terms and nature of securities given for term loan as follows :

Name of the Bank / instrument	March 31, 2021	March 31, 2020	Nature of security	Repayment terms
Secured				
Indian Bank (erstwhile Allahabad Bank)	11.75	7.21	Exclusive hypothecation charge over the machinery/ equipments acquired out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the company, both present & future and also secured by personal guarantee of the KMP/relatives of KMP.	Repayable in quarterly installment Interest @ MCLR is serviced on monthly basis as and when due.
HDFC Bank	1.42	1.87	Exclusive hypothecation charge over the machinery/ equipments acquired out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the company, both present & future and also secured by personal guarantee of the KMP/relatives of KMP.	Repayable in quarterly instalments. Interest @ 9.5% is serviced on monthly basis.
HDFC Bank	1.58	-	Exclusive Hypothecation charge over the machinery/equipments acquired out of the said loan.	Repayable in quarterly installment. Interest @ MCLR is serviced on monthly basis as and when due.
HDFC Bank	0.28	0.72	Secured against hypothecation of motor car	Repayable in thirty six instalments commencing from March, 2019
Indian Bank (erstwhile Allahabad Bank)	1.21	0.87	Exclusive Hypothecation charge over the machinery/equipments acquired out of the said loan.It is additionally secured by personal guarantee of the KMP/relatives of KMP	Repayable in quarterly installment. Interest @ MCLR is serviced on monthly basis as and when due.

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 16 (Contd.)
FINANCIAL LIABILITIES - BORROWINGS

₹ in Crores

(b) Current borrowings	As at March 31, 2021	As at March 31, 2020
(Carried at amortised cost)		
From Banks (Secured)		
i) Loan repayable on demand		
Cash credit facilities	10.34	29.84
Working capital demand loan (WCDL)	25.00	65.02
ii) Packing credit	46.93	95.63
From others (Unsecured)		
From related parties **(Refer Note 33)**	0.56	5.52
From body corporates	-	12.00
Total	**82.83**	**208.01**

a) The above credit facilities from banks are secured against hypothecation of entire stocks, book debts and other current assets, both present and future of Company. It is additionally secured by personal guarantee of the KMP/relatives of KMP. It is additionally secured by 1st pari-passu charge on entire fixed assets of the company.

NOTE: 17
NON CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Lease obligation	8.48	10.36
Total	**8.48**	**10.36**

NOTE: 18
PROVISIONS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
a) Non-current	6.58	5.37
b) Current	1.04	0.81
Total	**7.62**	**6.18**

NOTE: 19
TRADE PAYABLES

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Carried at amortised cost)		
MSMED **[Refer note (a) below]**	5.80	4.74
Other trade payables	269.60	194.30
Total	**275.40**	**199.04**

NOTE: 19 (Contd.)

TRADE PAYABLES

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006		
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to micro and small enterprise	5.80	4.74
Interest due on above	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

NOTE: 20

CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Carried at amortised cost)		
Current maturities of long-term borrowings **(Refer Note 16)**	4.23	3.37
Current maturities of lease obligation	2.04	1.25
Deposits from dealers/ agents	22.73	20.25
Unclaimed dividend	0.08	0.09
Interest accrued but not due	0.11	0.32
Other payables	10.05	10.84
[At Fair Value through Profit and Loss Account (FVTPL)]		
Forward contract payable (On Mark-to-Market)	-	1.85
Total	**39.24**	**37.97**

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 21
OTHER CURRENT LIABILITIES

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Statutory dues	3.60	2.96
Advance from customers	7.19	8.30
Total	**10.79**	**11.26**

NOTE: 22
CURRENT TAX LIABILITIES

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Income tax liabilities	14.57	0.52
Total	**14.57**	**0.52**

NOTE: 23
REVENUE FROM OPERATIONS

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	1,927.48	1,654.69
Stock-in-trade	1.19	0.93
Sale of Services		
Job work	0.32	0.23
Other Operating Revenue		
Insurance claim	2.71	0.03
Export and other incentive	6.72	8.48
Total	**1,938.42**	**1,664.36**

NOTE: 24
OTHER INCOME

₹ in Crores

	Year ended March 31, 2021		Year ended March 31, 2020	
Interest income from financial assets at amortized cost:				
i) On fixed deposits	4.67		0.51	
ii) On loan given to subsidiary company **(Refer Note 33)**	-		0.45	
iii) From financial assets at amortized cost	0.60		0.01	
iv) On loans given to other entities	1.18	6.45	1.57	2.54
Rent received		-		0.02
Profit on sale of property, plant and equipment		0.01		-
Foreign currency fluctuation gain (net)		3.55		2.69
Income from current investments :				
Net gain on fair valuation of mutual fund units		0.35		-
Net gain on sale of current investments		0.79		0.70
Liabilities written back		0.37		-
Others		0.82		0.88
Total		**12.34**		**6.83**

NOTE: 25
COST OF RAW MATERIAL CONSUMED

₹ in Crores

	Year ended March 31, 2021		Year ended March 31, 2020	
Yarn Consumed				
Opening stock	51.21		33.43	
Add : Purchases during the year	601.29		578.27	
	652.50		611.70	
Less: Yarn sale	7.06		12.34	
Less: Closing stock	63.31	582.13	51.21	548.15
Packing Materials Consumed				
Opening stock	49.82		46.57	
Add: Purchases during the year	192.78		176.04	
	242.60		222.61	
Less: Closing stock	56.14	186.46	49.82	172.79
Consumption of Fabrics		9.80		1.77
Total		**778.39**		**722.71**
Purchase of stock-in-trade (Knitwear)		9.06		4.62
Total		**9.06**		**4.62**

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

₹ in Crores

	Year ended March 31, 2021		Year ended March 31, 2020	
Finished Goods				
Opening stock	219.04		162.99	
Closing stock	192.23	26.81	219.04	(56.05)
Work-in-progress				
Opening stock	165.52		150.81	
Closing stock	150.31	15.21	165.52	(14.71)
Stock in trade				
Opening stock	1.79		3.91	
Closing stock	1.65	0.14	1.79	2.12
Total		**42.16**		**(68.64)**

NOTE: 26
EMPLOYEE BENEFIT EXPENSE

₹ in Crores

	Year ended March 31, 2021		Year ended March 31, 2020	
Salaries, wages & bonus	61.24		60.02	
Provision for employment benefit	1.90	63.14	1.60	61.62
Contribution to provident & other funds		1.82		1.59
Staff welfare expenses		2.04		1.88
Total		**67.00**		**65.09**

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 27
FINANCE COST

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense	8.37	17.08
Interest on lease obligation	1.38	0.81
Bank charges	1.17	2.51
Total	**10.92**	**20.40**

NOTE: 28
DEPRECIATION & AMORTIZATION EXPENSE

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment	14.20	12.74
Amortization of intangible assets	0.12	0.45
Depreciation on lease assets	2.77	1.63
Total	**17.09**	**14.82**

NOTE: 29
OTHER EXPENSES

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores & spare parts	3.17	2.69
Power & fuel	6.92	6.67
Rent	2.87	3.41
Repairs		
Repairs to buildings	1.11	1.51
Repairs to machinery	0.57	0.45
Repairs to other	1.00	0.26
Insurance	1.20	1.08
Rates & taxes	0.39	0.47
Selling expenses	12.67	17.77
Royalty	0.08	0.08
Advertisement & publicity	103.66	133.96
Commission	15.57	12.99
Freight & other handling charges	40.20	34.97
Bad debts (net)	1.13	1.83
Provision for doubtful debts/ advance	0.72	0.12
Processing expense	445.76	429.75
Prior period items	0.18	(0.26)
Loss on sale of property, plant and equipment	0.07	0.50
Loss on discard of assets	2.04	-
Miscellaneous expenses	20.44	21.04
Payment to auditors		
Statutory audit fees	0.27	0.26
Certification	-	0.02
Others	0.03	0.04
Total	**660.05**	**669.61**

NOTE: 30
INCOME TAX

A. Amount recognized in profit or loss

₹ in Crores

		As at March 31, 2021	As at March 31, 2020
Current tax			
Current year		92.75	62.08
Changes in respect of current income tax of previous years		0.50	1.45
	(a)	**93.25**	**63.53**
Deferred tax			
Attributable to -			
Origination and reversal of temporary differences		(0.53)	(1.69)
	(b)	**(0.53)**	**(1.69)**
Tax expenses reported in the Standalone Statement of Profit and Loss (a+b)		**92.72**	**61.84**

B. Income tax recognized in Other Comprehensive Income

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Deferred tax relating to items recognized in other comprehensive income during the year	0.01	(0.06)
Income tax expense charged to Other Comprehensive Income	**0.01**	**(0.06)**

C. Reconciliation of tax expense and the accounting profit for March 31, 2021 and March 31, 2020

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Accounting profit before income tax	**366.09**	**242.58**
Tax at the applicable India tax rate of 25.168% (25.168%)	92.14	61.05
Tax impact on amounts that are adjusted in determining taxable profit:		
Difference between depreciation as per IT Act and depreciation as per books	0.39	0.11
Other adjustments	0.19	0.68
Tax expenses reported in the Standalone Statement of Profit and Loss	**92.72**	**61.84**

D. Reconciliation of applicable tax rate and effective tax rate

	As at March 31, 2021	As at March 31, 2020
Applicable tax rate	25.17%	25.17%
Tax effect of difference between depreciation as per IT Act and depreciation as per books	0.11%	0.05%
Tax effect of other adjustments	0.05%	0.27%
Effective tax rate	**25.33%**	**25.49%**

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 30 (Contd.)
INCOME TAX

E. Recognized deferred tax assets and (liabilities):

₹ in Crores

	Balance as on April 1, 2020	Charged / (credited) to profit or loss	Charged / (credited) to OCI	Balance as on March 31, 2021
Property, plant and equipment	(7.53)	0.87	-	(8.40)
Right of use assets	(3.04)	(0.19)	-	(2.85)
Trade receivables	0.53	(0.30)	-	0.83
Other assets	0.42	(0.08)	-	0.50
Provisions	1.58	0.02	0.01	1.55
Other liabilities	3.33	(0.98)	-	4.31
Unused tax losses to the extent of deferred tax liabilities	-	0.14	-	(0.14)
Total	**(4.71)**	**(0.53)**	**0.01**	**(4.20)**

₹ in Crores

	Balance as on April 1, 2019	Charged / (credited) to profit or loss	Charged / (credited) to OCI	Balance as on March 31, 2020
Property, plant and equipment	(8.76)	(1.23)	-	(7.53)
Right of use assets	-	3.04	-	(3.04)
Trade receivables	0.53	0.00	-	0.53
Other assets	0.20	(0.21)	-	0.42
Provisions	1.56	0.04	(0.06)	1.58
Other liabilities	-	(3.33)	-	3.33
Total	**(6.46)**	**(1.69)**	**(0.06)**	**(4.71)**

F. Deferred tax reflected in the Balance Sheet as follows:

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	7.19	5.86
Deferred tax liabilities	(11.39)	(10.57)
Deferred tax liabilities (net)	**(4.20)**	**(4.71)**

NOTE: 31
EARNINGS PER SHARE (EPS) (IND AS 33)

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year	273.37	180.74
Weighted average number of equity shares outstanding at the end of the year for basic EPS	3,00,71,681	3,00,71,681
Weighted average number of equity shares outstanding at the end of the year for diluted EPS	3,00,71,681	3,00,71,681
Nominal value per share (₹)	2/-	2/-
Earnings per share		
Basic	90.91	60.10
Diluted	**90.91**	**60.10**

NOTE: 31
EARNINGS PER SHARE (EPS) (IND AS 33) (Contd.)

Earnings per share for the year ended March 31, 2020 has been restrospectively adjusted w.e.f April 1, 2019 for shares issued against amalgamation of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) with the company.

Pursuant to the Scheme 48,18,681 equity shares were allotted by the Company on May 8, 2021 to the shareholders of the JMHL & Ebell which have been included in the number of shares considered above.

NOTE: 32
PARTICULARS OF CONTINGENT LIABILITIES AND COMMITMENTS

I. Contingent Liabilities

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Claims against the company not acknowledged as liabilities in respect of:		
Sales tax matters	0.62	0.62
Customs and excise matters	3.56	3.56
Service tax matters	1.36	1.36
Provident fund matters	9.73	9.73
Guarantee given	21.43	8.97
Income tax related matter	0.01	0.12

The Company is contesting the demand and the management including its legal advisors believes that its position will likely be upheld in the appellate process.

The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

II. Commitments

a. Estimated amount of contracts to be executed on capital account (net of advances) ₹ 9.03 Crores (Previous year ₹ 5.50 Crores). The company has other commitments, for purchase/ sales orders which are issued after considering requirements per operating cycle for purchase/ sale of goods and services, in normal course of business.

b. The company did not have any long term commitments/ contracts including derivative contracts for which there will be any material foreseeable losses.

NOTE: 33
RELATED PARTY DISCLOSURE (IND AS 24)

A. List of related parties where control exists:

Name of the subsidiary	Country of incorporation	Percentage of holding As at March 31, 2021	Percentage of holding As at March 31, 2020
Artimas Fashions Private Limited	India	50.97%	50.97%
Altai Industries Private Limited (Till May 13, 2019)	India	Nil	Nil

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 33
RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

B. Key management personnel:

Mr Ashok Kumar Todi, Executive Chairman
Mr Pradip Kumar Todi, Managing Director
Mr Ajay Kumar Patodia, Chief Financial Officer (upto 12.02.2021)
Mr Saurabh Kumar Bhudolia, Chief Financial Officer (w.e.f 13.02.2021)
Mrs Smita Mishra, Company Secretary

C. Other directors:

Mrs Prabha Devi Todi – Executive Director
Mr Nandanandan Mishra – Independent director
Mr Kamal Kishore Agrawal – Independent director
Mr Snehasish Ganguly – Independent director
Mrs Rusha Mitra - Independent director

D. Relatives of Key management personnel

Mrs Bimla Devi Todi
Mrs Shobha Devi Todi
Mr Saket Todi
Mr Udit Todi
Mr Rahul Kumar Todi
Mr Navin Kumar Todi
Mr Keshav Todi
Mrs Shilpa Pankajkumar
Mrs Meenakshi Todi
Mrs Sonika Bhudolia
Mrs Neha Poddar
Ms Priyanka Todi

E. Entities where Key management personnel and their relative have significant influence

Biswanath Hosiery Mills Limited
Biswanath Real Estate Private Limited
Rotex Intertrade Private Limited
Chitragupta Sales & Services Private Limited
HollyField Traders Private Limited
P.G. Buildtech Private Limited
P.G. Infometic Private Limited
Todi Industries
Todi Exports
Lux Foundation
Jaytee Exports
S D International

NOTE: 33 (Contd.)

RELATED PARTY DISCLOSURE (IND AS 24)

F. The following transactions were carried out with the related parties in the ordinary course of business:

₹ in Crores

Sr No.	Name of related party	Year ended March 31, 2021	Year ended March 31, 2020
1	**Sale of goods**		
	Artimas Fashions Private Limited	0.35	2.60
	Jaytee Exports	0.01	-
	Todi Industries	0.07	7.55
2	**Interest received**		
	Hollyfield Traders Private limited	-	0.13
	Artimas Fashions Private Limited	-	0.45
	Biswanath Real Estate Private Limited	0.98	1.19
3	**Received towards services**		
	Todi Industries – Knitting services	-	0.06
	S.D. International – Knitting services	-	0.02
	Artimas Fashions Private Limited - Knitting services	0.04	0.02
4	**Purchase of goods**		
	Todi Industries	1.77	5.00
	Artimas Fashions Private Limited	1.68	0.02
	Jaytee Exports	1.50	6.71
5	**Purchase of Property, Plant & Equipment**		
	Mr Ashok Kumar Todi	14.44	-
	Mr Pradip Kumar Todi	12.98	-
	Mrs Prabha Devi Todi	0.19	-
	Mrs Shobha Devi Todi	0.90	-
	Todi Industries	0.80	5.22
6	**Sitting fees**		
	Mr Nandanandan Mishra	0.01	0.01
	Mr Kamal Kishore Agrawal	0.01	0.01
	Mr Snehasish Ganguly	0.00	0.00
	Mrs Rusha Mitra	0.00	0.00
7	**CSR expenditure**		
	Lux Foundation	-	0.01
8	**Rent payment**		
	Hollyfield Traders Private Limited	0.02	0.02
	P.G. Infometic Private Limited	0.45	0.38
	Artimas Fashions Private Limited	-	0.02
	Mrs Meenakshi Todi	-	0.04
	Mrs Prabha Devi Todi	0.18	0.21
	Mr Navin Kumar Todi	0.12	0.04
	Mr Rahul Kumar Todi	0.18	0.12

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 33 (Contd.)
RELATED PARTY DISCLOSURE (IND AS 24)

₹ in Crores

Sr No.	Name of related party	Year ended March 31, 2021	Year ended March 31, 2020
9	**Other services payment**		
	P.G. Infometic Private Limited - Data processing charges	0.48	0.48
	Biswanath Hosiery Mills Limited - Royalty	0.08	0.08
	Todi Industries – Knitting, cutting & stitching charges	0.68	7.51
10	**Reimbursement of taxes**		
	Biswanath Hosiery Mills Limited	0.00	-
11	**Motor car leasing expenses**		
	Mrs Sonika Bhudolia	0.02	-
12	**Dividend payment**		
	Mr Ashok Kumar Todi	0.87	4.77
	Mr Pradip Kumar Todi	1.06	5.80
	Mrs Prabha Devi Todi	0.91	4.93
	Mrs Bimla Devi Todi	0.82	4.51
	Mrs Shobha Devi Todi	0.63	3.49
	Mr Saket Todi	0.04	0.18
	Mr Udit Todi	0.05	0.25
	Mrs Shilpa Pankajkumar	0.01	0.07
	Mrs Neha Poddar	0.01	0.07
13	**Sale of Investment**		
	Altai Industries Private limited	-	0.10
14	**Investment in equity shares**		
	Artimas Fashions Private Limited	-	0.08
15	**Director's Remuneration**		
	Mr Ashok Kumar Todi	2.85	3.00
	Mr Pradip Kumar Todi	2.85	3.00
16	**Salary**		
	Mr Saket Todi	1.61	1.12
	Mr Udit Todi	1.61	1.12
	Mr Navin Kumar Todi	1.44	1.29
	Mr Rahul Kumar Todi	1.44	1.29
	Mrs Bimla Devi Todi	0.57	0.60
	Mrs Shobha Devi Todi	0.57	0.60
	Mr Ajay Kumar Patodia (CFO) upto 12.02.2021	0.76	0.62
	Mr Saurabh Kumar Bhudolia (CFO) w.e.f 13.02.2021	0.10	-
	Mr Keshav Todi	0.27	-
	Mrs Smita Mishra (CS)	0.14	0.12
	Mrs Neha Poddar	0.29	0.30
17	**Interest paid**		
	Chitragupta Sales & Services Private Limited	-	0.35
	Rotex Intertrade Private Limited	-	0.29
	Holly Field Traders Private Limited	-	0.08

NOTE: 33 (Contd.)
RELATED PARTY DISCLOSURE (IND AS 24)

₹ in Crores

Sr No.	Name of related party	Year ended March 31, 2021	Year ended March 31, 2020
18	**Reimbursement of expenses**		
	Mr Nandanandan Mishra	-	0.01
	Mr Kamal Kishore Agrawal	-	0.00
	Mr Saurabh Kumar Bhudolia	0.00	-
19	**Loan received**		
	Chitragupta Sales & Services Private Limited	-	14.67
	Rotex Intertrade Private Limited	-	6.23
	Holly Field Traders Private Limited	-	11.84
	Mr Ashok Kumar Todi	-	2.28
	Mr Pradip Kumar Todi	-	1.57
	Mrs Prabha Devi Todi	1.41	9.84
20	**Loan repayment**		
	Chitragupta Sales & Services Private Limited	-	18.67
	Rotex Intertrade Private Limited	-	9.58
	Holly Field Traders Private Limited	-	15.67
	Mr Ashok Kumar Todi	-	2.28
	Mr Pradip Kumar Todi	-	1.93
	Mrs Prabha Devi Todi	6.37	6.80
21	**Loan given**		
	Biswanath Real Estate Private Limited	0.22	0.81
	Artimas Fashions Private Limited	-	4.40
22	**Refund of loan given**		
	Artimas Fashions Private Limited	-	8.05
	Biswanath Real Estate Private Limited	18.44	4.57
23	**Payment of security deposit**		
	P.G. Infometic Private Limited	0.10	1.71

G. Outstanding balances:

₹ in Crores

Sr. No.	Name of related party	As at March 31, 2021	As at March 31, 2020
1	**Trade Payables**		
	Jaytee Exports	-	3.66
	P.G. Infometic Private Limited	0.24	0.10
	Biswanath Hosiery Mills Limited	0.05	-
	Hollyfield Traders Private Limited	0.03	-
	Artimas Fashions Private Limited	0.96	-
2	**Trade Receivables**		
	Todi Industries	0.29	2.24
	Artimas Fashions Private Limited	-	0.08

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 33 (Contd.)

RELATED PARTY DISCLOSURE (IND AS 24)

₹ in Crores

Sr No.	Name of related party	Year ended March 31, 2021	Year ended March 31, 2020
3	**Unsecured Loans Given**		
	Biswanath Real Estate Private Limited	-	17.31
4	**Unsecured Loans Taken**		
	Mrs Prabha Devi Todi	-	4.96
	Mr Navin Kumar Todi	0.51	0.51
	Mr Rahul Kumar Todi	0.05	0.05
5	**Advances recoverable in cash or value**		
	Jaytee Exports	0.01	-
	Todi Exports (India)	0.50	0.50
	Holly Field Traders Private Limited	-	0.12
	Biswanath Hosiery Mills Ltd.	-	0.02
6	**Security deposit**		
	P.G. Infometic Private Limited	2.17	2.07
7	**Investment in shares**		
	Artimas Fashions Private Limited	0.19	0.19

NOTE: 34

SEGMENT REPORTING

In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these financial statements.

