



# BRANDS

## ENHANCE SUSTAINABILITY

LUX INDUSTRIES LIMITED | ANNUAL REPORT 2019-20

### 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.

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# LUX BRANDS ENHANCE SUSTAINABILITY

In an uncertain world, where market realities can transform overnight, Lux has focused on one critical aspect of its business.

The company has invested consistently in its brands.

Launched brands. Built brands.  
Promoted brands. Endorsed brands.

The result is that Lux has enhanced recall, sold faster and outperformed India's hosiery sector across decades, product segments and market cycles.

56	60	64	70	72	73	74	75	147
Our Stakeholder Value-Creation Report, FY2019-20	Our business model	Business enablers	Corporate Social Responsibility	Our management	Board of Directors	Corporate Information	Statutory Section	Financial Section

# AT LUX, OUR OUTPERFORMANCE IS REFLECTED IN A NUMBER OF REALITIES.

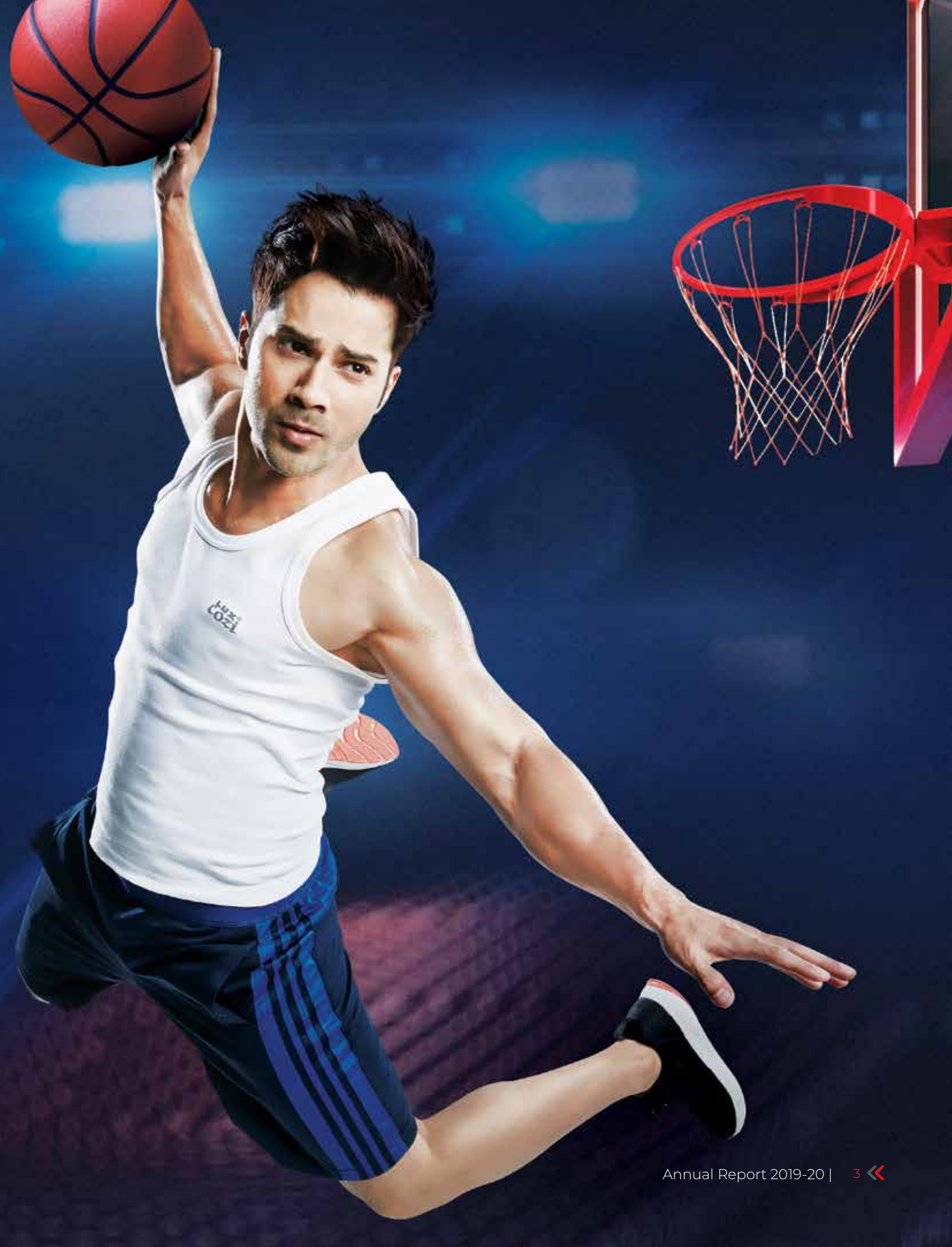
**Size:** The Lux Group is the largest mid-segment hosiery enterprise in India.