NOTE: 35

CORPORATE SOCIAL RESPONSIBILITY

The details relating to Corporate Social Responsibility (CSR) expenditure are as follows:

As per Section 135 of the Companies Act, 2013, a CSR committee had been formed by the Company. The funds are utilized on the activities which are specified in Schedule VII of the Act. The utilization is done by way of contribution towards various activities.

a. Amount spent during the year on:

₹ in Crores

	2020-21	2019-20
Gross amount required to be spent by the Company during the year	4.84	3.56
Amount spent as below		
- Education and Skill development	0.69	0.40
- Health Care	2.70	0.02
- Others	1.67	1.72
Total	**5.06**	**2.14**

NOTE: 36

EMPLOYEE BENEFITS

1. Defined Contribution Plan:

a. Provident fund:

In accordance with Indian law, eligible employees of Lux Industries Limited are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to provident/ pension funds	1.24	0.94
Total	**1.24**	**0.94**

2. Defined benefits plan:

a. Gratuity and leave encashment:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has not funded the scheme.

The Company also has a defined benefit leave encashment plan, wherein every employee on confirmation is entitled to get leave encashment benefit, which is payable on departure or on completion of 3 years of service at 15 days salary (last drawn salary) for each completed year of service. The Company has not funded the scheme. This has been implemented in the current year, accordingly prior year figures have not been given.

(a) The following table's summarizes the components of the net benefit expenses recognized in the profit and loss account and amounts recognized in the balance sheet for respective plans.

₹ in Crores

	Gratuity		Leave Enchashment	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Present value of obligation at the beginning of the year	5.73	3.28	0.45	0.18
Amalgamation of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell). **(Refer Note 44)**	-	1.19	-	0.01
Restated Balance as at the beginning of the year	**5.73**	**4.47**	**0.45**	**0.19**
Current service cost	1.21	1.01	0.24	0.21
Interest cost	0.40	0.34	0.03	0.04
Actuarial losses / (gain) recognized in other comprehensive income	(0.17)	0.20	(0.02)	0.03
Benefit paid	(0.23)	(0.29)	(0.02)	(0.02)
Present value of obligation at the end of the year	**6.94**	**5.73**	**0.68**	**0.45**

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 36 (Contd.)

EMPLOYEE BENEFITS

(b) Expense recognized in Statement of Profit or Loss

₹ in Crores

	Gratuity		Leave Enchashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	1.21	1.01	0.24	0.21
Interest cost	0.40	0.34	0.03	0.04
Total	**1.61**	**1.35**	**0.27**	**0.25**

(c) Remeasurements recognized in Consolidated Other Comprehensive Income:

₹ in Crores

	Gratuity		Leave Enchashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial loss/ (gain) arising on defined benefit obligation from				
- financial assumptions	0.13	0.48	0.01	0.03
- experience adjustments	(0.30)	(0.29)	(0.03)	0.00
Total	**(0.17)**	**0.19**	**(0.02)**	**0.03**

(d) Principle assumptions used in the determining gratuity obligation for the Company's are shown below:

	Gratuity		Leave Enchashment	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Discount rate	6.90%	7.00%	6.90%	7.00%
Rate of increase in salaries	6.00%	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	24.10	24.52	20.14	20.46
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees			

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

(e) Sensitivity analysis – Revised defined benefit obligation due to change in assumptions

₹ in Crores

	Gratuity		Leave Enchashment	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Under base scenario	6.94	5.73	0.68	0.45
Salary escalation (up by 1%)	7.61	6.26	0.75	0.50
Salary escalation (down by 1%)	6.37	5.28	0.62	0.40
Withdrawal rates (up by 1%)	7.00	5.79	0.68	0.45
Withdrawal rates (down by 1%)	6.88	5.67	0.67	0.44
Discount rates (up by 1%)	6.33	5.24	0.62	0.41
Discount rates (down by 1%)	7.67	6.32	0.75	0.49

NOTE: 36 (Contd.)

EMPLOYEE BENEFITS

(f) Expected Cash flow for following years

₹ in Crores

	Gratuity		Leave Enchashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
1 Year	0.97	0.76	0.08	0.06
2 to 5 Years	0.70	1.47	0.04	0.12
6 to 10 Years	2.14	2.01	0.16	0.16
More than 10 Years	216.93	196.19	1.83	0.83

NOTE: 37

DISTRIBUTION OF DIVIDEND

Distribution of Dividend

₹ in Crores

	2020-2021	2019-2020
Dividend on equity shares declared and paid :		
Final dividend for the year ended 31.03.2020 :- ₹2.50 per share (31.03.2019 :- ₹3.50 per share)	6.31	8.84
Dividend distribution tax (DDT) on final dividend	-	1.82
1st Interim dividend for the year ended 31.03.2021 :- ₹NIL per share (31.03.2020 :- ₹10 per share)	-	25.25
DDT on Interim dividend	-	5.19
Proposed dividends on equity shares		
Final dividend for the year ended 31.03.2021 :- ₹NIL per share (31.03.2020 :- ₹2.5 per share)	-	6.31
DDT on proposed dividend	-	-

NOTE: 38

Disclosures pursuant to Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013.

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
a) Loans and advances in the nature of loan to others		
i) Loan to Jalan and Sons		
Balance at the year end	-	0.00
Maximum amount outstanding at any time during the year	0.00	0.17
It is repayable over a period of one year and carries rate of interest of 8%.		
ii) Loan to Mana Maa Garments		
Balance at the year end	-	0.60
Maximum amount outstanding at any time during the year	0.65	0.60
It is repayable over a period of one year and carries rate of interest of 8%.		

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 38 (Contd.)

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
iii) Loan to Artimas Fashions Private Limited		
Balance at the year end	-	-
Maximum amount outstanding at any time during the year	4.20	6.91
It is repayable over a period of one year and carries rate of interest of 9%.		
iv) Loan to Biswanath Real Estate Private Limited		
Balance at the year end	-	17.31
Maximum amount outstanding at any time during the year	18.44	20.17
It is repayable over a period of one year and carries rate of interest of 7%.		
v) Loan to A.U. Export		
Balance at the year end	-	0.00
Maximum amount outstanding at any time during the year	0.00	2.00
It is repayable over a period of one year and carries rate of interest of 8%.		
vii) Loan to Hollyfield Traders Pvt. Ltd		
Balance at the year end	-	0.13
Maximum amount outstanding at any time during the year	0.13	2.13
It is repayable over a period of one year and carries rate of interest of 9%.		

Note: Such loan was utilized for working capital requirements.

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
b) Investment by the Company in the shares of another Company		
i) Artimas Fashions Private Limited -		
Balance at the year end	0.19	0.19
Maximum amount outstanding at any time during the year	0.19	0.19
ii) Altai Industries Private Limited – Subsidiary		
Balance at the year end	-	-
Maximum amount outstanding at any time during the year	-	0.10

NOTE: 39

ACCOUNTING CLASSIFICATION AND FAIR VALUES

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet as at **March 31, 2021** are as follows:

₹ in Crores

	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Investments	64.40	11.09	75.49	75.49
Trade receivables	453.77	-	453.77	453.77
Cash and cash equivalents	84.29	-	84.29	84.29
Other bank balances	101.44	-	101.44	101.44

NOTE: 39 (Contd.)

ACCOUNTING CLASSIFICATION AND FAIR VALUES (Contd.)

₹ in Crores

	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Loans	-	-	-	-
Other financial assets	12.96	-	12.96	12.96
Financial liabilities:				
Long term borrowings	12.01	-	12.01	12.01
Other long term financial liability	8.48	-	8.48	8.48
Short term borrowings	82.83	-	82.83	82.83
Trade payables	275.40	-	275.40	275.40
Other short term financial liability	39.24	-	39.24	39.24

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet as at **March 31, 2020** are as follows:

₹ in Crores

	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Investments	0.19	38.67	38.86	38.86
Trade receivables	437.39	-	437.39	437.39
Cash and cash equivalents	6.00	-	6.00	6.00
Other bank balances	0.96	-	0.96	0.96
Loans	18.00	-	18.00	18.00
Other financial assets	12.59	-	12.59	12.59
Financial liabilities:				
Long term borrowings	7.30	-	7.30	7.30
Other long term financial liability	10.36	-	10.36	10.36
Short term borrowings	208.01	-	208.01	208.01
Trade payables	199.04	-	199.04	199.04
Other short term financial liability	37.97	-	37.97	37.97

NOTE: 40

FAIR VALUE MEASUREMENT

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc.

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 40 (Contd.)

FAIR VALUE MEASUREMENT

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

₹ in Crores

As at March 31, 2021	Level 1	Level 2	Level 3
Financial Assets:			
Investment in mutual funds (unquoted)	11.09	-	-
Total	**11.09**	**-**	**-**

₹ in Crores

As at March 31, 2020	Level 1	Level 2	Level 3
Financial Assets:			
Investment in mutual funds (unquoted)	38.67	-	-
Total	**38.67**	**-**	**-**

Notes:

i. The management assesses that carrying amount of trade receivables, cash and cash equivalents, other bank balances, short term borrowings, trade payables, other financial assets and liabilities approximate their fair value largely due to short term maturities of these instruments.

ii. Investments in mutual funds (quoted) is stated at fair value wherein inputs (Level 1) are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

NOTE: 41

Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as credit risk, liquidity risk and market risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

1. **Credit Risk**

   Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

   The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

   i. Actual or expected significant adverse changes in business,

   ii. Actual or expected significant changes in the operating results of the counterparty,

   iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

   iv. Significant increase in credit risk on other financial instruments of the same counterparty,

   v. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

NOTE: 41 (Contd.)

FINANCIAL RISK MANAGEMENT

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹453.77 Crores (PY – ₹437.39 Crores) and advance to suppliers stood at ₹14.91 Crores (PY – ₹10.45 Crores)

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Company are as under:

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Opening balance	2.60	2.48
Add: Provisions made	0.72	0.12
Less: Provisions reversed	-	-
Closing provisions	**3.32**	**2.60**

2. **Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The management continuously monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

₹ in Crores

March 31, 2021	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	82.83	12.01	-	94.84
Trade payables	275.40	-	-	275.40
Other financial liabilities	39.24	4.56	3.92	47.72

₹ in Crores

March 31, 2020	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	208.01	7.30	-	215.31
Trade payables	199.04	-	-	199.04
Other financial liabilities	37.97	6.44	3.92	48.33

3. **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

A. **Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to import of raw materials and spare parts, capital expenditure, export of finished goods. The currency in which these transactions are primarily denominated is USD.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all currencies other than US$ is not material.

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 41 (Contd.)

FINANCIAL RISK MANAGEMENT

Particulars of unhedged foreign currency exposure as at the balance sheet date

₹ in Crores

		As at March 31, 2021	As at March 31, 2020
Amount receivable in foreign currency on account of	US$	0.64	0.48
Trade receivables	INR	46.30	36.32
Amount payables in foreign currency on account of	US$	0.01	0.02
Trade payables	INR	0.35	1.83

₹ in Crores

	Change in USD rate	Effect on profit before tax	Effect on post tax equity
31-Mar-21	10%	4.60	3.44
	-10%	-4.60	-3.44
31-Mar-20	10%	3.45	2.58
	-10%	-3.45	-2.58

B. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are limited as the borrowings by the Company carry fixed interest rates. However, the Company still constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. As on March 31, 2021 the company is a debt-free company.

C. Equity price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The Company is holding investments in unquoted equity instruments, which may be susceptible to market price risk arising from uncertainties about future values of the securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity instrument decisions.

NOTE: 42

CAPITAL MANAGEMENT

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings.

The Company's policy is aimed at combination of short-term and long-term borrowings so as to maintain an optimum capital structure to reduce the cost of capital and maximize shareholders value and provide benefits to other stakeholders.

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Total debt (Bank and other borrowings)	99.07	218.68
Equity	1,010.69	743.45

NOTE: 43

LEASES

Company as a Lessee

The company has applied IND AS 116 Leases from FY 2019-20 onwards. The nature and effect of the changes as of this accounting standard is described in the Note 3 (t) of Accounting Policies.

Impact on Balance Sheet (Increase/Decrease)

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Assets		
Right of use assets **(Refer Note No. 4(c)**	10.03	12.07
Liabilities		
Lease liabilities **(Refer Note No. 17 and 20)**	10.52	11.61

Impact on Statement of Profit and Loss

₹ in Crores

	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation and amortisation	2.77	1.63
Other expenses	(3.09)	(1.83)
Finance cost	1.15	0.81
Income tax expenses (deferred taxes)	-	-
Loss for the period (increase)	**0.83**	**0.61**

Company as a Lessee

Impact on Statement of Cash Flows

₹ in Crores

	Year Ended March 31, 2021	Year Ended March 31, 2020
Payment of principal portion of lease liabilities	1.82	0.68
Payment of interest portion of lease liabilities	1.38	0.81
Net Cash flows used in financial activities	**3.20**	**1.49**

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

The Company has lease contracts for Warehouse and office spaces used in its operations. These generally have lease terms between 1 and 5 years.

The effective interest rate for lease liabilities is 10.49%.

The following are the amounts recognised in statement of Profit and Loss:

₹ in Crores

	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation expense of right-of used assets	2.77	1.63
Interest expenses on lease liabilities	1.15	0.81
Expense relating to other leases (included in other expenses)	(3.09)	(1.83)
Total amount recognised in Statement of Profit and Loss	**0.83**	**0.61**

Notes to Standalone financial statements for the year ended March 31, 2021

NOTE: 43 (Contd.)

LEASES

Maturity analysis of lease liabilities are as follows:

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
1 year	2.04	1.25
2-5 years	4.56	6.44
5 years and above	3.92	3.92

NOTE: 44

NOTE ON AMALGAMATION

As part of reorganization, the Board of Directors of Lux Industries Limited (Company or Lux), J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) have in their respective board meetings held on June 26, 2018 approved the proposal for the amalgamation of JMHL & Ebell with the Company, subject to all the necessary statutory / regulatory approvals.

Hon'ble NCLT, Kolkata bench vide its order dated March 25, 2021 has sanctioned the Scheme with Appointed date April 1, 2020. The Effective date of the Scheme is May 01, 2021.

Pursuant to the Scheme 48,18,681 equity shares were allotted by the Company on May 08, 2021 to the shareholders of the JMHL & Ebell.

The merger has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations' and comparatives have been restated for merger from the beginning of the preceding year i.e. April 1, 2019. The difference, between the book value of the assets of JMHL and Ebell and the aggregate of: (a) the book value of liabilities of JMHL and Ebell vested in the Lux pursuant to the Scheme; (b) the book value of the reserves of JMHL and Ebell vested in Lux pursuant to the Scheme; (c) Elimination of inter-company adjustments and (d) Equity Share Capital issued to the shareholders of the JMHL & Ebell is recorded as capital reserve.

Summary of relevant information has been provided below:

₹ in Crores

	Amount		
	JMHL	**Ebell**	**Total**
Assets			
Non current assets	16.10	5.26	21.36
Current assets	289.64	147.28	436.92
Total Assets (A)	**305.74**	**152.54**	**458.28**
Liabilites			
Non current liabilites	1.45	1.19	2.64
Current liabilites	194.29	67.39	261.68
Total Liabilites (B)	**195.74**	**68.58**	**264.32**
Net Asset Taken Over (A-B)	**110.00**	**83.96**	**193.96**
Reserves & Surplus			
Retained earnings	71.70	81.83	153.53
Securities premium	30.86	1.89	32.75
Total Reserve & Surplus (C)	**102.56**	**83.72**	**186.28**
Adjustments for Inter company balances (D)			**3.92**
Share Capital Suspense Account (E)			**0.96**
(Equity Share Capital issued on merger)			
Capital Reserve (F)=(A-B-C-D-E)	**-**	**-**	**2.80**

NOTE: 44 (Contd.)

NOTE ON AMALGAMATION

Upon the Scheme become effective and with effect from the appointed date, the authorised share capital of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) shall stand transferred to and be merged/ amalgamated with the authorised share capital of the Company. Consequently, authorised share capital of the Company enhanced to ₹72.75 Crores (8,37,50,000 equity shares of ₹2/- each and 56,00,000 preference shares of ₹100/- each).

NOTE: 45

The operations of the company were impacted in the month of March 2020 due to temporary shutdown of the plants following nationwide lockdown announced by the Government of India due to the COVID- 19 outbreak. The management is monitoring the situation closely and has started its plant/operations in a phased manner from the end of April 2020. The Company has assessed and considered the impact of this Pandemic on the carrying amount of inventories, receivables and other assets and the management estimates that the Company's liquidity position is comfortable and there is no material uncertainty in meeting the liability for the foreseeable future. However, the situation is still evolving and the eventual outcome of impact of the global pandemic may be different from those estimated as on date of approval of these financial statements.

NOTE: 46

Balances of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/ confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year.

NOTE: 47

Previous year figures have been recast/ regrouped whenever necessary to conform to the current year's presentation.

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
ICAI Firm Registration No. 306033E/E300272

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Dated: May 25, 2021

For and on Behalf Of Board of Directors

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Saurabh Kumar Bhudolia
Chief Financial Officer
(PAN-AISPB8804D)

Smita Mishra
Company Secretary
(Mem No - A26489)

Independent Auditor's Report

To the Members of **Lux Industries Limited**

Report on the audit of Consolidated Ind AS financial statements

Opinion

We have audited the accompanying consolidated financial statements of Lux Industries Limited ("the Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2021, and consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 45 to the Consolidated financial statement, which describes the uncertainties and potential impact of the Covid-19 pandemic on the Group's operation and results as assessed by the management. The actual results may differ from such estimates depending upon future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matters	How our audit addressed the key audit matter
Accounting for the Scheme of amalgamation	
During the year, the Company had received final approval for scheme of arrangement for amalgamation of "J.M. Hosiery & Company Limited" and "Ebell Fashions Private Limited" (jointly referred to as Transferor Companies") as set out in Note 44 of the consolidated financial statements. The Amalgamation has been accounted for in accordance with the treatment provided for 'pooling of interests' method as provided in Appendix C of Ind AS 103 'Business Combinations' and comparatives have been restated. Accounting for the amalgamation has involved judgment in order to: ▪ Recording of all assets and liabilities including reserves of the transferor companies pursuant to amalgamation; ▪ Restatement of comparative financial statements of the Group; ▪ Elimination of inter-company transactions and balances; This is material for the Group and accordingly we considered it to be a key audit matter.	Our procedures included but were not limited to: ▪ We examined the terms and conditions of the scheme of arrangement and examined the accounting treatment as prescribed and approved; ▪ We have examined the restated comparative financial information of the Group after incorporating the financial information of the Transferor Companies as prepared by the management of the Company; ▪ We have checked the elimination of inter-company transactions and balances; ▪ Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.
Revenue from Sale of Goods	
The Group recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. As described in the accounting policy in note 3(i) and as reflected in note 23 to the Ind AS Consolidated financial statements, revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates / incentives. The Group has various incentive schemes for its retailers and distributors which are based on volume of sales achieved during the stipulated period. The estimate of sales likely to be achieved by each retailer / distributor requires judgment. Considering the judgment and estimates involved in revenue recognition, it is considered to be a key audit matter.	Our audit procedure includes the following: ▪ Considered the adequacy of the Group's revenue recognition policy and its compliance in terms of Ind AS 115 "Revenue from contracts with customers' ▪ Assessed the design and tested the operating effectiveness of the internal financial controls related to revenue recognition. ▪ Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested and the revenue has been recognized in accordance with Ind AS 115. ▪ We discussed and obtained an understanding from the management on the key assumptions applied and inputs used in estimating provisions for discounts, sales incentives and sales returns and compared the same with the past trends and the provision made by the management. ▪ Selected Samples of rebates and discounts during the year, compared them with the supporting documents and performed recalculation of those variable considerations as per scheme documents. Assessed the relevant disclosure made in the consolidated Ind AS financial statement.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Board of Directors is responsible for the other information. The other information comprises the information included in Other Section of Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Management and those charged with governance for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of Consolidated Ind AS Financial Statements

Our objectives is to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has an adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether

a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group's to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

i. We did not audit the financial statements/financial information of one subsidiary, whose financial statements/financial information reflect total assets of ₹ 28.63 crores as at March 31, 2021, total revenue of ₹ 16.18 crores and net loss after tax of ₹ 4.09 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements / financial information have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditor.

   Our opinion on the consolidated Ind AS financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements / financial information certified by the Management.

ii. We draw attention to Note 44 of the consolidated financial statements regarding the Scheme of Arrangement (Scheme) which has been approved by the National Company Law Tribunal (NCLT) vide its order dated March 25, 2021. The Group has given effect to the Scheme in the consolidated financial statements.

   The consolidated financial statements of the merged business for the period ended March 31, 2020 includes financial statement of Ebell Fashions Private Limited which have been audited by another auditor who had expressed unmodified opinion vide their audit report dated October 15, 2020 has been furnished to us by the management and has been relied upon by us for the purpose of audit of the statement. Our opinion is modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report 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 of the aforesaid consolidated Ind AS financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2021 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” to this report.

g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. 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 consolidated Ind AS financial statements disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note no. 32 of the Consolidated Ind AS financial statements).

   ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**
Chartered Accountants
Firm Registration No.-306033E/E300272

Sandeep Agrawal
(Partner)
Place: Kolkata — Membership No. 058553
Dated: May 25, 2021 — UDIN: 21058553AAAABG3808

Annexure -A to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Lux Industries Limited "the Holding Company"and its subsidiary incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 ('ICAI'). 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 respective 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") issued by ICAI 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 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 about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated IND AS 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 of the Holding Company and subsidiary company, which are companies incorporated in India.

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 authorisations 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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, 2021, 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal financial controls over financial reporting insofar as it relates to aforesaid subsidiary company, is based solely on the report of the other auditor.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**
Chartered Accountants
Firm Registration No.-306033E/E300272

Sandeep Agrawal
(Partner)

Place: Kolkata | Membership No. 058553
Dated: May 25, 2021 | UDIN: 21058553AAAABG3808

Consolidated Balance Sheet as at March 31, 2021

₹ in Crores

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
A Non-current assets			
Property, plant and equipment	4	186.88	146.62
Capital work-in-progress	4	9.23	0.76
Other intangible assets	4	0.10	0.23
Right of use assets	4	12.49	15.07
Financial assets			
Investments	5	0.00	0.00
Other financial assets	6	5.80	9.72
Other non-current assets	7	1.84	3.62
Total Non-current assets		**216.34**	**176.02**
B Current assets			
Inventories	8	477.11	498.00
Financial assets			
Investments	8A	75.30	38.67
Trade receivables	9	458.00	440.99
Cash and cash equivalents	10	84.69	6.06
Bank balance other than above	11	101.44	0.96
Loans	12	-	18.00
Other financial assets	6	7.38	2.96
Other current assets	13	71.47	68.41
Total Current assets		**1,275.39**	**1,074.05**
TOTAL ASSETS		**1,491.73**	**1,250.07**
EQUITY AND LIABILITIES			
C Equity			
Equity share capital	14	6.26	6.26
Other equity	15	999.30	734.05
Non-controlling interest		(4.77)	(2.76)
Total Equity		**1,000.79**	**737.55**
D Non-current liabilities			
Financial liabilities			
Borrowings	16	15.48	7.81
Other financial liabilities	17	10.74	13.06
Deferred tax liabilities (net)	30	4.15	4.67
Provisions	18	6.72	5.41
Total Non-current liabilities		**37.09**	**30.95**
E Current liabilities			
Financial liabilities			
Borrowings	16	103.40	224.37
Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	19	5.81	4.82
B) total outstanding dues of creditors other than micro enterprises and small enterprises	19	273.92	199.52
Other financial liabilities	20	44.13	40.18
Provisions	18	1.05	0.81
Other current liabilities	21	10.97	11.35
Current tax liabilities	22	14.57	0.52
Total Current liabilities		**453.85**	**481.57**
TOTAL EQUITY AND LIABILITIES		**1,491.73**	**1,250.07**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
ICAI Firm Registration No. 306033E/E300272

For and on Behalf Of Board of Directors

Sandeep Agrawal
Partner
Membership no. 058553

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Place : Kolkata
Dated: May 21, 2021

Saurabh Kumar Bhudolia
Chief Financial Officer
(PAN-AISPB8804D)

Smita Mishra
Company Secretary
(Mem No - A26489)

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

₹ in Crores

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	23	1,952.52	1,667.80
II	Other income	24	12.34	6.38
III	**Total income (I+II)**		**1,964.86**	**1,674.18**
IV	**Expenses**			
	Cost of raw materials consumed	25	785.57	725.62
	Purchases of stock-in-trade	25	7.09	7.42
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	39.84	(74.90)
	Employee benefit expense	26	69.90	67.60
	Finance costs	27	12.72	21.06
	Depreciation and amortisation expense	28	17.86	15.13
	Other expenses	29	669.77	673.20
	Total expenses (IV)		**1,602.75**	**1,435.13**
V	**Profit before tax (III - IV)**		**362.11**	**239.05**
VI	**Tax expense**			
	(i) Current tax	30	92.75	62.08
	(ii) Deferred tax	30	(0.52)	(1.73)
	(iii) Income tax for earlier years		0.50	1.45
	Income tax expense (i+ii+iii)		**92.73**	**61.80**
VII	**Profit before minority interest and other comprehensive income (V-VI)**		**269.38**	**177.25**
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified subsequently to profit and loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)		0.17	(0.22)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	0.06
	Other comprehensive income for the year (net of tax) (i+ii)		**0.17**	**(0.16)**
	Total comprehensive income for the year, net of income tax (VII + VIII)		**269.55**	**177.09**
	Profit for the year		**269.38**	**177.25**
	Attributable to:			
	(i) Shareholders of the company		271.39	177.65
	(ii) Non controlling interest		(2.01)	(0.40)
	Total comprehensive income for the year, net of income tax			
	Attributable to:			
	(i) Shareholders of the company		271.56	177.49
	(ii) Non controlling interest		(2.01)	(0.40)
	Earnings per equity share [nominal value of share ₹2 (March 31, 2020 ₹2)]			
	Basic in ₹ per share	31	90.25	59.08
	Diluted in ₹ per share	31	90.25	59.08
	Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
ICAI Firm Registration No. 306033E/E300272

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Dated: May 25, 2021

For and on Behalf Of Board of Directors

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Saurabh Kumar Bhudolia
Chief Financial Officer
(PAN-AISPB8804D)

Smita Mishra
Company Secretary
(Mem No - A26489)

Consolidated Statement of changes in equity for the year ended March 31, 2021

a. Equity share capital

	No. of shares	₹ in Crores
Equity shares of ₹2 each issued, subscribed and fully paid		
As at April 1, 2019	**2,52,53,000**	**5.30**
Changes in equity share capital during the year	-	-
As at March 31, 2020	**2,52,53,000**	**5.30**
Changes in equity share capital during the period	-	-
As at March 31, 2021	**2,52,53,000**	**5.30**

b. Equity share capital-suspense account

48,18,681 Equity shares of ₹2/- each	48,18,681	0.96
	48,18,681	**0.96**
Total Equity Share Capital- (a)+(b)	**3,00,71,681**	**6.26**

c. Other Equity

₹ in Crores

	Capital Redemption Reserve on consolidation	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
As at April 1, 2019	**56.00**	**6.54**	**-**	**14.78**	**328.91**	**(0.11)**	**406.12**
Add: Opening Balance of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (E Bell) as on 01.04.19 arising on account of amalgamation. **(Refer Note 44)**	-	32.75	-	-	153.53	-	186.28
Add: Capital Reserves arising on account of amalgamation of J M Hosiery & Co. Limited and Ebell Fashions Private Limited. **(Refer Note 44)**	-	-	2.80	-	-	-	2.80
Restated Balance as on April 1, 2019	**56.00**	**39.29**	**2.80**	**14.78**	**482.44**	**(0.11)**	**595.20**
Add: Profit for the year		-	-	-	177.65	-	177.65
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	(0.16)	(0.16)
Less: Transferred to minority	-	-	-	-	(2.46)	-	(2.46)
Less: Dividend	-	-	-	-	34.09	-	34.09
Less: Dividend tax	-	-	-	-	7.01	-	7.01
Balance as at March 31, 2020	**56.00**	**39.29**	**2.80**	**14.78**	**621.45**	**(0.27)**	**734.05**
Add: Profit for the period		-	-	-	269.38	-	269.38
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	0.17	0.17
Less: Transferred to minority	-	-	-	-	(2.01)	-	(2.01)
Less: Dividend	-	-	-	-	6.31	-	6.31
Balance as at March 31, 2021	**56.00**	**39.29**	**2.80**	**14.78**	**886.53**	**(0.10)**	**999.30**

Consolidated Statement of changes in equity for the year ended March 31, 2021

Nature and Purpose Of Reserves:

(A) Capital Redemption Reserve: This reserve has been created on redemption of Preference Share Capital and can be utilized in accordance with the provisions of the Companies Act, 2013.

(B) Securities Premium: This reserve represents premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(C) Capital Reserve: This reserve has been created pursuant to merger of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (E Bell) with the Company and can be utilized in accordance with the provisions of the Companies Act, 2013. **(Refer Note 44)**

(D) General Reserve: This reserve is a free reserve which is used from time to time to transfer profits from retained earnings and can be utilized in accordance with the provisions of the Companies Act, 2013.

(E) Retained Earnings : This reserve represents undistributed cumulative profits of the Company and can be utilized in accordance with the provisions of the Companies Act, 2013

(F) Other Comprehensive Income Reserves : This reserve represents effect remeasurements of defined benefit plans that will not be reclassified to Statement of Profit & Loss.

(G) Capital Reserve on Consolidation: This Reserve represents the difference between the value of the net assets transferred to the Group and the consideration paid in the course of business combination .

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
ICAI Firm Registration No. 306033E/E300272

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Dated: May 25, 2021

For and on Behalf Of Board of Directors

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Saurabh Kumar Bhudolia
Chief Financial Officer
(PAN-AISPB8804D)

Smita Mishra
Company Secretary
(Mem No - A26489)

Consolidated Statement of Cash Flows for the year ended March 31, 2021

₹ in Crores

	Year ended March 31, 2021 Audited	Year ended March 31, 2020 Audited
Cash flows from operating activities		
Profit before tax	362.11	239.05
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	17.86	15.13
Interest on lease liability	1.73	1.04
Finance costs - others	10.99	20.02
Profit on sale of property, plant and equipment	(0.01)	-
Loss on sale of property, plant and equipment	0.07	0.50
Loss on discard of assets	2.04	-
Finance income	(6.45)	(2.11)
Provision for doubtful debts and advances (net)	0.72	0.12
Bad debt (net)	1.13	1.83
Liabilities written back	(0.37)	-
Net gain on sale of current investments	(0.79)	(0.70)
Gain on investment carried at fair value through profit or loss	(0.35)	-
Operating profit before working capital changes	**388.68**	**274.88**
Movements in working capital:		
(Increase) / decrease in trade and other receivables	(18.86)	109.59
Increase / (decrease) in inventories	20.89	(97.90)
Increase/ (decrease) in other assets	(2.05)	(0.88)
Increase / (decrease) in trade and other payables	75.41	(53.87)
Increase / (decrease) in other liabilities	3.68	(12.16)
Cash generated from operations	**467.75**	**219.66**
Direct taxes paid (net of refunds)	(79.21)	(66.98)
Net cash flow from operating activities	**388.54**	**152.68**
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets and capital advance	(66.11)	(17.82)
Proceeds from sale of property, plant and equipment and intangible assets	0.83	2.89
Purchase of investments (net)	(35.49)	(37.18)
Decrease in loan given	18.00	5.37
Increase in term deposit	(100.36)	(0.37)
Finance income	6.59	2.87
Net cash flow used in investing activities	**(176.54)**	**(44.24)**

Consolidated Statement of Cash Flows for the year ended March 31, 2021

₹ in Crores

	Year ended March 31, 2021 Audited	Year ended March 31, 2020 Audited
Cash flows from financing activities		
Proceeds from of non-current borrowings	8.93	0.99
Repayment of current borrowings	(120.97)	(68.26)
Issue of shares	-	0.18
Finance costs - others	(11.19)	(20.40)
Dividend paid	(6.31)	(34.09)
Dividend tax paid	-	(7.01)
Payment of lease liability - principal	(2.10)	(0.85)
Payment of lease liability - interest	(1.73)	(1.04)
Net cash flow used in financing activities	**(133.37)**	**(130.48)**
Net increase / (decrease) in cash and cash equivalents	**78.63**	**(22.04)**
Cash and cash equivalents at the beginning of the year	6.06	1.94
Amalgamation of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) **(Refer Note 44)**	-	26.16
Cash and cash equivalents at the end of the year	**84.69**	**6.06**
Components of cash and cash equivalents		
Cash on hand **(Refer Note 10)**	0.64	1.36
Balances with banks - in current account **(Refer Note 10)**	84.05	4.70
Total cash and cash equivalents	**84.69**	**6.06**
Debt reconciliation statement as per Ind AS 7		
Current borrowings		
Opening balance	224.37	175.65
Amalgamation of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) **(Refer Note 44)**	-	116.98
Repayment from current borrowings (net)	(120.97)	(68.26)
Closing balance	**103.40**	**224.37**
Non-Current borrowings and certain components of financial liabilities		
Opening balance	11.27	7.71
Amalgamation of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) **(Refer Note 44)**	-	2.57
Proceeds from current borrowings (net)	8.93	0.99
Closing balance	**20.20**	**11.27**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
ICAI Firm Registration No. 306033E/E300272

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Dated: May 25, 2021

For and on Behalf Of Board of Directors

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Saurabh Kumar Bhudolia
Chief Financial Officer
(PAN-AISPB8804D)

Smita Mishra
Company Secretary
(Mem No - A26489)

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE : 1

REPORTING ENTITY

Lux Industries Limited ('the Holding Company' or 'the Company') is a public company domiciled and headquartered in India, having its registered office situated at 39, Kali Krishna Tagore Street, Kolkata. The Company has its shares listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company is primarily engaged in the manufacturing and sales of knitwears. The Company has operations in India and caters to both domestic and international markets. The Company has a subsidiary in India in the name of Artimas Fashions Private Limited. The Manufacturing units of the Company are located in Kolkata (West Bengal), Ludhiana (Punjab), Ghaziabad (Utter Pradesh) and Tirupur (Tamil Nadu).

NOTE : 2

BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Statement of compliance

These Consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable.

The Consolidated financial statements were approved for issue by the Board of Directors of the Company at their meeting held on May 25, 2021. The details of the Group's accounting policies are included in Note 3.

(b) Functional and presentation currency

These Consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All amounts have been rounded off to the nearest crores, unless otherwise indicated.

(c) Basis of measurement

The Consolidated financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

(i) Certain financial assets and financial liabilities measured at fair value;

(ii) Assets held for sale-measured at the lower of its carrying amount and fair value less costs to sell; and

(iii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(d) Use of estimates and judgments

The preparation of the Group's Consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Consolidated financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware

Notes to Consolidated financial statements for the year ended March 31, 2021

of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the Consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated financial statements.

Critical accounting estimates and key sources of estimation uncertainty: Key assumptions

(i) Useful lives of Property, plant and equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets. See note 3(d) and 4 for details.

(ii) Fair value measurement of financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss. See note 3(r) and 39 for details.

(iii) Defined benefit plan

The cost of the defined benefit plan includes gratuity and leave encashment. The present value of the obligations are determined using actuarial valuations using Projected unit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 3(g) and 36 for details.

(iv) Recognition of current tax and deferred tax

Current taxes are recognized at tax rates (and tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. See note 3(k) and 30 for details.

(v) Recognition and measurement of provisions and contingencies

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for. See note 3(h) and 32 for details.

(e) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 40.

(f) Basis of consolidation

(i) Subsidiaries

The Consolidated financial statements are prepared on the following basis in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS – 110), specified under Section 133 of the Companies Act, 2013.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated financial statements from the date on which control commences until the date on which control ceases.

Group Information

Subsidiary	Country of Incorporation	As at March 31 2021	As at March 31 2020
Artimas Fashions Private Limited	India	50.97%	50.97%
Altai Industries Limited			
(till May 13, 2019)	India	NIL	NIL

(ii) Non-controlling interest (NCI)

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders is initially measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(iii) Transactions eliminated on consolidation

Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated Ind AS financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated Ind AS financial statements to ensure conformity with the group's accounting policies.

The financial statements of the Holding Company and its subsidiary used in the consolidation procedures are drawn upto the same reporting date i.e. March 31, 2021.

Notes to Consolidated financial statements for the year ended March 31, 2021

The financial statements of the Holding Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated. Unrealised gains arising from transactions with subsidiary are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Profit and Loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

NOTE : 3

SIGNIFICANT ACCOUNTING POLICIES

(a) Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realised within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Group's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within 12 months after the reporting date; or

(iv) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

For the purpose of current/ non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

(b) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the Statement of Profit and Loss in the period in which they arise.

(c) Financial instruments

(i) Recognition and initial measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

(ii) Classification and subsequent measurement

Financial assets

(a) Financial assets at amortised cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at FVOCI

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(c) Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derecognition

Financial assets

The Group derecognizes a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Notes to Consolidated financial statements for the year ended March 31, 2021

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

(iv) Off setting

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Property, plant and equipment & Intangible assets

(i) Recognition and measurement

- **Tangible assets and Capital Work in Progress**

  Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

  Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

  If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

  A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Consolidated Statement of Profit and Loss.

  Property, plant and equipment under construction and not yet ready for their intended use are disclosed as Capital work-in- progress.

  Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other 'Non-Current Assets'.

- **Intangible assets:**

  Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly. The Intangible assets include Computer Software. Amortization of Intangible Assets is made based on management's evaluation of duration of life cycle of intangible assets.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation & Amortization

Depreciation and amortization for the year is recognized in the Consolidated Statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method in the manner specified in Part C of Schedule II to the Companies Act, 2013. Depreciation for the assets purchased/ sold during a period is proportionately charged.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

Class of assets	Useful lives of the assets (Years)
Factory buildings	30
Non factory buildings	60
Plant and equipment	10 to 15
Computer and data processing equipment	3
Office equipment	5
Furniture and fixtures	10
Vehicles	8 to 10
Computer software	2.5
Brand	5

(e) Inventories

Inventories which comprise raw materials, work-in progress, finished goods and packing materials are measured at the lower of cost and net realizable value.

The cost of inventories is based on the Weighted Average Cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. The Group has valued inventory net of input tax benefits. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

Assessment of net realizable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

(f) Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Consolidated Statement of Profit and Loss.

Notes to Consolidated financial statements for the year ended March 31, 2021

In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 *Financial Instruments* for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including subsequent information.

(ii) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

The Group makes specified monthly contributions to employee provident fund to Government administered provident fund scheme, which is a defined contribution plan. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

(iv) Other long term employee benefits

The Group treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Group has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(h) Provision, Contingent Liabilities And Contingent Assets

A provision is recognized if, as a result of past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provisions in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

During the financial year the Group has made provision for doubtful debts and doubtful advances to the extent of 100% of the total amount identified as doubtful debts and advances.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(i)(a) Revenue Recognition

(i) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

(ii) Sale of Products

Revenue from sale of products is recognized when the Group transfers the control of goods to the customer as per the terms of contract. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the Group believes that the control gets transferred to the customer on dispatch of the goods from the factory/ depots and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

Notes to Consolidated financial statements for the year ended March 31, 2021

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them.

(iii) Rendering of Services

Revenue from services is recognized as the service performed based on agreements/ arrangements with the concerned parties.

(i)(b) Contract balances

(i) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(ii) Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Dividend income is recognized in Statement of Profit and Loss on the date on which the Group's right to receive payment is established. Interest income is recognized using the effective interest method.

All other income are recognized on accrual basis.

(j) Government Grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are deducted from the cost of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the statement of profit & loss.

(k) Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(l) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(m) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Group.

(n) Cash and cash equivalents

Cash and cash equivalents include cash and cash-on deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(o) Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to Consolidated financial statements for the year ended March 31, 2021

(q) Operating segment

Based on the synergies, risks and returns associated with business operations and in terms of Ind AS-108, the Group's operating operation comprises of only one primary segment viz. manufacturing and sale of Knitwear's. The Group also believes that even geographically, the product of the Group faces similar risk and returns and there is no separate segment that can be identified for the purpose of reporting under Ind AS 108 on "Segment Reporting".

However, due to greater transparency and providing complete information to the stake holder / financial statements user in analyzing and understanding the Group's financial statements, the management of the Group has provided additional information in respect of geographical segment. Such details have been given in Note no. 34.

(r) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(s) Business combinations

Business combinations are accounted for using the acquisition method, except for common control business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

The merger of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) has been accounted under the 'pooling of interests' method in accordance with Appendix C of IND AS 103 'Business Combinations' and comparatives have been restated for merger from the beginning of the preceding year i. e. 1 April 2019. Refer Note 44 for details.

(t) Ind AS 116 – Leases Standards

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land & Building 2 to 10 years

Leasehold Land is amortised over the period of lease ranging from 30 to 99 years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease

Notes to Consolidated financial statements for the year ended March 31, 2021

is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The Group as a lessor classifies a lease either as an operating lease or a finance lease. Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 4

PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, RIGHT OF USE ASSETS (PREVIOUS YEAR)

₹ in Crores

	Gross Block						Depreciation/ Amortization						Net Block	
	As at April 1, 2019	Amalgamation (Refer Note 44)	Restated Balance As at April 1, 2019	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2020	As at April 1, 2019	Amalgamation (Refer Note 44)	Restated Balance As at April 1, 2019	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2020	As at March 31, 2020	As at April 1, 2019
Tangible Assets														
Land	11.44	-	11.44	-	-	11.44	-	-	-	-	-	-	11.44	11.44
Building	75.29	3.80	79.09	1.56	-	80.65	5.87	0.52	6.39	2.42	-	8.81	71.84	72.70
Plant & equipments	54.74	10.83	65.57	12.48	3.54	74.51	15.41	3.27	18.68	7.52	0.25	25.95	48.56	46.89
Office equipments	1.59	0.10	1.69	0.17	-	1.86	0.75	0.04	0.79	0.30	-	1.09	0.77	0.90
Furniture & fixture	5.93	1.50	7.43	1.02	-	8.45	1.56	0.51	2.07	0.88	-	2.95	5.50	5.36
Vehicle	9.12	4.80	13.92	0.41	0.03	14.30	2.55	1.53	4.08	1.73	0.02	5.79	8.51	9.84
	158.11	**21.03**	**179.14**	**15.64**	**3.57**	**191.21**	**26.14**	**5.87**	**32.01**	**12.85**	**0.27**	**44.59**	**146.62**	**147.13**
Capital work-in-progress	0.41	-	0.41	0.76	0.41	0.76	-	-	-	-	-	-	0.76	0.41
Sub Total (A)	**158.52**	**21.03**	**179.55**	**16.40**	**3.98**	**191.97**	**26.14**	**5.87**	**32.01**	**12.85**	**0.27**	**44.59**	**147.38**	**147.54**
Intangible assets														
Computer software	1.84	0.01	1.85	0.23	-	2.08	1.40	0.01	1.41	0.45	-	1.86	0.22	0.44
Brand	-	-	-	0.01	-	0.01	-	-	-	-	-	-	0.01	-
Sub Total (B)	**1.84**	**0.01**	**1.85**	**0.24**	**-**	**2.09**	**1.40**	**0.01**	**1.41**	**0.45**	**-**	**1.86**	**0.23**	**0.44**
Right of use assets														
Building **(refer note 43)**	-	0.02	0.02	16.88	-	16.90	-	-	-	1.83	-	1.83	15.07	0.02
Sub Total (C)	**-**	**0.02**	**0.02**	**16.88**	**-**	**16.90**	**-**	**-**	**-**	**1.83**	**-**	**1.83**	**15.07**	**0.02**
Total (A+B+C)	**160.36**	**21.06**	**181.42**	**33.52**	**3.98**	**210.96**	**27.54**	**5.88**	**33.42**	**15.13**	**0.27**	**48.28**	**162.68**	**148.00**

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 4 (Contd.)
PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, RIGHT OF USE ASSETS

₹ in Crores

	Gross Block				Depreciation/ Amortization				Net Block	
	As at April 1, 2020	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2021	As at April 1, 2020	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Tangible Assets										
Land	11.44	33.18	-	44.62	-	-	-	-	44.62	11.44
Building	80.65	6.45	-	87.10	8.81	2.50	-	11.31	75.79	71.84
Plant & equipments	74.51	16.16	11.17	79.50	25.95	9.14	8.99	26.10	53.40	48.56
Office equipments	1.86	0.23	-	2.09	1.09	0.30	-	1.39	0.70	0.77
Furniture & fixture	8.45	0.69	-	9.14	2.95	0.81	-	3.76	5.38	5.50
Vehicle	14.30	0.63	0.73	14.20	5.79	1.69	0.27	7.21	6.99	8.51
	191.21	**57.34**	**11.90**	**236.65**	**44.59**	**14.44**	**9.26**	**49.77**	**186.88**	**146.62**
Capital work-in-progress	0.76	8.77	0.30	9.23	-	-	-	-	9.23	0.76
Sub total (a)	**191.97**	**66.11**	**12.20**	**245.88**	**44.59**	**14.44**	**9.26**	**49.77**	**196.11**	**147.38**
Intangible assets										
Computer software	2.08	-	-	2.08	1.86	0.13	-	1.99	0.09	0.22
Brand	0.01	-	-	0.01	-	-	-	-	0.01	0.01
Sub Total (B)	**2.09**	**-**	**-**	**2.09**	**1.86**	**0.13**	**-**	**1.99**	**0.10**	**0.23**
Right of use assets										
Building **(refer note 43)**	16.90	0.73	0.02	17.61	1.83	3.29	-	5.12	12.49	15.07
Sub Total (C)	**16.90**	**0.73**	**0.02**	**17.61**	**1.83**	**3.29**	**-**	**5.12**	**12.49**	**15.07**
Total (A+B+C)	**210.96**	**66.84**	**12.22**	**265.58**	**48.28**	**17.86**	**9.26**	**56.88**	**208.70**	**162.68**

NOTE: 5
INVESTMENTS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
A. Non-Current Investments		
Equity instruments carried at fair value through profit or loss (FVTPL)		
Unquoted-fully paid-up		
West Bengal Hosiery Park Infrastructure Limited	0.00	0.00
500 equity shares (PY - 500) (FV - ₹10 each)		
Total	**0.00**	0.00
Aggregate amount of unquoted investments	0.00	0.00
Investment in quoted investment		
Aggregate book value	-	-
Aggregate market value	-	-
Investments carried at costs	-	-
Investments carried at fair value through profit or loss (FVTPL)	**0.00**	**0.00**

NOTE: 6
OTHER FINANCIAL ASSETS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Carried at amortised cost)		
Non-current		
Other bank balance		
Bank deposit more than 12 months maturity from balance sheet date (pledged)	3.18	7.28
Interest accrued on fixed deposit	0.05	0.19
Security deposit	2.57	2.25
	5.80	**9.72**
Current		
Interest accrued on fixed deposit	1.68	-
Interest accrued on perpetual bonds	2.29	-
Security deposit	1.00	0.97
Loans and advances to employees	2.41	1.87
Other loans and advances	-	0.12
	7.38	**2.96**
Total	**13.18**	**12.68**

Fixed deposits pledged with Banks ₹6.56 Crores (Previous Year ₹7.28 Crores)

NOTE: 7
OTHER NON-CURRENT ASSETS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Capital advances	1.69	3.51
Others		
Prepaid expenses	0.15	0.11
Total	**1.84**	**3.62**

NOTE : 8
INVENTORIES

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Valued at lower of cost and net realisable value)		
Raw materials	63.33	51.30
Work-in-progress	157.12	170.56
Finished goods	195.97	221.18
Stock-in-trade	1.78	2.97
Packing materials	58.91	51.91
Stock in transit	-	0.08
Total	**477.11**	**498.00**

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 8A
CURRENT INVESTMENT

₹ in Crores

	No. of Units Mar-21	No. of Units Mar-20	As at March 31, 2021	As at March 31, 2020
Investments in mutual funds - unquoted				
(at fair value through profit or loss (FVTPL)				
HDFC Liquid Fund Growth	-	17,142	-	6.66
SBI Liquid Fund Growth	-	23,472	-	7.26
SBI - Overnight Fund Regular Growth	-	43,521	-	14.03
LIC - Banking & PSU Debt Fund Growth	-	393,171	-	1.01
LIC - Liquid Fund Growth	-	5,723	-	2.05
Nippon India - Liquid Fund Growth	-	15,881	-	7.66
ICICI Pru Money Market Fund - Growth	51,534	-	1.51	-
Aditya Birla SL - Arbitrage Fund	2,646,935	-	5.51	-
Axis Arbitrage Fund	383,428	-	0.56	-
ICICI Equity Arbitrage Fund	373,066	-	1.00	-
Axis Money Market Fund	22,739	-	2.51	-
Investments in Bonds - quoted				
(at amortised cost)				
8.85% HDFC Bank Limited SR 1-BD Perpetual Bond (FV ₹0.10 Crores)	90	-	9.28	-
8.15% Bank of Baroda SR XV BD Perpetual Bond (FV ₹0.10 Crores)	100	-	10.00	-
10.99% Union Bank of India SR-III BD Perpetual Bond (FV ₹0.10 Crores)	9	-	0.92	-
11.25% Canara Bank SR-III BD Perpetual Bond (FV ₹0.10 Crores)	20	-	2.03	-
9.2% ICICI Bank Limited SR-DMR-17 at BD Perpetual Bonds (FV ₹0.10 Crores)	5	-	0.51	-
7.74% State Bank of India SR I BD Perpetual Bond (FV ₹0.10 Crores)	150	-	15.04	-
8.50% State Bank of India Series II BD Perpetual Bond (FV ₹0.10 Crores)	150	-	15.26	-
8.15% State Bank of India SR-IV BD Perpetual Bond (FV ₹0.10 Crores)	3	-	0.31	-
9.56% State Bank of India Series 1 NCD Perpetual Bond (FV ₹0.10 Crores)	8	-	0.86	-
Fixed deposit with maturity more than 3 months but less than 12 months				
(at Amortised Cost)				
LIC Housing Finance Ltd	-	-	10.00	-
Total	**3,478,237**	**498,910**	**75.30**	**38.67**
Aggregate amount of unquoted investments			21.09	38.67
Investment in quoted investment				
Aggregate book value			54.21	-
Aggregate market value			55.06	-
Investments carried at costs			64.21	-
Investments carried at fair value through profit or loss (FVTPL)			11.09	38.67

NOTE: 9
TRADE RECEIVABLES

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Carried at amortised cost)		
Unsecured		
- Considered good	458.00	440.99
- Considered doubtful	2.87	2.15
Less: Loss for allowances		
- Provision for doubtful debt	(2.87)	(2.15)
	458.00	**440.99**
Total	**458.00**	**440.99**

NOTE: 10
CASH AND CASH EQUIVALENTS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Current/cash credit accounts	61.83	4.70
Fixed deposit with maturity less than 3 months	22.22	-
Cash on hand	0.64	1.36
Total	**84.69**	**6.06**

NOTE: 11
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Unpaid dividend - earmarked balances with bank	0.08	0.09
Fixed deposit with maturity more than 3 months but less than 12 months	101.36	0.87
Total	**101.44**	**0.96**

NOTE: 12
LOANS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Carried at amortized cost		
Loans receivables considered good - unsecured		
- to related paties **(Refer note 33)**	-	17.44
- to others	-	0.56
Total	**-**	**18.00**

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 13
OTHER CURRENT ASSETS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Unsecured considered good unless otherwise stated)		
Advances to supplier		
- Unsecured, considered good	15.03	10.97
- Unsecured, considered doubtful	0.45	0.45
	15.48	**11.42**
Less: Provision for doubtful advances	(0.45)	(0.45)
	15.03	**10.97**
Others		
Prepaid expenses	1.66	0.94
Balances with government authorities	53.99	50.03
Incentive / duty drawback receivable	0.79	6.47
Total	**71.47**	**68.41**

NOTE : 14
SHARE CAPITAL

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Authorised:		
4,50,00,000 equity shares of ₹2/- each	9.00	9.00
(31.03.2020: 4,50,00,000 equity shares of ₹2/- each)		
56,00,000 preference shares of ₹100/- each	56.00	56.00
(31.03.2020: 56,00,000 preference shares of ₹100/- each)		
Issued and subscribed equity share capital		
2,77,37,500 equity shares of ₹2/- each	5.55	5.55
(31.03.2020: 2,77,37,500 equity shares of ₹2/- each)		
Paid up equity share capital		
2,52,53,000 equity shares of ₹2/- each	5.05	5.05
(31.03.2020: 2,52,53,000 equity shares of ₹2/- each)		
Equity share capital-suspense account		
48,18,681 equity shares of ₹2/- each **(Refer Note 44)**	0.96	0.96
Forfeited equity share capital		
Add: 24,84,500 equity shares (paid-up)	0.25	0.25
(31.03.2020: 24,84,500 equity shares (paid-up))		
Total	**6.26**	**6.26**

	Equity share capital	
	No. of shares	**₹ in Crores**
Reconciliation of number of equity shares outstanding:		
As at April 1, 2019	**2,52,53,000**	**5.30**
Increase during the year	-	-
As at March 31, 2020	**2,52,53,000**	**5.30**
Increase during the year	-	-
As at March 31, 2021	**2,52,53,000**	**5.30**

NOTE : 14 (Contd.)
SHARE CAPITAL

(i) Terms / rights attached to Equity shares:

The Company has equity shares with a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the Company, after meeting all liabilities and distribution of all preferential amounts, in proportion to their shareholding.

(ii) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Mr. Ashok Kumar Todi	34,67,834	13.73%	34,67,834	13.73%
Mr. Pradip Kumar Todi	42,26,500	16.74%	42,26,500	16.74%
Mrs. Bimla Devi Todi	32,80,000	12.99%	32,80,000	12.99%
Mrs. Shobha Devi Todi	25,27,500	10.01%	25,27,500	10.01%
Mrs. Prabha Devi Todi	36,23,000	14.35%	36,23,000	14.35%

NOTE: 15
OTHER EQUITY

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Capital redemption reserve	56.00	56.00
Securities premium	39.29	39.29
Capital reserve **(Refer Note 44)**	2.80	2.80
General reserve	14.78	14.78
Retained earnings	886.53	621.45
Other comprehensive income reserves	(0.10)	(0.27)
Total	**999.30**	**734.05**

NOTE: 16
FINANCIAL LIABILITIES - BORROWINGS

(a) Non-current borrowings

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Carried at amortised cost)		
Secured		
Term loans from banks	17.92	11.01
Less: Current maturity of long term debts **(Refer note 20)**	4.72	3.46
	13.20	**7.55**
Vehicle loan from banks	0.28	0.26
Total (A)	**13.48**	**7.81**
Unsecured		
Non convertible redeemable preference shares	2.00	-
2,00,000 preference shares of ₹100/- each		
(31.03.2020: NIL preference shares)		
Total (B)	**2.00**	**-**
Total non-current borrowings (A)+(B)	**15.48**	**7.81**

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 16 (Contd.)
FINANCIAL LIABILITIES - BORROWINGS

(i) Repayment terms and nature of securities given for term loan as follows :

Name of the Bank / instrument	March 31, 2021	March 31, 2020	Nature of security	Repayment terms
Secured				
Indian Bank (erstwhile Allahabad Bank)	11.75	7.21	Exclusive hypothecation charge over the machinery/ equipments acquired out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the company, both present & future and also secured by personal guarantee of the KMP/relatives of KMP.	Repayable in quarterly installment Interest @ MCLR is serviced on monthly basis as and when due.
HDFC Bank	1.42	1.87	Exclusive hypothecation charge over the machinery/ equipments acquired out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the company, both present & future and also secured by personal guarantee of the KMP/relatives of KMP.	Repayable in quarterly instalments. Interest @ 9.5% is serviced on monthly basis.
HDFC Bank	1.58	-	Exclusive Hypothecation charge over the machinery/equipments acquired out of the said loan.	Repayable in quarterly installment. Interest @ MCLR is serviced on monthly basis as and when due.
HDFC Bank	0.28	0.72	Secured against hypothecation of motor car	Repayable in thirty six instalments commencing from March, 2019
Indian Bank (erstwhile Allahabad Bank)	1.21	0.87	Exclusive Hypothecation charge over the machinery/equipments acquired out of the said loan.It is additionally secured by personal guarantee of the KMP/relatives of KMP	Repayable in quarterly installment Interest @ MCLR is serviced on monthly basis as and when due.
State Bank of India	0.54	0.60	First Charge by way of hypothecation over the Plant & Machinery of the Company both present & future. Second charge by way of hypothecation over the stock, receivables and other current assets of the company both present & future. Third party guarantee by KMP and Holding Company.	Repayable in quarterly installment. Interest @ EBLR plus 2.70 BPS is serviced on monthly basis as and when due.
State Bank of India	1.07	-	The said facility shall rank pari-passu with existing credit facilities in respect of underlying security as well as cash flows for repayment. Third party guarantee by KMP and Holding Company.	Repayable in 36 equal monthly installment. Interest @ EBLR plus 0.75 BPS is serviced on monthly basis as and when due.
State Bank of India	0.35	-	First Charge by way of hypothecation over the Plant & Machinery of the Company both present & future. Second charge by way of hypothecation over the stock, receivables and other current assets of the company both present & future. Third party guarantee by KMP and Holding Company.	Repayable in quarterly installment. Interest @ EBLR plus 2.70 BPS is serviced on monthly basis as and when due.

NOTE: 16 (Contd.)
FINANCIAL LIABILITIES - BORROWINGS

(ii) Terms / rights attached to Non convertible Redeemable Preference Shares:

The Company has only one class of Non-convertible Redeemable Preference shares having a face value of ₹100/- each. It carries dividend of 5% p.a. and the dividend will be on cumulative basis. It does not carry any voting rights except in accordance with the provisions of Section 47(2) of the Companies Act, 2013. It shall be redeemed at Par within 10 years or earlier from the date of their allotment as may be decided by the Board of Directors of the Company. Any part redemption will be permissible as may be approved by the Board of Directors of the Company.

(b) Current borrowings

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Carried at amortised cost)		
From Banks (Secured)		
i) Loan repayable on demand		
Cash credit facilities	18.06	32.13
Working capital demand loan (WCDL)	25.00	65.02
ii) Packing credit	46.93	95.63
From Others (Unsecured)		
From related parties **(Refer Note 33)**	13.41	19.59
From body corporates	-	12.00
Total current borrowings	**103.40**	**224.37**

a) The above credit facilities from banks are secured against hypothecation of entire stocks, book debts and other current assets, both present and future of Company. It is additionally secured by personal guarantee of the KMP/relatives of KMP. It is additionally secured by 1st pari-passu charge on entire fixed assets of the company.

NOTE: 17
NON CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Lease obligation	10.74	13.06
Total	**10.74**	**13.06**

NOTE: 18
PROVISIONS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits **(Refer Note 36)**		
a) Non-current	6.72	5.41
b) Current	1.05	0.81
Total	**7.77**	**6.22**

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 19
TRADE PAYABLES

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Carried at amortised cost)		
MSMED **[refer note (a) below]**	5.81	4.82
Other trade payables	273.92	199.52
Total	**279.73**	**204.34**
(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006		
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to micro and small enterprise	5.81	4.82
Interest due on above	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

NOTE: 20
CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
(Carried at amortised cost)		
Current maturities of long-term borrowings **(Refer Note 16)**	4.72	3.46
Current maturities of lease obligation	2.50	1.57
Deposits from dealers/ agents	25.97	21.58
Unclaimed dividend	0.08	0.09
Interest accrued but not due	0.13	0.33
Other payables	10.73	11.30
(At Fair Value through Profit and Loss Account (FVTPL))		
Forward contract payable (On Mark-to-Market)	-	1.85
Total	**44.13**	**40.18**

NOTE: 21
OTHER CURRENT LIABILITIES

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Statutory dues	3.71	3.05
Advance from customers	7.26	8.30
Total	**10.97**	**11.35**

NOTE: 22
CURRENT TAX LIABILITIES

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Income tax liabilities	14.57	0.52
Total	**14.57**	**0.52**

NOTE: 23
REVENUE FROM OPERATIONS

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	1,941.42	1,658.15
Stock-in-trade	1.19	0.93
Sale of Services		
Job work	0.28	0.21
Other Operating Revenue		
Insurance claim	2.91	0.03
Export and other incentive	6.72	8.48
Total Revenue from Operations	**1,952.52**	**1,667.80**

NOTE: 24
OTHER INCOME

₹ in Crores

	Year ended March 31, 2021		Year ended March 31, 2020	
Interest income from financial assets at amortized cost:				
i) On fixed deposits	4.67		0.53	
ii) From financial assets at amortized cost	0.60		0.01	
iii) On loans given to other entities	1.18	6.45	1.57	2.11
Profit on sale of property, plant and equipment		0.01		-
Foreign currency fluctuation gain (net)		3.55		2.69
Income from Current Investments :				
Net gain on fair valuation of mutual fund units		0.35		-
Net gain on sale of current investments		0.79		0.70
Liabilities written back		0.37		-
Others		0.82		0.88
Total		**12.34**		**6.38**

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 25

COST OF RAW MATERIAL CONSUMED

₹ in Crores

	Year ended March 31, 2021		Year ended March 31, 2020	
Yarn Consumed				
Opening stock	51.30		33.43	
Add : Purchases during the year	602.90		579.01	
	654.20		612.44	
Less: Yarn sale	7.06		12.34	
Less: Closing stock	63.33	583.81	51.30	548.80
Packing Materials Consumed				
Opening stock	51.91		46.92	
Add: Purchases during the year	195.35		178.26	
	247.26		225.18	
Less: Closing stock	58.91	188.35	51.91	173.27
Consumption of Fabrics		13.41		3.55
Total		**785.57**		**725.62**
Purchase of stock-in-trade (knitwear)		7.09		7.42
Total		**7.09**		**7.42**

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

₹ in Crores

	Year ended March 31, 2021		Year ended March 31, 2020	
Finished Goods				
Opening stock	221.18		162.99	
Closing stock	195.97	25.21	221.18	(58.19)
Work-in-progress				
Opening stock	170.56		152.91	
Closing stock	157.12	13.44	170.56	(17.65)
Stock in trade				
Opening stock	2.97		3.91	
Closing stock	1.78	1.19	2.97	0.94
Total		**39.84**		**(74.90)**

NOTE: 26

EMPLOYEE BENEFIT EXPENSE

₹ in Crores

	Year ended March 31, 2021		Year ended March 31, 2020	
Salaries, wages & bonus	63.95		62.42	
Provision for employment benefit	1.98	65.93	1.64	64.06
Contribution to provident & other funds		1.89		1.64
Staff welfare expenses		2.08		1.90
Total		**69.90**		**67.60**

NOTE: 27
FINANCE COST

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense	9.78	17.44
Interest on lease obligation	1.73	1.04
Bank charges	1.21	2.58
Total	**12.72**	**21.06**

NOTE: 28
DEPRECIATION & AMORTIZATION EXPENSE

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment	14.44	12.85
Amortization of intangible assets	0.13	0.45
Depreciation on lease assets	3.29	1.83
Total	**17.86**	**15.13**

NOTE: 29
OTHER EXPENSES

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores & spare parts	3.18	2.74
Power & fuel	7.09	6.74
Rent	2.92	3.43
Repairs		
Repairs to buildings	1.11	1.51
Repairs to machinery	0.59	0.50
Repairs to other	1.05	0.26
Insurance	1.21	1.08
Rates & taxes	0.39	0.47
Selling expenses	13.41	17.96
Royalty	0.08	0.08
Advertisement & publicity	105.52	134.69
Commission	16.55	13.14
Freight & other handling charges	41.89	35.25
Bad debts(net)	1.13	1.83
Provision for doubtful debts/ advance	0.72	0.12
Processing expense	448.58	430.83
Prior period items	0.23	(0.26)
Loss on sale of property, plant and equipment	0.07	0.50
Loss on discard of assets	2.04	
Miscellaneous expenses	21.70	22.00

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 29 (Contd.)
OTHER EXPENSES

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Payment to auditors		
Statutory audit fees	0.28	0.27
Certification	-	0.02
Others	0.03	0.04
Total	**669.77**	**673.20**

NOTE: 30
INCOME TAX

A. Amount recognized in profit or loss

₹ in Crores

	March 31, 2021	March 31, 2020
Current tax		
Current year	92.75	62.08
Changes in respect of current income tax of previous years	0.50	1.45
(a)	**93.25**	**63.53**
Deferred tax		
Attributable to -		
Origination and reversal of temporary differences	(0.52)	(1.73)
(b)	**(0.52)**	**(1.73)**
Tax expenses reported in the consolidated statement of profit and loss (a+b)	**92.73**	**61.80**

B. Income tax recognized in Other Comprehensive Income

₹ in Crores

	March 31, 2021	March 31, 2020
Deferred tax relating to items recognized in other comprehensive income during the year	-	(0.06)
Income tax expense charged to Other Comprehensive Income	**-**	**(0.06)**

C. Reconciliation of tax expense and the accounting profit for March 31, 2021 and March 31, 2020:

₹ in Crores

	March 31, 2021	March 31, 2020
Accounting profit before income tax	362.11	239.05
Tax at the applicable India tax rate of 25.168% (25.168%)	91.14	60.16
Tax impact on amounts that are adjusted in determining taxable profit:		
Difference between depreciation as per IT Act and depreciation as per books	0.46	0.07
Other adjustments	1.13	1.57
Tax expenses reported in the consolidated statement of profit and loss	**92.73**	**61.80**

D. Reconciliation of applicable tax rate and effective tax rate:

	March 31, 2021	March 31, 2020
Applicable tax rate	25.17%	25.17%
Tax effect of difference between depreciation as per IT Act and depreciation as per books	0.13%	0.03%
Tax effect of other adjustments	0.31%	0.65%
Effective tax rate	**25.61%**	**25.85%**

NOTE: 30 (Contd.)
INCOME TAX

E. Recognized deferred tax assets and liabilities:

₹ in Crores

	Balance as on April 1, 2020	Charged / (credited) to profit or loss	Charged/ (credited) to OCI	Balance as on March 31, 2021
Property, plant and equipment	(7.00)	0.92	-	(7.92)
Right of use assets	(3.58)	(0.41)	-	(3.17)
Trade receivables	0.41	(0.30)	-	0.71
Other assets	0.43	(0.08)	-	0.51
Provisions	1.52	-	-	1.52
Other liabilities	3.45	(0.83)	-	4.28
Unused tax losses to the extent of deferred tax liabilities	0.10	0.18	-	(0.08)
Total	**(4.67)**	**(0.52)**	**-**	**(4.15)**

₹ in Crores

	Balance as on April 1, 2019	Charged / (credited) to profit or loss	Charged/ (credited) to OCI	Balance as on March 31, 2020
Property, plant and equipment	(8.77)	(1.77)	-	(7.00)
Right of use assets	-	3.58	-	(3.58)
Trade receivables	0.53	0.12	-	0.41
Other assets	0.22	(0.21)	-	0.43
Provisions	1.56	0.10	(0.06)	1.52
Other liabilities	-	(3.45)	-	3.45
Unused tax losses to the extent of deferred tax liabilities	-	(0.10)	-	0.10
Total	**(6.46)**	**(1.73)**	**(0.06)**	**(4.67)**

F. Deferred tax reflected in the Balance Sheet as follows:

₹ in Crores

	March 31, 2021	March 31, 2020
Deferred tax assets	7.02	5.91
Deferred tax liabilities	(11.17)	(10.58)
Deferred tax liabilities (net)	**(4.15)**	**(4.67)**

NOTE: 31
EARNINGS PER SHARE (EPS) (IND AS 33)

₹ in Crores

	Year ended March 31,2021	Year ended March 31,2020
Profit for the year	271.39	177.65
Weighted average number of equity shares outstanding at the end of the year for basic EPS	30,071,681	30,071,681
Weighted average number of equity shares outstanding at the end of the year for diluted EPS	30,071,681	30,071,681
Nominal value per share (₹)	2/-	2/-
Earning per shares		
Basic	90.25	59.08
Diluted	90.25	59.08

Earnings per share for the year ended March 31, 2020 has been restrospectively adjusted w.e.f April 1, 2019 for shares issued against amalgamation of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) with the company. Pursuant to the Scheme 48,18,681 equity shares were allotted by the Company on May 8, 2021 to the shareholders of the JMHL & Ebell which have been included in the number of shares considered above.

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 32
PARTICULARS OF CONTINGENT LIABILITIES AND COMMITMENTS

I. Contingent Liabilities

₹ in Crores

	As at March 31,2021	As at March 31,2020
Claims against the company not acknowledged as liabilities in respect of:		
Sales tax matters	0.62	0.62
Customs and excise matters	3.56	3.56
Service tax matters	1.36	1.36
Provident fund matters	9.73	9.73
Guarantee given	21.43	8.97
Income tax related matter	0.01	0.12

The Company is contesting the demand and the management including its legal advisors believes that its position will likely be upheld in the appellate process.

The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

II. Commitments:

a. Estimated amount of contracts to be executed on capital account (net of advances) is ₹9.03 Crores (Previous year ₹5.50 Crores). The company has other commitments, for purchase/ sales orders which are issued after considering requirements per operating cycle for purchase/ sale of goods and services, in normal course of business.

b. The company did not have any long term commitments/ contracts including derivative contracts for which there will be any material foreseeable losses.

NOTE: 33
RELATED PARTY DISCLOSURE (IND AS 24)

A. Key management personnel:

Mr Ashok Kumar Todi, Executive Chairman

Mr Pradip Kumar Todi, Managing Director

Mr Ajay Kumar Patodia, Chief Financial Officer (upto 12.02.2021)

Mr Saurabh Kumar Bhudolia, Chief Financial Officer (w.e.f 13.02.2021)

Mrs Smita Mishra, Company Secretary

B. Other directors:

Mrs Prabha Devi Todi – Executive Director

Mr Nandanandan Mishra – Independent director

Mr Kamal Kishore Agrawal – Independent director

Mr Snehasish Ganguly – Independent director

Mrs Rusha Mitra - Independent director

NOTE: 33 (Contd.)
RELATED PARTY DISCLOSURE (IND AS 24)

C. Relatives of Key management personnel

Mrs Bimla Devi Todi
Mrs Shobha Devi Todi
Mr Saket Todi
Mr Udit Todi
Mr Rahul Kumar Todi
Mr Navin Kumar Todi
Mr. Keshav Todi
Mrs Shilpa Pankajkumar
Mrs Meenakshi Todi
Mrs Sonika Bhudolia
Mrs Neha Poddar
Ms Priyanka Todi

D. Entities where Key management personnel and their relative have significant influence

Biswanath Hosiery Mills Limited
Biswanath Real Estate Private Limited
Rotex Intertrade Private Limited
Chitragupta Sales & Services Private Limited
HollyField Traders Private Limited
P.G. Buildtech Private Limited
P.G. Infometic Private Limited
Todi Industries
Todi Exports
Lux Foundation
Jaytee Exports
S D International

E. The following transactions were carried out with the related parties in the ordinary course of business:

₹ in Crores

Sr. No	Name of related party	Year ended March 31, 2021	Year ended March 31, 2020
1	**Sale of goods**		
	Jaytee Exports	0.02	-
	Todi Industries	0.07	7.55
2	**Interest received**		
	Hollyfield Traders Private limited	-	0.13
	Biswanath Real Estate Private Limited	0.98	1.19
3	**Received towards services**		
	Todi Industries – Knitting services	-	0.06
	S.D. International – Knitting services	-	0.02

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 33 (Contd.)
RELATED PARTY DISCLOSURE (IND AS 24)

₹ in Crores

Sr. No	Name of related party	Year ended March 31, 2021	Year ended March 31, 2020
4	**Purchase of goods**		
	Todi Industries	1.77	5.00
	Jaytee Exports	1.55	6.71
5	**Purchase of Property, Plant & Equipment**		
	Mr Ashok Kumar Todi	14.44	-
	Mr Pradip Kumar Todi	12.98	-
	Mrs Prabha Devi Todi	0.19	-
	Mrs Shobha Devi Todi	0.90	-
	Todi Industries	0.80	5.22
6	**Sitting fees**		
	Mr Nandanandan Mishra	0.01	0.01
	Mr Kamal Kishore Agrawal	0.01	0.01
	Mr Snehasish Ganguly	0.00	0.00
	Mrs Rusha Mitra	0.00	0.00
7	**CSR expenditure**		
	Lux Foundation	-	0.01
8	**Rent payment**		
	Hollyfield Traders Private Limited	0.02	0.02
	P.G. Infometic Private Limited	0.45	0.38
	Mrs Meenakshi Todi	-	0.04
	Mrs Prabha Devi Todi	0.18	0.21
	Mr Navin Kumar Todi	0.12	0.04
	Mr Rahul Kumar Todi	0.18	0.12
9	**Other services payment**		
	P.G. Infometic Private Limited - Data processing charges	0.48	0.48
	Biswanath Hosiery Mills Limited - Royalty	0.08	0.08
	Todi Industries – Knitting, cutting & stitching charges	0.68	7.51
10	**Reimbursement of taxes**		
	Biswanath Hosiery Mills Limited	0.00	-
11	**Motor car leasing expenses**		
	Mrs Sonika Bhudolia	0.02	-
12	**Dividend payment**		
	Mr Ashok Kumar Todi	0.87	4.77
	Mr Pradip Kumar Todi	1.06	5.80
	Mrs Prabha Devi Todi	0.91	4.93
	Mrs Bimla Devi Todi	0.82	4.51
	Mrs Shobha Devi Todi	0.63	3.49
	Mr Saket Todi	0.04	0.18
	Mr Udit Todi	0.05	0.25
	Mrs Shilpa Pankajkumar	0.01	0.07
	Mrs Neha Poddar	0.01	0.07

NOTE: 33 (Contd.)
RELATED PARTY DISCLOSURE (IND AS 24)

₹ in Crores

Sr. No	Name of related party	Year ended March 31, 2021	Year ended March 31, 2020
13	**Director's Remuneration**		
	Mr Ashok Kumar Todi	2.85	3.00
	Mr Pradip Kumar Todi	2.85	3.00
14	**Salary**		
	Mr Saket Todi	1.61	1.12
	Mr Udit Todi	1.61	1.12
	Mr Navin Kumar Todi	1.44	1.29
	Mr Rahul Kumar Todi	1.44	1.29
	Mrs Bimla Devi Todi	0.57	0.60
	Mrs Shobha Devi Todi	0.57	0.60
	Mr Ajay Kumar Patodia (CFO) upto 12.02.2021	0.76	0.62
	Mr Saurabh Kumar Bhudolia (CFO) w.e.f 13.02.2021	0.10	-
	Mr Keshav Todi	0.27	-
	Mrs Smita Mishra (CS)	0.14	0.12
	Mrs Neha Poddar	0.29	0.30
15	**Interest paid**		
	Chitragupta Sales & Services Private Limited	0.18	0.38
	Rotex Intertrade Private Limited	0.57	0.34
	Holly Field Traders Private Limited	0.13	0.08
16	**Reimbursement of expenses**		
	Mr Nandanandan Mishra	-	0.01
	Mr Kamal Kishore Agrawal	-	0.00
	Mr Saurabh Kumar Bhudolia	0.00	-
17	**Loan received**		
	Chitragupta Sales & Services Private Limited	2.50	18.67
	Rotex Intertrade Private Limited	-	16.23
	Holly Field Traders Private Limited	5.20	11.84
	Mr Ashok Kumar Todi	-	2.28
	Mr Pradip Kumar Todi	-	1.57
	Mrs Prabha Devi Todi	1.41	9.84
18	**Loan repayment**		
	Chitragupta Sales & Services Private Limited	6.50	18.67
	Rotex Intertrade Private Limited	2.00	9.58
	Holly Field Traders Private Limited	1.00	15.67
	Mr Ashok Kumar Todi	-	2.28
	Mr Pradip Kumar Todi	-	1.93
	Mrs Prabha Devi Todi	6.37	6.80
19	**Loan given**		
	Biswanath Real Estate Private Limited	0.22	0.81

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 33 (Contd.)
RELATED PARTY DISCLOSURE (IND AS 24)

₹ in Crores

Sr. No	Name of related party	Year ended March 31, 2021	Year ended March 31, 2020
20	**Refund of loan given**		
	Biswanath Real Estate Private Limited	18.44	4.57
21	**Payment of security deposit**		
	P.G. Infometic Private Limited	0.10	1.71
22	**Allotment of Shares by subsidiary company**		
	Rotex Intertrade Private Limited-Preference shares	2.00	-
	Mr Saket Todi-Equity shares	-	0.00
	Mr Udit Todi-Equity shares	-	0.00
23	**Sale of Investment**		
	Chitragupta Sales & Services Private Limited	-	0.04
	Rotex Intertrade Private Limited	-	0.04

F. Outstanding balances:

₹ in Crores

Sr. No	Name of related party	As at March 31, 2021	As at March 31, 2020
1	**Trade Payables**		
	Jaytee Exports	0.03	3.66
	P.G. Infometic Private Limited	0.24	0.10
	Biswanath Hosiery Mills Limited	0.05	-
	Hollyfield Traders Private Limited	0.03	-
2	**Trade Receivables**		
	Todi Industries	0.29	2.24
3	**Unsecured Loans Given**		
	Biswanath Real Estate Private Limited	-	17.31
4	**Unsecured Loans Taken**		
	Mrs Prabha Devi Todi	-	4.96
	Mr Navin Kumar Todi	0.51	0.51
	Mr Rahul Kumar Todi	0.05	0.05
	Chitragupta Sales & Services Private Limited	-	4.02
	Rotex Intertrade Private Limited	8.53	10.05
	Holly Field Traders Private Limited	4.32	-
5	**Advances recoverable in cash or value**		
	Todi Exports (India)	0.50	0.50
	Holly Field Traders Private Limited	-	0.12
	Biswanath Hosiery Mills Ltd.	-	0.02
6	**Security deposit**		
	P.G. Infometic Private Limited	2.17	2.07

NOTE: 34

SEGMENT REPORTING

The management has considered that the Group has a single reportable segment based on nature of products, production process, regulatory environment, customers and distribution methods. Further the Group is engaged in a single business line, viz., "Manufacturing and sales of knitwear".

The Group primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and overseas operations as under:

₹ in Crores

	2020-21	2019-20
Segment Revenue		
- Within India	1,817.46	1,535.55
- Outside India *	135.06	132.25
Total	**1,952.52**	**1,667.80**
Segment Assets		
- Within India	1,444.12	1,211.12
- Outside India *	47.61	38.95
Total	**1,491.73**	**1,250.07**
Capital Expenditure		
- Within India	66.84	16.25
- Outside India *	-	-
Total	**66.84**	**16.25**

* Revenue and carrying amount of assets from no individual country is material.

The Group is not reliant on revenues from any single external customer amounting to 10% or more of its revenues.

NOTE: 35

CORPORATE SOCIAL RESPONSIBILITY

The details relating to Corporate Social Responsibility (CSR) expenditure are as follows:

As per Section 135 of the Companies Act, 2013, a CSR committee had been formed by the Company. The funds are utilized on the activities which are specified in Schedule VII of the Act. The utilization is done by way of contribution towards various activities.

a. Amount spent during the year on:

₹ in Crores

	2020-21	2019-20
Gross amount required to be spent by the Company during the year	**4.84**	**3.56**
Amount spent as below		
- Education and skill development	0.69	0.40
- Health care	2.70	0.02
- Others	1.67	1.72
Total	**5.06**	**2.14**

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 36

EMPLOYEE BENEFITS

1. Defined Contribution Plan:

a. Provident fund:

In accordance with Indian law, eligible employees of Lux Industries Limited are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to provident/ pension funds	1.28	0.97
Total	**1.28**	**0.97**

2. Defined benefits plan:

a. Gratuity and leave encashment:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has not funded the scheme.

The Company also has a defined benefit leave encashment plan, wherein every employee on confirmation is entitled to get leave encashment benefit, which is payable on departure or on completion of 3 years of service at 15 days salary (last drawn salary) for each completed year of service. The Company has not funded the scheme. This has been implemented in the current year, accordingly prior year figures have not been given.

(a) The following table's summarizes the components of the net benefit expenses recognized in the profit and loss account and amounts recognized in the balance sheet for respective plans.

₹ in Crores

	Gratuity		Leave Enchashment	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Present Value of Obligation at the beginning of the year	5.76	3.29	0.46	0.18
Amalgamation of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell). **(Refer Note 44)**	-	1.19	-	0.01
Restated Balance as at the beginning of the year	**5.76**	**4.48**	**0.46**	**0.19**
Current service cost	1.30	1.04	0.25	0.22
Interest cost	0.40	0.34	0.03	0.04
Actuarial losses / (gain) recognized In Other comprehensive income	(0.15)	0.19	(0.03)	0.03
Benefit paid	(0.23)	(0.29)	(0.02)	(0.02)
Present Value of Obligation at the end of the year	**7.08**	**5.76**	**0.69**	**0.46**

NOTE: 36 (Contd.)

EMPLOYEE BENEFITS

(b) Expense recognized in Statement of Profit or Loss

₹ in Crores

	Gratuity		Leave Enchashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	1.30	1.04	0.25	0.22
Interest cost	0.40	0.34	0.03	0.04
Total	**1.70**	**1.38**	**0.28**	**0.26**

(c) Remeasurements recognized in Consolidated Other Comprehensive Income:

₹ in Crores

	Gratuity		Leave Enchashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial loss/ (gain) arising on defined benefit obligation from				
- financial assumptions	0.13	0.50	0.01	0.03
- experience adjustments	(0.28)	(0.31)	(0.03)	0.00
Total	**(0.15)**	**0.19**	**(0.02)**	**0.03**

(d) Principle assumptions used in the determining gratuity obligation for the Company's are shown below:

	Gratuity		Leave Enchashment	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Discount rate	6.90%	7.00%	6.90%	7.00%
Rate of increase in salaries	6.00%	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	24.10	24.52	20.14	20.46
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees			

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

(e) Sensitivity analysis – Revised defined benefit obligation due to change in assumptions

₹ in Crores

	Gratuity		Leave Enchashment	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Under base scenario	7.08	5.77	0.69	0.46
Salary escalation (up by 1%)	7.76	6.30	0.76	0.51
Salary escalation (down by 1%)	6.49	5.32	0.62	0.41
Withdrawal rates (up by 1%)	7.12	5.82	0.69	0.46
Withdrawal rates (down by 1%)	7.02	5.71	0.68	0.45
Discount rates (up by 1%)	6.45	5.27	0.63	0.41
Discount rates (down by 1%)	7.81	6.36	0.76	0.50

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 36 (Contd.)

EMPLOYEE BENEFITS

(f) Expected Cash flow for following years

₹ in Crores

	Gratuity		Leave Enchashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
1 Year	0.97	0.76	0.08	0.06
2 To 5 years	0.70	1.47	0.04	0.12
6 To 10 years	2.14	2.01	0.16	0.16
More than 10 years	216.93	196.19	1.83	0.83

NOTE: 37

DISTRIBUTION OF DIVIDEND

Distribution of Dividend

₹ in Crores

	2020-2021	2019-2020
Dividend on equity shares declared and paid :		
Final dividend for the year ended 31.03.2020 :- ₹2.50 per share (31.03.2019 :- ₹3.50 per share)	6.31	8.84
Dividend distribution tax (DDT) on final dividend	-	1.82
1st Interim dividend for the year ended 31.03.2021 :- ₹ NIL per share (31.03.2020 :- ₹10 per share)	-	25.25
DDT on Interim dividend	-	5.19
Proposed dividends on Equity Shares		
Final dividend for the year ended 31.03.2021 :- ₹ NIL per share (31.03.2020 :- ₹2.5 per share)	-	6.31
DDT on proposed dividend	-	-

NOTE: 38

Disclosures pursuant to Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013.

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
a) Loans and advances in the nature of loan to others		
i) Loan to Jalan and Sons		
Balance at the year end	-	0.00
Maximum amount outstanding at any time during the year	0.00	0.17
It is repayable over a period of one year and carries rate of interest of 8%.		
ii) Loan to Mana Maa Garments		
Balance at the year end	-	0.60
Maximum amount outstanding at any time during the year	0.65	0.60
It is repayable over a period of one year and carries rate of interest of 8%.		

NOTE: 38 (Contd.)

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
iii) Loan to Artimas Fashions Private Limited		
Balance at the year end	-	-
Maximum amount outstanding at any time during the year	4.20	6.91
It is repayable over a period of one year and carries rate of interest of 9%.		
iv) Loan to Biswanath Real Estate Private Limited		
Balance at the year end	-	17.31
Maximum amount outstanding at any time during the year	18.44	20.17
It is repayable over a period of one year and carries rate of interest of 7%.		
v) Loan to A.U. Export		
Balance at the year end	-	0.00
Maximum amount outstanding at any time during the year	0.00	2.00
It is repayable over a period of one year and carries rate of interest of 8%.		
vii) Loan to Hollyfield Traders Pvt. Ltd		
Balance at the year end	-	0.13
Maximum amount outstanding at any time during the year	0.13	2.13
It is repayable over a period of one year and carries rate of interest of 9%.		

Note: Such loan was utilized for working capital requirements.

NOTE: 39

ACCOUNTING CLASSIFICATION AND FAIR VALUES

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Consolidated Balance Sheet as at **March 31, 2021** are as follows:

₹ in Crores

	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Investments	64.21	11.09	75.30	75.30
Trade receivables	458.00	-	458.00	458.00
Cash and cash equivalents	84.69	-	84.69	84.69
Other bank balances	101.44	-	101.44	101.44
Loans	-	-	-	-
Other financial assets	13.18	-	13.18	13.18
Financial liabilities:				
Long term borrowings	15.48	-	15.48	15.48
Other long term financial liability	10.74	-	10.74	10.74
Short term borrowings	103.40	-	103.40	103.40
Trade payables	279.73	-	279.73	279.73
Other short term financial liability	44.13	-	44.13	44.13

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 39 (Contd.)
ACCOUNTING CLASSIFICATION AND FAIR VALUES

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Consolidated Balance Sheet as at **March 31, 2020** are as follows:

₹ in Crores

	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Investments	-	38.67	38.67	38.67
Trade receivables	440.99	-	440.99	440.99
Cash and cash equivalents	6.06	-	6.06	6.06
Other bank balances	0.96	-	0.96	0.96
Loans	18.00	-	18.00	18.00
Other financial assets	12.68	-	12.68	12.68
Financial liabilities:				
Long term borrowings	7.81	-	7.81	7.81
Other long term financial liability	13.06	-	13.06	13.06
Short term borrowings	224.37	-	224.37	224.37
Trade payables	204.34	-	204.34	204.34
Other short term financial liability	40.18	-	40.18	40.18

NOTE: 40
FAIR VALUE MEASUREMENT

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

₹ in Crores

As at March 31, 2021	Level 1	Level 2	Level 3
Financial Assets:			
Investment in mutual funds (unquoted)	11.09	-	-
Total	**11.09**	**-**	**-**

NOTE: 40 (Contd.)

FAIR VALUE MEASUREMENT

₹ in Crores

As at March 31, 2020	Level 1	Level 2	Level 3
Financial Assets:			
Investment in mutual funds (unquoted)	38.67	-	-
Total	**38.67**	**-**	**-**

Notes:

i. The management assesses that carrying amount of trade receivables, cash and cash equivalents, other bank balances, short term borrowings, trade payables, other financial assets and liabilities approximate their fair value largely due to short term maturities of these instruments.

ii. Investments in mutual funds (quoted) is stated at fair value wherein inputs (Level 1) are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

NOTE: 41

FINANCIAL RISK MANAGEMENT

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as credit risk, liquidity risk and market risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

1. **Credit Risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i. Actual or expected significant adverse changes in business,

ii. Actual or expected significant changes in the operating results of the counterparty,

iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv. Significant increase in credit risk on other financial instruments of the same counterparty,

v. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 41 (Contd.)

FINANCIAL RISK MANAGEMENT

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹458 Crores (PY – ₹440.99 Crores) and advance to suppliers stood at ₹15.03 Crores (PY – ₹10.97 Crores)

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Company are as under:

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Opening balance	2.60	2.48
Add: Provisions made	0.72	0.12
Less: Provisions reversed	-	-
Closing provisions	**3.32**	**2.60**

2. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The management continuously monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

₹ in Crores

March 31, 2021	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	103.40	15.48	-	118.88
Trade payables	279.73	-	-	279.73
Other financial liabilities	44.13	5.45	5.29	54.87

₹ in Crores

March 31, 2020	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	224.37	7.81	-	232.18
Trade payables	204.34	-	-	204.34
Other financial liabilities	40.18	7.49	5.57	53.24

3. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

A. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to import of raw materials and spare parts, capital expenditure, export of finished goods. The currency in which these transactions are primarily denominated is USD.

NOTE: 41 (Contd.)

FINANCIAL RISK MANAGEMENT

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all currencies other than US$ is not material.

Particulars of unhedged foreign currency exposure as at the balance sheet date

₹ in Crores

		As at March 31, 2021	As at March 31, 2020
Amount receivable in foreign currency on account of	US$	0.64	0.48
Trade receivables	INR	46.30	36.32
Amount payables in foreign currency on account of	US$	0.01	0.02
Trade payables	INR	0.35	1.83

₹ in Crores

	Change in USD rate	Effect on profit before tax	Effect on post tax equity
31-Mar-21	10%	4.60	3.44
	-10%	-4.60	-3.44
31-Mar-20	10%	3.45	2.58
	-10%	-3.45	-2.58

B. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are limited as the borrowings by the Company carry fixed interest rates. However, the Company still constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. As on March 31, 2021 the group is debt-free.

C. Equity price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The Company is holding investments in unquoted equity instruments, which may be susceptible to market price risk arising from uncertainties about future values of the securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity instrument decisions.

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 42

CAPITAL MANAGEMENT

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings.

The Company's policy is aimed at combination of short-term and long-term borrowings so as to maintain an optimum capital structure to reduce the cost of capital and maximize shareholders value and provide benefits to other stakeholders.

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Total debt (Bank and other borrowings)	123.60	235.64
Equity	1,000.79	737.55

NOTE: 43

LEASES

Company as a Lessee

The company has applied IND AS 116 Leases from FY 2019-20 onwards. The nature and effect of the changes as of this accounting standard is described in the Note 3 (t) of Accounting Policies.

Impact on Balance Sheet (Increase/Decrease)

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
Assets		
Right of use assets **(Refer Note No. 4(c))**	12.49	15.07
Liabilities		
Lease liabilities **(Refer Note No. 17 and 20)**	13.24	14.63

Impact on Statement of Profit and Loss

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation and amortisation	3.29	1.83
Other expenses	(3.07)	(1.83)
Finance cost	1.50	1.04
Income tax expenses (deferred taxes)	-	-
Loss for the period (Increase)	**1.72**	**1.04**

NOTE: 43 Leases (Contd.)

Company as a Lessee

Impact on Statement of Cash Flows

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Payment of principal portion of lease liabilities	2.10	0.85
Payment of Interest portion of lease liabilities	1.73	1.04
Net Cash flows used in financial activities	**3.83**	**1.89**

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

The Company has lease contracts for Warehouse and office spaces used in its operations. These generally have lease terms between 1 and 5 years.

The effective interest rate for lease liabilities is 10.49%.

The effective interest rate for lease liabilities is 10.49%.

The following are the amounts recognised in statement of Profit and Loss:

₹ in Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of used assets	3.29	1.83
Interest expenses on lease liabilities	1.50	1.04
Expense relating to other leases (included in other expenses)	(3.07)	(1.83)
Total amount recognised in Statement of Profit and Loss	**1.72**	**1.04**

Maturity analysis of lease liabilities are as follows:

₹ in Crores

	As at March 31, 2021	As at March 31, 2020
1 year	2.50	1.57
2-5 years	5.45	7.49
5 years and above	5.29	5.57

NOTE: 44

NOTE ON AMALGAMATION

As part of reorganization, the Board of Directors of Lux Industries Limited ('Company' or 'Lux'), J M Hosiery & Co. Limited ('JMHL') and Ebell Fashions Private Limited ('Ebell') have in their respective board meetings held on June 26 2018 approved the proposal for the amalgamation of JMHL & Ebell with the Company, subject to all the necessary statutory / regulatory approvals.

Hon'ble NCLT, Kolkata vide its Order dated March 25, 2021 has sanctioned the Scheme with Appointed Date April 1, 2020. The Scheme became effective from May 1, 2021 upon completion of necessary formalities.

Pursuant to the Scheme, 48,18,681 equity shares were allotted by the Company on May 8, 2021 to the shareholders of the JMHL & Ebell.

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 44 (Contd.)

NOTE ON AMALGAMATION

The merger has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations' and comparatives for all the reporting periods have been restated from the beginning of the preceding year i.e. April 1, 2019. The difference, between the book value of the assets of JMHL and Ebell and the aggregate of: (a) the book value of liabilities of JMHL and Ebell vested in the Lux pursuant to the Scheme; (b) the book value of the reserves of JMHL and Ebell vested in Lux pursuant to the Scheme; (c) elimination of inter-company adjustments and (d) equity share capital issued to the shareholders of the JMHL & Ebell is recorded as capital reserve.

Summary of relevant information has been provided below: ₹ in Crores

	Amount		
	JMHL	**Ebell**	**Total**
Assets			
Non current assets	16.10	5.26	21.36
Current assets	289.64	147.28	436.92
Total assets (A)	**305.74**	**152.54**	**458.28**
Liabilities			
Non current liabilities	1.45	1.19	2.64
Current liabilities	194.29	67.39	261.68
Total liabilities (B)	**195.74**	**68.58**	**264.32**
Net asset taken over (A-B)	**110.00**	**83.96**	**193.96**
Reserves & surplus			
Retained earnings	71.70	81.83	153.53
Securities premium	30.86	1.89	32.75
Total Reserve & surplus (C)	**102.56**	**83.72**	**186.28**
Adjustments for inter company balances (D)			**3.92**
Share capital suspense account (E)			**0.96**
(Equity share capital issued on merger)			
Capital reserve (F)=(A-B-C-D-E)			**2.80**

Upon the Scheme become effective and with effect from the appointed date, the authorised share capital of J M Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) shall stand transferred to and be merged/ amalgamated with the authorised share capital of the Company. Consequently, authorised share capital of the Company enhanced to ₹72.75 Crores (8,37,50,000 equity shares of ₹2/- each and 56,00,000 preference shares of ₹100/- each).

NOTE: 45

The operations of the company were impacted in the month of March 2020 due to temporary shutdown of the plants following nationwide lockdown announced by the Government of India due to the COVID- 19 outbreak. The management is monitoring the situation closely and has started its plant/operations in a phased manner from the end of April 2020. The Company has assessed and considered the impact of this Pandemic on the carrying amount of inventories, receivables and other assets and the management estimates that the Company's liquidity position is comfortable and there is no material uncertainty in meeting the liability for the foreseeable future. However, the situation is still evolving and the eventual outcome of impact of the global pandemic may be different from those estimated as on date of approval of these financial statements.

Notes to Consolidated financial statements for the year ended March 31, 2021

NOTE: 46

Balances of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/ confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year.

NOTE: 47

Previous year figures have been recast/ regrouped whenever necessary to conform to the current Year's presentation

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
ICAI Firm Registration No. 306033E/E300272

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Dated: May 25, 2021

For and on Behalf Of Board of Directors

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Saurabh Kumar Bhudolia
Chief Financial Officer
(PAN-AISPB8804D)

Smita Mishra
Company Secretary
(Mem No - A26489)

NOTICE

Notice is hereby given that the Twenty Sixth (26th) Annual General Meeting (AGM) of the members of Lux Industries Limited will be held on Tuesday, September 28, 2021 at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

1. **To consider and adopt:**

(a) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 and the Reports of Board of Directors and the Auditors thereon, and;

(b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 and the Reports of the Auditors thereon.

2. To appoint Mr. Ashok Kumar Todi (DIN 00053599), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

SPECIAL BUSINESS

3. Appointment of Mr. Navin Kumar Todi (DIN: 00054370) as Executive Director of the Company

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

   "**RESOLVED THAT** pursuant to the provisions of section 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Articles of Association of the Company and the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company and such other sanctions and approvals, as may be required, the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Navin Kumar Todi (DIN: 00054370), as Executive Director of the Company, liable to retire by rotation, for a term of five years effective from May 25, 2021 till May 24, 2026 on such terms and conditions and remuneration, as set out in the explanatory statement annexed hereto."

   "**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year during the aforesaid period or a period of three years, whichever is lower, the proposed terms of remuneration and perquisites will be admissible as the minimum remuneration payable to Mr. Navin Kumar Todi as Executive Director, subject to compliance with the applicable provisions of Schedule V of the Companies Act, 2013.

   "**RESOLVED FURTHER THAT** the Board of Directors of the company will have the power to revise the terms of remuneration subject to the limits specified in schedule V to the Companies Act, 2013 and subject to the compliance of the provisions of the other rules and regulations as will be applicable to the company from time to time."

   "**RESOLVED FURTHER THAT** Mr. Ashok Kumar Todi, Chairman or Mr. Pradip Kumar Todi, Managing Director or Mrs. Smita Mishra, Company Secretary and Compliance Officer of the Company be and is hereby severally authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. Appointment of Mr. Rahul Kumar Todi (DIN: 00054279) as Executive Director of the Company

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

   "**RESOLVED THAT** pursuant to the provisions of section 196, 197 , and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Articles of Association of the Company and the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company and such other sanctions and approvals, as may be required, the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Rahul Kumar Todi (DIN: 00054279), as Executive Director of the Company, liable to retire by rotation, for a term of five years effective from May 25, 2021 till May 24, 2026 on such terms and conditions and remuneration, as set out in the explanatory statement annexed hereto."

"**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year during the aforesaid period or a period of three years, whichever is lower, the proposed terms of remuneration and perquisites will be admissible as the minimum remuneration payable to Mr. Rahul Kumar Todi as Executive Director, subject to compliance with the applicable provisions of Schedule V of the Companies Act, 2013.

"**RESOLVED FURTHER THAT** the Board of Directors of the company will have the power to revise the terms of remuneration subject to the limits specified in schedule V to the Companies Act, 2013 and subject to the compliance of the provisions of the other rules and regulations as will be applicable to the company from time to time."

"**RESOLVED FURTHER THAT** Mr. Ashok Kumar Todi, Chairman or Mr. Pradip Kumar Todi, Managing Director or Mrs. Smita Mishra, Company Secretary and Compliance Officer of the Company be and is hereby severally authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. Appointment of Mr. Saket Todi (DIN: 02821380) as Executive Director of the Company

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

"**RESOLVED THAT** pursuant to the provisions of section 196, 197 , and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Articles of Association of the Company and the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company and such other sanctions and approvals, as may be required, the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Saket Todi (DIN: 02821380), as Executive Director of the Company, liable to retire by rotation, for a term of five years effective from May 25, 2021 till May 24, 2026 on such terms and conditions and remuneration, as set out in the explanatory statement annexed hereto."

"**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year during the aforesaid period or a period of three years, whichever is lower, the proposed terms of remuneration and perquisites will be admissible as the minimum remuneration payable to Mr. Saket Todi as Executive Director, subject to compliance with the applicable provisions of Schedule V of the Companies Act, 2013.

"**RESOLVED FURTHER THAT** the Board of Directors of the company will have the power to revise the terms of remuneration subject to the limits specified in schedule V to the Companies Act , 2013 and subject to the compliance of the provisions of the other rules and regulations as will be applicable to the company from time to time."

"**RESOLVED FURTHER THAT** Mr. Ashok Kumar Todi, Chairman or Mr. Pradip Kumar Todi, Managing Director or Mrs. Smita Mishra, Company Secretary and Compliance Officer of the Company be and is hereby severally authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Appointment of Mr. Udit Todi (DIN: 02017579) as Executive Director of the Company

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

"**RESOLVED THAT** pursuant to the provisions of section 196, 197 , and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Articles of Association of the Company and the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company and such other sanctions and approvals, as may be required, the consent of the members of the Company be and is hereby accorded for the appointment of Mr.

Udit Todi (DIN: 02017579), as Executive Director of the Company, liable to retire by rotation, for a term of five years effective from May 25, 2021 till May 24, 2026 on such terms and conditions and remuneration, as set out in the explanatory statement annexed hereto."

"**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year during the aforesaid period or a period of three years, whichever is lower, the proposed terms of remuneration and perquisites will be admissible as the minimum remuneration payable to Mr. Udit Todi as Executive Director, subject to compliance with the applicable provisions of Schedule V of the Companies Act, 2013.

"**RESOLVED FURTHER THAT** the Board of Directors of the company will have the power to revise the terms of remuneration subject to the limits specified in schedule V to the Companies Act , 2013 and subject to the compliance of the provisions of the other rules and regulations as will be applicable to the company from time to time."

"**RESOLVED FURTHER THAT** Mr. Ashok Kumar Todi, Chairman or Mr. Pradip Kumar Todi, Managing Director or Mrs. Smita Mishra, Company Secretary and Compliance Officer of the Company be and is hereby severally authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. Appointment of Mr. Rajnish Rikhy (DIN: 08883324) as an Independent Director

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

"**RESOLVED THAT** Mr. Rajnish Rikhy (DIN: 08883324) who was appointed by the Board of Directors on the recommendation of the Nomination and Remuneration Committee as an Additional Director (Independent, Non-Executive) of the Company with effect from May 25, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature to the office of Directorship of the Company, be and is hereby appointed as an Independent Director of the Company."

"**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, and the Articles of Association of the company, the appointment of Mr. Rajnish Rikhy (DIN: 08883324) who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from May 25, 2021 upto May 24, 2026, be and is hereby approved."

"**RESOLVED FURTHER THAT** Mr. Ashok Kumar Todi, Chairman or Mr. Pradip Kumar Todi, Managing Director or Mrs. Smita Mishra, Company Secretary and Compliance Officer of the Company be and is hereby severally authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. Appointment of Ms Ratnabali Kakkar (DIN: 09167547) as an Independent Director

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

"**RESOLVED THAT** Ms Ratnabali Kakkar (DIN: 09167547) who was appointed by the Board of Directors on the recommendation of the Nomination and Remuneration Committee as an Additional Director (Independent, Non-Executive) of the Company with effect from May 25, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature to the office of Directorship of the Company, be and is hereby appointed as an Independent Director of the Company."

"**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, and the Articles of Association of the company, the appointment of Ms Ratnabali Kakkar (DIN: 09167547) who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from May 25, 2021 upto May 24, 2026, be and is hereby approved."

"**RESOLVED FURTHER THAT** Mr. Ashok Kumar Todi, Chairman or Mr. Pradip Kumar Todi, Managing Director or Mrs. Smita Mishra, Company Secretary and Compliance Officer of the Company be and is hereby severally authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors
For Lux Industries Limited

Registered Office:
39, Kali Krishna Tagore Street
Kolkata-700007.

Date: July 27, 2021
Place: Kolkata

Sd/-
Smita Mishra
Company Secretary & Compliance Officer
M.No. - ACS 26489

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, August 17, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") and Securities Exchange Board of India ("SEBI") vide its circular dated May 12, 2020 read with further relaxation vide circular dated January 15, 2021 ("SEBI Circulars") has permitted the holding of the AGMs through Video Conferencing ("VC")/ Other Audio-Visual means ("OAVM"), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 read with the relevant Rules made thereunder ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circulars, the 26th AGM of the Company is being held through VC/OAVM on Tuesday, September 28, 2021 at 11:00 a.m. (IST). The venue of the AGM, for the purpose of technical compliance as per Section 96(2) of the Companies Act, 2013, shall be the Registered Office of the Company at 39, Kali Krishna Tagore Street, Kolkata- 700007.

2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THE AGM IS BEING HELD PURSUANT TO THE MCA/ SEBI CIRCULARS THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY THE FACILITIES FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM ARE NOT ANNEXED WITH THE NOTICE OF THE AGM.**

3. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at goenkamohan@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name_EVENT No.".

4. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the special business under Item Nos. 3 to 8 of the Notice is annexed hereto. The Board of Directors have considered and decided to include Item Nos. 3 to 8 as given above, as Special Business in the forthcoming AGM. The relevant details pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.

5. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").

6. The Register of Members and the Share Transfer book of the Company will remain closed from September 22, 2021 to September 28, 2021 (both days inclusive) for annual closing.

7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holding should be obtained from the concerned Depository Participant and holding should be verified.

8. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated May 12, 2020 and January 15, 2021, Notice of the 26th Annual General Meeting, Annual Report of the Company inter alia indicating the process and manner of e-voting along is being sent only through electronic mode to those members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes. Members may note that Notice and Annual Report for the financial year 2020-21 will also be available on the Company's website www.luxinnerwear.com, website of the Stock Exchanges www.bseindia.com and www.nseindia.com and on the website of KFin Technologies Private Limited, the Registrar

& Share Transfer Agent of the Company https://evoting.kfintech.com.

9. As per Regulation 40(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VII to the said regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copy of their Income Tax Permanent Account Number (PAN). Additionally, for securities market transactions and/or for off market/private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copy of PAN Card to the Company/Registrar and Share Transfer Agents for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the Legal heir(s)/ Nominee(s).

   Further Company wants to inform you that pursuant to the Securities and Exchange Board of India circular dated April 20, 2018, the Company has already sent the reminders to the respective shareholders through letter dated May 28, 2018 mentioning the requirement of mandatory updation of PAN and bank detail against the shareholding of each shareholders along with the specified format for furnishing the PAN and bank details and list of other documents required for this process.

10. As per Regulation 40 of SEBI Listing Regulations, as amended by SEBI vide its Notification No. SEBI/ LAD-NRO/GN/2018/24 dated 8th June, 2018 and Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

    The shareholders may approach the nearest Depository Participant for further clarification in this regard. Shareholders are requested to contact the Company's Registrar & Share Transfer Agent, KFin Technologies Pvt. Ltd for any queries in regard to the aforesaid or contact Mrs. Smita Mishra, Company Secretary and Compliance Officer of the Company at the Corporate Office of the Company (Phone:033-4040-2121; Email:cs@luxinnerwear.com).

11. To support the "Green Initiative", the members who have not registered their e-mail addresses, are requested to register the same with the Registrar in case of shares held in physical form and with the Depositories in case of shares held in demat form.

12. **Process for registering e-mail addresses to receive this notice along with credentials for remote e-voting:-**

    Guidelines to register email address:

    i) Visit the link https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx

    ii) Select the company name i.e. Lux Industries Limited

    iii) Enter DPID-CLID (in case shares are held in electronic form)/ Physical Folio No. (in case shares are held in physical form) and PAN.

    iv) If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating the records.

    v) In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.

    vi) Enter the email address and Mobile No.

    vii) System will check the authenticity of DPID-CLID/ Physical Folio No. and PAN/Certificate No., as the case may be, and will send the OTPs at the registered Mobile No. as well as email address for validation.

    viii) Enter the OTPs received by SMS and email to complete the validation process. Please note that the OTPs will be valid for 5 minutes only.

    ix) The Company through KFIN will send the Notice, Integrated Report, and the e-voting instructions along with the User ID and Password to the email address given by you.

    x) Alternatively, Members may send an e-mail request addressed to einward.ris@kfintech.com along with scanned copy of the request letter duly signed by the first shareholder, providing the email address, mobile number, self-attested copy of PAN and Client Master copy (in case shares are held in electronic form) or copy of the share certificate (in case shares are held in physical form) to enable KFIN to register their e-mail address and to provide them the Notice, Integrated Report and the e-voting instructions along with the User ID and Password.

xi) Kindly note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of Notice, Integrated Report and the e-voting instructions along with the User ID and Password. Such Members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.

xii) In case of queries, Members are requested to write to einward.ris@kfintech.com or call at the toll-free number 1800 309 4001.

13. Members who hold shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to send the share certificates to the Company's Registrar and Share Transfer Agent ('RTA') for consolidation into single folio.

14. The Notice along with Annual Report will be sent through e-mail to those members/ beneficial owners whose name will appear in the register of members/ list of beneficiaries received from the depositories as on August 20, 2021.

15. The Notice and the Annual Report have also been uploaded on the website of the Company (www.luxinnerwear.com), KFIN (https://evoting.kfintech.com/public/Downloads.aspx), National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com), in compliance with the MCA Circulars.

16. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.luxinnerwear.com. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to KFin Private Technologies Private Limited, Company's Registrar & Share Transfer Agent in case the shares are held in physical form.

17. Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, and the Register of Directors, Key Managerial Personnel along their shareholding maintained under Section 170 of the Companies Act, 2013 read with rules issued thereunder will be available for inspection in electronic mode from the date of circulation of this Notice up to date of the AGM, i.e. September 28, 2021. Members can inspect the same by sending an email to investors@luxinnerwear.com

18. In case you have any query relating to the Annual Accounts you are requested to send to the same to the Company Secretary at investors@luxinnerwear.com at least 10 days before the AGM so as to enable the management to keep the information ready for replying at the meeting.

19. Members are requested to address all correspondence, including dividend related matters, to the RTA, KFin Technologies Private Limited, Unit : Lux Industries Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda Serilingampally, Mandal, Hyderabad 500 032. Mail id: einward.ris@kfintech.com.

20. 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 is pleased to inform that all the resolutions as stated in the notice can be transacted by electronic voting system and the Company has provided facility to the members to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means through e-voting services provided by KFin Technologies Private Limited. The instruction for e-voting has been enclosed and sent along with the notice and the cut-off date for sending e-voting password to shareholders is fixed at August 20, 2021.

21. Transfer to Investor Education and Protection Fund:

(i) Transfer of unclaimed dividend

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules') including any statutory modification(s) or re-enactment thereof for the time being in force, dividend for the financial year ended March 31, 2014 and onwards, which remains unpaid or unclaimed for a period of seven(7) years from the date of its transfer to the unpaid dividend account of the Company would be transferred to Investor Education and Protection Fund (IEPF).Members who have so far not encashed the Dividend Warrants for the above years are advised to submit their claims to the Company's Registrar and Transfer Agents at their address given herein below immediately, quoting their folio number/DP ID and Client ID.

During the financial year under review, the Company has transferred unpaid/unclaimed dividend, amounting to ₹ 34,808/- for financial year 2012-13 to the Investor Education and Protection Fund (IEPF) of the Central Government of India.

(ii) Transfer of shares to IEPF

Further pursuant to the provisions of Section 124(6) of the Companies Act, 2013, Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments thereof) read with Ministry of Corporate Affairs Circular No. 12/2017 dated October 16, 2017, all the shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company in the name of Investors Education and Protection Fund (IEPF).

The details of those Members who have not claimed dividend for consecutive period of seven years or more and the relevant details of shares due to be transferred to the IEPF Authority, is available on Company's website at www.luxinnerwear.com. The Company has given a public notice on July 17, 2021 published in English Newspaper (Business Standard) and also one in Bengali Newspaper (Ei Samay), as well as individual notice was given to the concerned Members informing them that their shares are liable to be transferred to IEPF Authority.

(iii) Claim from IEPF Authority

The shareholders who have not claimed/ encashed the dividend in the last 7 consecutive years from FY 2013-14 are requested to claim the same to avoid transfer of shares to IEPF.

Shareholders may note that both the unclaimed dividend amount transferred to IEPF and the shares transferred to the Demat Account of the IEPF Authority including all benefits accruing on such shares, if any, can be claimed back by them from the IEPF Authority by making an online application in Form IEPF – 5 (available on www.iepf.gov.in) along with the fee prescribed to the IEPF authority with a copy to the Company.

22. Procedure For Remote E-Voting And E-Voting At The AGM:

i) In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act, Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.

ii) The Members attending the AGM who have not cast their vote by remote e-voting shall be entitled to vote at AGM through e-voting system. Facility to cast vote at the AGM will be made available on the Video Conferencing screen and will remain active throughout the Meeting.

iii) The members can opt for only one mode of voting i.e. remote e-voting or e-voting at the AGM. The Members who have cast their vote by remote e-voting may also attend the AGM.

iv) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

v) The remote e-voting facility will be available during the following period:

Commencement of remote e-voting: From 9:00 a.m. (IST) on September 24, 2021 (Friday) End of remote e-voting: Upto 5:00 p.m. (IST) on September 27, 2021 (Monday).

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFIN upon expiry of the aforesaid period.

vi) The voting rights of Members for remote e-voting and for e-voting at AGM shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as on cut-off date i.e., September 21, 2021.

vii) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date September 21, 2021 shall only be entitled to avail the facility of remote e-voting / e-voting at AGM. The person who is not a member/ beneficial owner as on the cut-off date should treat this Notice for information purpose only.

23. Any person who becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. September 21, 2021 may obtain the User ID and password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DPID Client ID, the Member may send SMS: MYEPWD<space> E-Voting Event Number +Folio no. or DPID Client ID to +91-9212993399

Example for NSDL:
MYEPWD<SPACE>IN12345612345678

Example for CDSL:
MYEPWD<SPACE>1402345612345678

Example for Physical:
MYEPWD<SPACE>XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DPID Client ID, then on the home page of https://evoting.kfintech.com, the member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.

iii. Member may Call KFin's Toll free number 1800 3094 001

iv. Member may send an e-mail request to evoting@kfintech.com

24. If the member is already registered with KFin for e-voting, he can use his existing User ID and Password for casting the vote through remote e-voting.

25. In case of any query pertaining to e-voting, please visit Help & FAQs section available at KFIN website (https://evoting.kfintech.com). In case of any other queries/ grievances connected to remote e-voting or shares, you may contact Mr. Ravuri Vijay, an official of KFIN, at telephone number: 040-67162222 or the toll-free number 1800 309 4001 or at email: evoting@kfintech.com .

26. The Board of Directors has appointed Mr. Mohan Ram Goenka, Partner, of M/s. MR & Associates, Company Secretaries, as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the same purpose.

27. The Scrutinizer, after scrutinizing the voting through e-voting at AGM and through remote e-voting shall, within Forty-Eight (48) Hours from conclusion of the AGM, make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting. The Chairman shall declare the results. The results declared shall be available on the website of the Company (www.luxinnerwear.com) and on the website of KFIN (https://evoting.kfintech.com) and shall also be displayed on the notice board at the registered office and the corporate office of the Company. The results shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

28. In compliance with the MCA and SEBI Circulars, the Company has published a public notice on August 18, 2021 by way of an advertisement before the date of circulation of Annual Report alongwith AGM Notice by email, in English Newspaper (Business Standard) and also one in Bengali Newspaper (Ei Samay), both having a nationwide circulation, inter alia, advising members whose e-mail ids are not registered with the Company, its RTA or Depository Participant(s) (DPs), as the case may be, to register their e-mail ids with them.

Login method for e-Voting: Applicable only for Individual shareholders holding securities in Demat mode

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

NSDL	CDSL
1. User already registered for IDeAS facility: I. URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. **2. User not registered for IDeAS e-Services** I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" III. Proceed with completing the required fields. **3. By visiting the e-Voting website of NSDL** I. URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. v. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	**1. Existing user who have opted for Easi / Easiest** I. URL: https://web.cdslindia.com/myeasi/home login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with user id and password. IV. Option will be made available to reach e-Voting page without any further authentication. V. Click on e-Voting service provider name to cast your vote. **2. User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. **3. By visiting the e-Voting website of CDSL** I. URL: www.cdslindia.com II. Provide demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Members facing any technical issue – NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participant (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., "Lux Industries Limited-AGM" and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id goenkamohan@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_EVENT No."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

29. Procedure For Joining AGM Through VC/ OAVM

The Company is providing VC/OAVM facility to its members for joining/participating at the AGM. Members may join the Meeting through Desktops, Laptops, Smartphones, Tablets and iPads. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

Members are requested to follow the procedure given below to attend the AGM through VC / OAVM or view the live webcast:

i) Launch internet browser (latest version of Chrome/ Firefox/Safari/ Internet Explorer 11 or MS Edge) by typing the URL: https://emeetings.kfintech.com .

ii) Enter the login credentials (i.e., User ID and password for e-voting).

iii) After logging in, click on "Video Conference" option.

iv) Then click on camera icon appearing against AGM event of Lux Industries Limited to attend the AGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions.

The facility for joining the AGM shall open 15 minutes before the time scheduled for AGM and will continue till the conclusion of the AGM. The facility will be available to the 1,000 (one thousand) Members on first-come-first-served basis. Large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel and Auditors are allowed to attend the AGM without restriction on first-come-first-served basis.

To ensure smooth transmission and co-ordination during the Q&A Session, the Company is providing the facility of Speaker Registration. Members who would like to express their views or ask questions during the AGM may register themselves by logging on to https://emeetings.kfintech.com and clicking on the 'Speaker Registration' option available on the screen after log in. **The facility of 'Speaker Registration' will open from, September 23, 2021 (9:00 A.M.) and will end on, September 25, 2021 (5:00 P.M.)**. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and speakers, depending upon availability of time as appropriate for smooth conducting of AGM.

In case you have any query relating to the Annual Accounts you are requested to send to the same to the Company Secretary at investors@luxinnerwear.com at least 10 days before the AGM so as to enable the management to keep the information ready for replying at the meeting.

In case of any query relating to the procedure for attending AGM through VC/OAVM or for any technical assistance, the members may call on toll free no.: 1800 3094 001 or send an e-mail at einward.ris@kfintech.com.

Body corporates are entitled to appoint authorized representative(s) to attend the AGM through VC/ OAVM and to cast their votes through remote e-voting/ e-voting at the AGM. In this regard, the body corporates are required to send a certified copy of the Board Resolution/ Authorization Letter/ Power of Attorney authorising their representative(s) to attend the meeting and vote on their behalf through e-voting. The said resolution/ letter/ power of attorney shall be sent by the body corporate through its registered e-mail id to the

Scrutinizer at goenkamohan@gmail.com with a copy marked to einward.ris@kfintech.com (KFIN's id).

Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Institutional shareholders are encouraged to attend and vote at the AGM.

30. E-voting (insta poll) at the Meeting:

After the items of Notice have been discussed, e-voting through insta poll will be conducted under the supervision of the scrutinizer appointed for voting. A person, whose name is recorded in the register of members or in register of beneficial owners maintained by the depositories as onthe cut-off date of September 21, 2021 and who have not cast their vote by remote e-voting, and being present in the AGM, shall be entitled to vote at the AGM.

In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting.

31. The voting rights of the members shall be in proportion to the paid up value of their shares in the equity capital of the Company as on cut -off date being September 21, 2021.

32. The Scrutinizer shall after the conclusion of the voting at AGM, first count the votes cast at their meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witness not in the employment of the Company and will make, not later than 48 hours of the conclusion of AGM, a consolidated Scrutinizer's Report of total votes cast in favour or against, if any, forthwith to the Chairman of the Company who shall declare the Result.

33. The Scrutinizer's decision on the validity of the vote shall be final and binding.

34. The result declared along with the Scrutinizer's report shall be placed on the website of the Company (www.luxinnerwear.com) and on KFin's website (https://evoting.kfintech.com) immediately after the result is declared and shall simultaneously be forwarded to the NSE and BSE, the Stock Exchanges where the Company's shares are listed.

35. The recorded transcript of the AGM shall be maintained by the Company and also be made available on the website www.luxinnerwear.com.

36. The resolutions will be deemed to be passed on the AGM date subject to the receipt of the requisite number of votes in favour of the resolutions.

With regards,

By order of the Board of Directors
For Lux Industries Limited

Registered Office:
39, Kali Krishna Tagore Street
Kolkata-700007.

Sd/-
Smita Mishra
Company Secretary & Compliance Officer
M.No. - ACS 26489

Date: July 27, 2021
Place: Kolkata

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

[Pursuant to the provisions of Section 102 of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India and approved by the Central Government]

Item No.: 3

The Board of Directors appointed Mr. Navin Kumar Todi as an Additional Director of the Company with effect from May 25, 2021, subject to approval of the Members. Pursuant to the Provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and Article 164 of the Articles of Association of the Company, Mr. Navin Kumar Todi shall hold office upto the date of this AGM and is eligible to be appointed as a Director.

The Company has received the following from Mr. Navin Kumar Todi (a) Consent in writing to act as director (b) disclosure of interest under Section 184 of the Act and (c) declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act. Further, the Company has also received the notice under section 160 (1) of the Act from a member proposing his candidature for being appointed as a director.

Mr. Navin Kumar Todi (Aged 41 years) is a Commerce Graduate and has more than 20 years of rich experience in the hosiery line of business. In addition to looking after operations of Tiruppur unit, Mr. Navin Kumar Todi focuses on product premiumisation, new brands and product categories.

Based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors at their meeting held on May 25, 2021 and subject to the approval of the Members, Mr. Navin Kumar Todi was also appointed as "Executive Director" of the Company, liable to retire by rotation, for a period of 5 (five) consecutive years commencing from May 25, 2021 to May 24, 2026, in accordance with the relevant provisions of the Companies Act, 2013 and as per the terms and conditions set out below:-

1. Tenure: 5 years (May 25, 2021 till May 24, 2026)

   (Retire by rotation)

2. Salary : ₹ 1.80 crores per annum

   (a) Perquisites and allowances per annum:

   The perquisites and allowances, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing Security services and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

   The Company's contribution to provident fund, superannuation or annuity fund if any, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

   Any increment in salary and perquisites and remuneration by way of incentive / bonus / performance linked incentive payable to Mr. Navin Kumar Todi, as may be determined by the Board and / or the NR Committee of the Board, shall not be included for the purpose of computation of the aforesaid ceiling of remuneration provided that such payment shall be within the overall ceiling of remuneration as prescribed under Companies Act, 2013.

   The Company will take an appropriate Directors' and Officers' Liability Insurance Policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire period of appointment, subject to the terms of such policy in force from time to time.

   (b) Reimbursement of Expenses:

   Expenses incurred for travelling, board and lodging including their respective spouses and attendant(s) during business trips, any medical assistance provided including their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

(c) Commission:

Such remuneration by way of commission, in addition to the salary and benefits, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount payable will be based on performance as evaluated by the Board or a Committee thereof duly authorized in this behalf and will be payable annually after the Annual Financial Statements have been adopted by the Board.

(d) General:

(i) The Executive Director will perform his respective duty as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

(ii) The Executive Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors.

(iii) The Executive Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

(iv) The office of the Executive Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

(v) The office of the Executive Director is liable to retire by rotation. Mr. Navin Kumar Todi satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under Section 196(3) of the Companies Act, 2013 for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Further, Mr. Navin Kumar Todi has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to relevant circulars issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

The resolution seeks the approval of the members in terms of Sections 196, 197, 198 & 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the appointment of Mr. Navin Kumar Todi as "Executive Director" for a period of five years commencing May 25, 2021. The Board of Directors recommends the resolution to the Members for their consideration and approval, by way of a Special Resolution. The details provided in the resolution and explanatory statement may be treated as written memorandum setting out the terms of the appointment of Mr Navin Kumar Todi under section 190 of the Companies Act 2013.

Mr Navin Kumar Todi, Mr. Rahul Kumar Todi, Mr. Ashok Kumar Todi, Mr. Pradip Kumar Todi, Mr. Saket Todi and Mr. Udit Todi may be deemed to be concerned or interested, financially or otherwise, to the extent of their remuneration as a Director and to the extent of their shareholding in the Company. Apart from the above, no other directors or KMP of the Company is deemed to be concerned or interested in the said agenda item in any manner whatsoever.

Item No.: 4

The Board of Directors appointed Mr. Rahul Kumar Todi as an Additional Director of the Company with effect from May 25, 2021, subject to approval of the Members. Pursuant to the Provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and Article 164 of the Articles of Association of the Company, Mr. Rahul Kumar Todi shall hold office upto the date of this AGM and is eligible to be appointed as a Director.

The Company has received the following from Mr. Rahul Kumar Todi (a) Consent in writing to act as director (b) disclosure of interest under Section 184 of the Act and (c) declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act. Further, the Company has also received the notice under section 160 (1) of the Act from a member proposing his candidature for being appointed as a director.

Mr. Rahul Kumar Todi (aged 39 years) has done post-graduation in Business Management from GRD College, Coimbatore and has 17 years of rich experience in the hosiery line of business. In addition to looking after production function of Tiruppur unit, Mr. Rahul Kumar Todi has handled wide range of responsibilities across businesses and overseeing several functions like finance, personnel and operations.

Based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors at their meeting held on May 25, 2021 and subject to the approval of the Members, Mr. Rahul Kumar Todi was also appointed as "Executive Director" of the Company, liable to retire by rotation, for a period of 5 (five) consecutive years commencing from May 25, 2021 to May 24, 2026, in accordance with the relevant provisions of the Companies Act, 2013 and as per the terms and conditions set out below:-

1. Tenure: 5 years (May 25, 2021 till May 24, 2026)

   (Retire by rotation)

2. Salary : ₹ 1.80 crores per annum

   (a) Perquisites and allowances per annum:
   The perquisites and allowances, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing Security services and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

   The Company's contribution to provident fund, superannuation or annuity fund if any, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

   Any increment in salary and perquisites and remuneration by way of incentive / bonus / performance linked incentive payable to Mr. Rahul Kumar Todi, as may be determined by the Board and / or the NR Committee of the Board, shall not be included for the purpose of computation of the aforesaid ceiling of remuneration provided that such payment shall be within the overall ceiling of remuneration as prescribed under Companies Act, 2013.

   The Company will take an appropriate Directors' and Officers' Liability Insurance Policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire period of appointment, subject to the terms of such policy in force from time to time.

   (b) Reimbursement of Expenses:
   Expenses incurred for travelling, board and lodging including their respective spouses and attendant(s) during business trips, any medical assistance provided including their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

   (c) Commission:
   Such remuneration by way of commission, in addition to the salary and benefits, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount payable will be based on performance as evaluated by the Board or a Committee thereof duly authorized in this behalf and will be payable annually after the Annual Financial Statements have been adopted by the Board.

   (d) General:
   (i) The Executive Director will perform his respective duty as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board

   (ii) The Executive Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors.

(iii) The Executive Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

(iv) The office of the Executive Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

(v) The office of the Executive Director is liable to retire by rotation. Mr. Rahul Kumar Todi satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under Section 196(3) of the Companies Act, 2013 for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Further, Mr. Rahul Kumar Todi has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to relevant circulars issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

The resolution seeks the approval of the members in terms of Sections 196, 197, 198 & 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the appointment of Mr. Rahul Kumar Todi as "Executive Director" for a period of five years commencing May 25, 2021. The Board of Directors recommends the resolution to the Members for their consideration and approval, by way of a Special Resolution. The details provided in the resolution and explanatory statement may be treated as written memorandum setting out the terms of the appointment of Mr Rahul Kumar Todi under section 190 of the Companies Act 2013.

Mr. Rahul Kumar Todi, Mr Navin Kumar Todi, Mr. Ashok Kumar Todi, Mr. Pradip Kumar Todi, Mr. Saket Todi and Mr, Udit Todi may be deemed to be concerned or interested, financially or otherwise, to the extent of their remuneration as a Director and to the extent of their shareholding in the Company. Apart from the above, no other directors or KMP of the Company is deemed to be concerned or interested in the said agenda item in any manner whatsoever.

Item No.: 5

The Board of Directors appointed Mr. Saket Todi as an Additional Director of the Company with effect from May 25, 2021, subject to approval of the Members. Pursuant to the Provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and Article 164 of the Articles of Association of the Company, Mr. Saket Todi shall hold office upto the date of this AGM and is eligible to be appointed as a Director.

The Company has received the following from Mr. Saket Todi (a) Consent in writing to act as director (b) disclosure of interest under Section 184 of the Act and (c) declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act. Further, the Company has also received the notice under section 160 (1) of the Act from a member proposing his candidature for being appointed as a director.

Mr. Saket Todi (aged 32 years) has done post-graduation in Brand Management from Mudra Institute of Communications (MICA). His eminent knowledge in marketing has significantly contributed towards strengthening the premium brands in the retail channel - the ONN brand and its export market. He has been associated with the Company since 2014. His in-depth knowledge of marketing has helped the company to achieve greater success and increase profitability. He expanded the brand presence by 24+ countries by focusing on quality and thereby created a loyal customer base.

Based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors at their meeting held on May 25, 2021 and subject to the approval of the Members, Mr. Saket Todi was also appointed as "Executive Director" of the Company, liable to retire by rotation, for a period of 5 (five) consecutive years commencing from May 25, 2021 to May 24, 2026, in accordance with the relevant provisions of the Companies Act, 2013 and as per the terms and conditions set out below:-

1. Tenure: 5 years (May 25, 2021 till May 24, 2026)

   (Retire by rotation)

2. Salary : ₹ 1.80 crores per annum

   (a) Perquisites and allowances per annum:

   The perquisites and allowances, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing Security services and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The Company's contribution to provident fund, superannuation or annuity fund if any, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

Any increment in salary and perquisites and remuneration by way of incentive / bonus / performance linked incentive payable to Mr. Saket Todi, as may be determined by the Board and / or the NR Committee of the Board, shall not be included for the purpose of computation of the aforesaid ceiling of remuneration provided that such payment shall be within the overall ceiling of remuneration as prescribed under Companies Act, 2013.

The Company will take an appropriate Directors' and Officers' Liability Insurance Policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire period of appointment, subject to the terms of such policy in force from time to time.

(b) Reimbursement of Expenses:
Expenses incurred for travelling, board and lodging including their respective spouses and attendant(s) during business trips, any medical assistance provided including their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

(e) Commission:
Such remuneration by way of commission, in addition to the salary and benefits, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount payable will be based on performance as evaluated by the Board or a Committee thereof duly authorized in this behalf and will be payable annually after the Annual Financial Statements have been adopted by the Board.

(d) General:

(i) The Executive Director will perform his respective duty as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board

(ii) The Executive Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors.

(iii) The Executive Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

(iv) The office of the Executive Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

(v) The office of the Executive Director is liable to retire by rotation. Mr. Saket Todi satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under Section 196(3) of the Companies Act, 2013 for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Further, Mr. Saket Todi has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to relevant circulars issued by BSE Limited and the National Stock Exchange of India

Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

The resolution seeks the approval of the members in terms of Sections 196, 197, 198 & 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the appointment of Mr. Saket Todi as "Executive Director" for a period of five years commencing May 25, 2021. The Board of Directors recommends the resolution to the Members for their consideration and approval, by way of a Special Resolution. The details provided in the resolution and explanatory statement may be treated as written memorandum setting out the terms of the appointment of Mr Saket Todi under section 190 of the Companies Act 2013.

Mr. Saket Todi, Mr Navin Kumar Todi, Mr. Rahul Kumar Todi, Mr. Ashok Kumar Todi, Mr. Pradip Kumar Todi, and Mr, Udit Todi may be deemed to be concerned or interested, financially or otherwise, to the extent of their remuneration as a Director and to the extent of their shareholding in the Company. Apart from the above, no other directors or KMP of the Company is deemed to be concerned or interested in the said agenda item in any manner whatsoever.

Item No.: 6

The Board of Directors appointed Mr. Udit Todi as an Additional Director of the Company with effect from May 25, 2021, subject to approval of the Members. Pursuant to the Provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and Article 164 of the Articles of Association of the Company, Mr. Udit Todi shall hold office upto the date of this AGM and is eligible to be appointed as a Director.

The Company has received the following from Mr. Udit Todi (a) Consent in writing to act as director (b) disclosure of interest under Section 184 of the Act and (c) declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act. Further, the Company has also received the notice under section 160 (1) of the Act from a member proposing his candidature for being appointed as a director.

Mr. Udit Todi has done MSC in Finance from The London School of Economics and Political Science (LSE), and Economics (Hons.) from St. Stephens College, Delhi. He has been associated with the Company since 2014. He has launched the brand Lyra making it the market leader within 5 years. He has been instrumental in setting up the Dankuni facility with cost optimization and has also helped in setting up new facilities for further growth plans. He has helped in expanding women's wear segment into a complete range including inner wear and athleisure.

Based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors at their meeting held on May 25, 2021 and subject to the approval of the Members, Mr. Udit Todi was also appointed as "Executive Director" of the Company, liable to retire by rotation, for a period of 5 (five) consecutive years commencing from May 25, 2021 to May 24, 2026, in accordance with the relevant provisions of the Companies Act, 2013 and as per the terms and conditions set out below:-

1. Tenure: 5 years (May 25, 2021 till May 24, 2026)

   (Retire by rotation)

2. Salary : ₹ 1.80 crores per annum

   (a) Perquisites and allowances per annum:
   The perquisites and allowances, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing Security services and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

   The Company's contribution to provident fund, superannuation or annuity fund if any, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

   Any increment in salary and perquisites and remuneration by way of incentive / bonus / performance linked incentive payable to Mr. Udit Todi, as may be determined by the Board and / or the NR Committee of the Board, shall not be included for the purpose of computation of the aforesaid ceiling of remuneration provided that such payment shall be within the overall ceiling of remuneration as prescribed under Companies Act, 2013.

The Company will take an appropriate Directors' and Officers' Liability Insurance Policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire period of appointment, subject to the terms of such policy in force from time to time.

(b) Reimbursement of Expenses:

Expenses incurred for travelling, board and lodging including their respective spouses and attendant(s) during business trips, any medical assistance provided including their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

(c) Commission:

Such remuneration by way of commission, in addition to the salary and benefits, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount payable will be based on performance as evaluated by the Board or a Committee thereof duly authorized in this behalf and will be payable annually after the Annual Financial Statements have been adopted by the Board.

(d) General:

(i) The Executive Director will perform his respective duty as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board

(ii) The Executive Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors.

(iii) The Executive Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

(iv) The office of the Executive Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

(v) The office of the Executive Director is liable to retire by rotation. Mr. Udit Todi satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under Section 196(3) of the Companies Act, 2013 for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Further, Mr. Udit Todi has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to relevant circulars issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

The resolution seeks the approval of the members in terms of Sections 196, 197, 198 & 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the appointment of Mr. Udit Todi as "Executive Director" for a period of five years commencing May 25, 2021. The Board of Directors recommends the resolution to the Members for their consideration and approval, by way of a Special Resolution. The details provided in the resolution and explanatory statement may be treated as written memorandum setting out the terms of the appointment of Mr Udit Todi under section 190 of the Companies Act 2013.

Mr, Udit Todi, Mr Navin Kumar Todi, Mr. Rahul Kumar Todi, Mr. Ashok Kumar Todi, Mr. Pradip Kumar Todi and Mr. Saket Todi may be deemed to be concerned or interested, financially or otherwise, to the extent of their remuneration as a Director and to the extent of their shareholding in the Company. Apart from the above, no other directors or KMP of the Company is deemed to be concerned or interested in the said agenda item in any manner whatsoever.

Item No.: 7

The Board of Directors of the Company, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), appointed Mr. Rajnish Rikhy (DIN: 08883324) as an Additional Director of the Company with effect from May 25, 2021. In terms of Section 161(1) of the Act, Mr. Rajnish Rikhy holds office upto the date of this Annual General Meeting ('AGM') and is eligible for appointment as a Director. The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director.

Based on the recommendations of the NRC and subject to the approval of the Members, Mr. Rajnish Rikhy was also appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 (five) consecutive years commencing from May 25, 2021 to May 24, 2026, in accordance with the provisions of Section 149 read with Schedule IV to the Act.

Mr. Rajnish Rikhy has consented to act as Director of the Company, subject to appointment by the Members and has given his declaration to the Board that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, Mr. Rajnish Rikhy has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. He has also confirmed that he is not debarred from holding the office of a Director by virtue of any SEBI Order or any such Authority. Further, Mr. Rajnish Rikhy is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Mr. Rajnish Rikhy has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA'). Further, Mr. Rajnish Rikhy has qualified the online proficiency self-assessment test conducted by IICA.

In the opinion of the Board, Mr. Rajnish Rikhy fulfils the conditions specified under the Act read with Rules thereunder and the SEBI Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the management. The terms and conditions of the appointment of Independent Directors would be made available for inspection to the Members by sending a request along with their DP/Client ID or Folio No. from their registered email address to the Company at investors@luxinnerwear.com.

Mr. Rajnish Rikhy (aged 61 years) is a law graduate and holds a Master's degree in Business Administration from Faculty of Management Studies, Delhi University. He also holds a Management Development Diploma from IIM Ahmedabad. He has over 30 years of industry experience in sales, marketing, strategy, corporate, HR, operations and PL functions. Mr. Rikhy has worked and advised clients across Pharma, FMCG, Education, Auto, Media and SME Sectors. He has served as the Chief Revenue Officer at TV Today Network Ltd (India Today Group); and was also associated with BCCL (The Times Group) as Director- Response. He has also served as the Group CEO & Business Director at Kantipur Media Group (KMG), the largest media conglomerate in Nepal, where he was responsible for the PL of all the four companies of the group.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable regulations, the appointment of Mr. Rajnish Rikhy as an Independent Director for 5 (five) consecutive years commencing from May 25, 2021, is now placed for the approval of the Members by an Ordinary Resolution.

Based on the qualifications, experience and knowledge, the Board considers that Mr. Rajnish Rikhy's association would be of immense benefit to the Company and accordingly, the Board recommends the Ordinary Resolution set out in Item No. 7 of the accompanying Notice for approval of the Members.

Except Mr. Rajnish Rikhy and his relatives, none of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, except to the extent of their shareholding in the company.

Item No.: 8

The Board of Directors of the Company, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), appointed Mrs. Ratnabali Kakkar (DIN: 09167547) as an Additional Director of the Company with effect from May 25, 2021. In terms of Section 161(1) of the Act, Mrs. Ratnabali Kakkar holds office upto the date of this Annual General Meeting ('AGM') and is eligible for appointment as a Director. The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing her candidature for the office of Director.

Based on the recommendations of the NRC and subject to the approval of the Members, Mrs. Ratnabali Kakkar was also appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 (five) consecutive years commencing from May 25, 2021 to May 24, 2026, in accordance with the provisions of Section 149 read with Schedule IV to the Act.

Mrs. Ratnabali Kakkar has consented to act as Director of the Company, subject to appointment by the Members and has given her declaration to the Board that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, Mrs. Ratnabali Kakkar has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. She has also confirmed that she is not debarred from holding the office of a Director by virtue of any SEBI Order or any such Authority. Further, Mrs. Ratnabali Kakkar is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Mrs. Ratnabali Kakkar has confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

In the opinion of the Board, Mrs. Ratnabali Kakkar fulfils the conditions specified under the Act read with Rules thereunder and the SEBI Listing Regulations for her appointment as an Independent Non-Executive Director of the Company and is independent of the management. The terms and conditions of the appointment of Independent Directors would be made available for inspection to the Members by sending a request along with their DP/Client ID or Folio No. from their registered email address to the Company at investors@luxinnerwear.com.

Mrs. Ratnabali Kakkar (aged 64 years) is a graduate in BA (Hons) from University of Calcutta and holds a Master's degree in Business Administration (Finance & Marketing) from Indian Institute of Management IIM, Calcutta. She has over 40 years of rich experience in Banking, Financial Services and Wealth Management Industry. Her areas of expertise are Revenue Growth, Strategic Planning & Execution, Team Leadership & Development, Governance and Risk, Client Acquisition Management, etc. Mrs. Kakkar has served various Private Banks based in London as Director & Senior Relationship Manager. She has founded and developed Magellan Wealth Management, Private Boutique Multi Family Office, a successful multiple family office based in London providing ultra-high net worth South Asian, African and Western European families a platform for wealth planning, inter-generational wealth transfer and philanthropy.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable regulations, the appointment of Mrs. Ratnabali Kakkar as an Independent Director for 5 (five) consecutive years commencing from May 25, 2021, is now placed for the approval of the Members by an Ordinary Resolution.

Based on the qualifications, experience and knowledge, the Board considers that Mrs. Ratnabali Kakkar's association would be of immense benefit to the Company and accordingly, the Board recommends the Ordinary Resolution set out in Item No. 8 of the accompanying Notice for approval of the Members.

Except Mrs. Ratnabali Kakkar and her relatives, none of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the accompanying Notice.

Annexure to the Notice Dated July 27, 2021

Details of Directors retiring by rotation seeking appointment/re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 26(4) and 36(3) of the SEBI (LODR), Regulations, 2015 and Secretarial Standard- 2 on General Meeting].

Name of the Director	Mr. Ashok Kumar Todi (Re- Appointment)	Mr. Navin Kumar Todi (Appointment)
DIN	00053599	00054370
Date of Birth& Age	September 17, 1958 - 63 years	October 3, 1980- 41 years
Date of appointment	July 21, 1995	May 25, 2021
Qualification	Bachelor in Commerce	Bachelor in Commerce
Expertise in functional area	Mr. Ashok Kumar Todi is presently looking after the marketing and exports of the Company. He has been associated with the Company since incorporation with his dynamic marketing ability and good export vision, helped the Company to achieve new height. He has formulated various schemes for distributors, retailers and consumers from time to time. He is also involved in various philanthropic activities through organisation across the nation.	Mr. Navin Kumar Todi has more than 20 years of rich experience in the hosiery line of business and looks after 'GenX' and 'Lux Cozi Her' brands. In addition to looking after operations of Tiruppur unit, Mr. Navin Kumar Todi focuses in product premiumisation, new brands and product categories.
Terms of Appointment	N.A.	As provided in explanatory statement.
No. of equity shares held in the Company	36,58,654*	4,60,363*
Directorship in other Companies	◆ Biswanath Hosiery Mills Limited ◆ Bharat Chamber of Commerce ◆ Artimas Fashions Private Limited ◆ Altai Industries Private Limited ◆ Biswanath Real Estate Private Limited ◆ P.G. Real Estate Private Limited ◆ P.G. Buildtech Private Limited ◆ Rotex Intertrade Private Limited ◆ Chitragupta Sales & Services Private Limited ◆ Hollyfield Traders Private Limited ◆ Damask Textiles Private Limited	NIL
Chairmanship / Membership of Committee in other Indian Public Limited Companies as on 31.03.2021 # (C= Chairman) (M= Member)	NIL	NIL

Membership/ Chairmanship in the Committee of the Board of directors of the Company #	Member of Stake Holder Relationship Committee	NIL
Relationship with other Directors	Elder brother of Mr. Pradip Kumar Todi, Father of Mr. Saket Todi, Uncle of Mr. Udit Todi, Mr. Navin Kumar Todi and Mr. Rahul Kumar Todi	Nephew of Mr. Ashok Kumar Todi and Mr. Pradip Kumar Todi and Elder brother of Mr. Rahul Kumar Todi and Cousin Brother of Mr. Saket Todi and Udit Todi
Number of Board meetings attended during the year	5	N.A.
Remuneration paid during the year 2020-21	₹ 2.85 Crores	N.A.
Remuneration sought to be paid	₹ 4.5 Crores	₹ 1.80 crores

Annexure to the Notice Dated July 27, 2021

Details of Directors retiring by rotation seeking appointment/re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 26(4) and 36(3) of the SEBI (LODR), Regulations, 2015 and Secretarial Standard- 2 on General Meeting].

Name of the Director	Mr. Rahul Kumar Todi (Appointment)	Mr. Saket Todi (Appointment)
DIN	00054279	02821380
Date of Birth& Age	February 3, 1982- 39 years	September 28, 1989- 32 years
Date of appointment	May 25, 2021	May 25, 2021
Qualification	Post-graduation in Business Management from GRD College, Coimbatore, Tamil Nadu	Post-graduation in Brand Management from Mudra Institute of Communications (MICA)
Expertise in functional area	Mr. Rahul Kumar Todi has 17 years of rich experience in hosiery line of business. In addition to looking after production function of Tiruppur unit, he has also handled wide range of responsibilities across businesses and overseeing several functions like finance, personnel and operations.	Mr. Saket Todi has eminent knowledge in marketing has significantly contributed towards strengthening the premium brands in the retail channel - the 'ONN' brand and its export market. He has been associated with the Company since 2014. His in-depth knowledge of marketing has helped the company to achieve greater success and increase profitability. He expanded the brand presence by 24+ countries by focusing on quality and thereby created a loyal customer base.
Terms of Appointment	As provided in explanatory statement.	As provided in explanatory statement.
No. of equity shares held in the Company	4,60,653*	7,94,876*
Directorship in other Companies	NIL	• Biswanath Real Estate Private Limited • Rotex Intertrade Private Limited • Chitragupta Sales & Services Private Limited • P.G. Infometic Private Limited
Chairmanship / Membership of Committee in other Indian Public Limited Companies as on 31.03.2021# (C= Chairman) (M= Member)	NIL	NIL
Membership/ Chairmanship in the Committee of the Board of directors of the Company#	NIL	NIL

Relationship with other Directors	Nephew of Mr. Ashok Kumar Todi and Mr. Pradip Kumar Todi and Younger brother of Mr. Navin Kumar Todi and Cousin Brother of Mr. Saket Todi and Udit Todi	Son of Mr. Ashok Kumar Todi, Nephew of Mr. Pradip Kumar Todi and Cousin brother of Mr. Navin Kumar Todi, Mr. Rahul Kumar Todi and Mr. Udit Todi
Number of Board meetings attended during the year	N.A.	N.A.
Remuneration paid during the year 2020-21	N.A.	N.A.
Remuneration sought to be paid	₹ 1.80 crores	₹ 1.80 crores

Annexure to the Notice Dated July 27, 2021

Details of Directors retiring by rotation seeking appointment/re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 26(4) and 36(3) of the SEBI (LODR), Regulations, 2015 and Secretarial Standard- 2 on General Meeting].

Name of the Director	Mr. Udit Todi (Appointment)	Mr. Rajnish Rikhy (Appointment)
DIN	02017579	08883324
Date of Birth	October 17, 1989- 32 years	April 8, 1960- 61 years
Date of appointment	May 25, 2021	May 25, 2021
Qualification	MSC in Finance from The London School of Economics and Political Science (LSE), and Economics (Hons.) from St. Stephens College, Delhi.	Law Graduate, Master's degree holder in Business Administration from Faculty of Management Studies, Delhi University and also holds a Management Development Diploma from IIM, Ahmedabad.
Expertise in functional area	Mr. Udit Todi has been associated with the Company since 2014. He has launched the brand 'Lyra' making it the market leader within 5 years. He has been instrumental in setting up the Dankuni facility with cost optimization and has also helped in setting up new facilities for further growth plans. He has helped in expanding women's wear segment into a complete range including inner wear and athleisure.	He has over 30 years of industry experience in sales, marketing, strategy, corporate, HR, operations and PL functions. Mr. Rikhy has worked and advised clients across Pharma, FMCG, Education, Auto, Media and SME Sectors. He has served as the Chief Revenue Officer at TV Today Network Ltd (India Today Group); and was also associated with BCCL (The Times Group) as Director- Response. He has also served as the Group CEO & Business Director at Kantipur Media Group (KMG), the largest media conglomerate in Nepal, where he was responsible for the PL of all the four companies of the group.
Terms of Appointment	As provided in explanatory statement.	Appointment as an Independent Director for a period of 5 (five) years from May 25, 2021 to May 24, 2026
No. of equity shares held in the Company	8,38,876*	31,000*
Directorship in other Companies	• Biswanath Real Estate Private Limited • Rotex Intertrade Private Limited • Chitragupta Sales & Services Private Limited • P.G. Infometic Private Limited • Yourway Abode Estate Private Limited • Seekers Realty Private Limited • Homesphere Realtors Private Limited • Ultimateabode Builders Private Limited • Squad Infrastructure Projects Private Limited • Nestled Real Estate Private Limited • Possession Realtors Private Limited	NIL

Chairmanship / Membership of Committee in other Indian Public Limited Companies as on 31.03.2021# (C= Chairman) (M= Member)	NIL	NIL
Membership/ Chairmanship in the Committee of the Board of directors of the Company#	NIL	NIL
Relationship with other Directors	Son of Mr. Pradip Kumar Todi, Nephew of Mr. Ashok Kumar Todi and Cousin brother of Mr. Navin Kumar Todi, Mr. Rahul Kumar Todi and Mr. Saket Todi	NIL
Number of Board meetings attended during the year	N.A.	N.A.
Remuneration paid during the year 2020-21	N.A.	N.A.
Remuneration sought to be paid	₹ 1.80 crores	Sitting Fees as approved by the Nomination and Remuneration Committee and Board of Directors.

Annexure to the Notice Dated July 27, 2021

Details of Directors retiring by rotation seeking appointment/re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 26(4) and 36(3) of the SEBI (LODR), Regulations, 2015 and Secretarial Standard- 2 on General Meeting].

Name of the Director	Mrs. Ratnabali Kakkar (Appointment)
DIN	09167547
Date of Birth	August 1, 1957- 64 years
Date of appointment	May 25, 2021
Qualification	Graduate in BA (Hons) from University of Calcutta and holds a Master's degree in Business Administration (Finance & Marketing) from Indian Institute of Management IIM, Calcutta.
Expertise in functional area	She has over 40 years of rich experience in Banking, Financial Services and Wealth Management Industry. Her areas of expertise are Revenue Growth, Strategic Planning & Execution, Team Leadership & Development, Governance and Risk, Client Acquisition Management, etc. Mrs. Kakkar has served various Private Banks based in London as Director & Senior Relationship Manager. She has founded and developed Magellan Wealth Management, Private Boutique Multi Family Office, a successful multiple family office based in London providing ultra-high net worth South Asian, African and Western European families a platform for wealth planning, inter-generational wealth transfer and philanthropy.
Terms of Appointment	Appointment as an Independent Director for a period of 5 (five) years from May 25, 2021 to May 24, 2026
No. of equity shares held in the Company	-
Directorship in other Indian Public Limited Companies as on 31.03.2021	NIL
Chairmanship / Membership of Committee in other Indian Public Limited Companies as on 31.03.2021# (C= Chairman) (M= Member)	NIL
Membership/Chairmanship in the Committee of the Board of directors of the Company#	Member of Stakeholder Relationship Committee.
Relationship with other Directors	NIL
Number of Board meetings attended during the year	N.A.
Remuneration paid during the year 2020-21	N.A.
Remuneration sought to be paid	Sitting Fees as approved by the Nomination and Remuneration Committee and Board of Directors.

#Committee positions only of Audit Committee and Stakeholder Relationship Committee of Public Companies (including Lux Industries Limited) has been considered.

*Shareholding of the Directors is provided as on 27.07.2021.

LUX INDUSTRIES LTD

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