**Winners:** Lux comprises 7 brands generating annual revenues of more than ₹100 crore each.

**Stability:** Lux works with the largest number of trade partners in its sector in India.

**Spread:** Lux products are accessible and available right down to rural population clusters of over 5000.

**Sustainability:** Lux has reported a profit in all of the last ten years.



## OUR VALUES NAVIGATING OUR EXISTENCE

### 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.

### 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 track record, helping strengthen our foundation

The business 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 quality products have strengthened our recall

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



### Our widening distribution network has enhanced product accessibility

The Company's extensive distribution network is spread across the country, comprising more than 950+ distributors and 500,000 retailers. The Company exports products to a number of countries.



### Our financial robustness has helped strengthen our credit rating

The company maintained its credit rating at AA for long-term bank facilities, validating its financial health.



### Our capacities have enhanced our preparedness

The Company possesses six state-of-the-art manufacturing facilities across India with a cumulative capacity of 2,000 lakh garment pieces a year. The company's manufacturing units are located in Dankuni, Srijan Industrial Logistic Park, Dhulagarh and BT Road (West Bengal), Tirupur (Tamil Nadu) and Ludhiana (Punjab).



### Our brand portfolio evoked sustainable margins

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



### Our quality standards are driven by credible accreditations

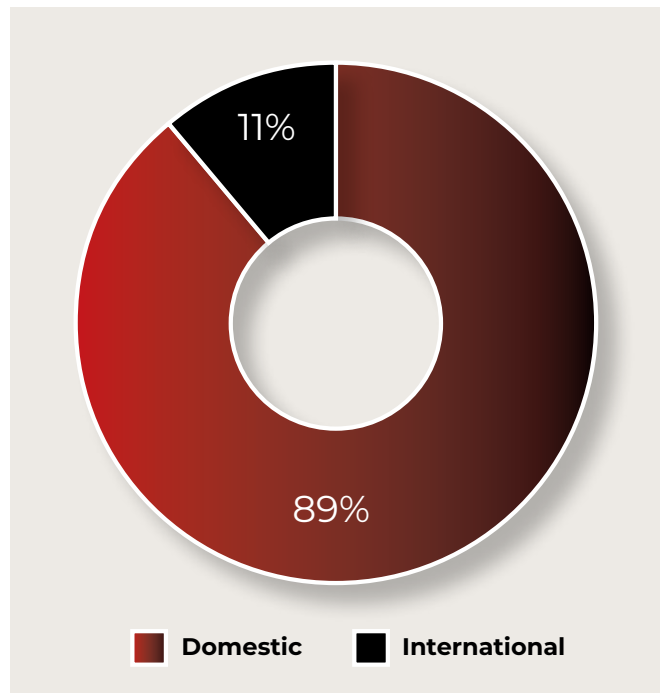
The company has been accredited with ISO 9001:2015 certification as a result of its emphasis on qualitative consistency and is acknowledged by Star Export House by the Government of India.



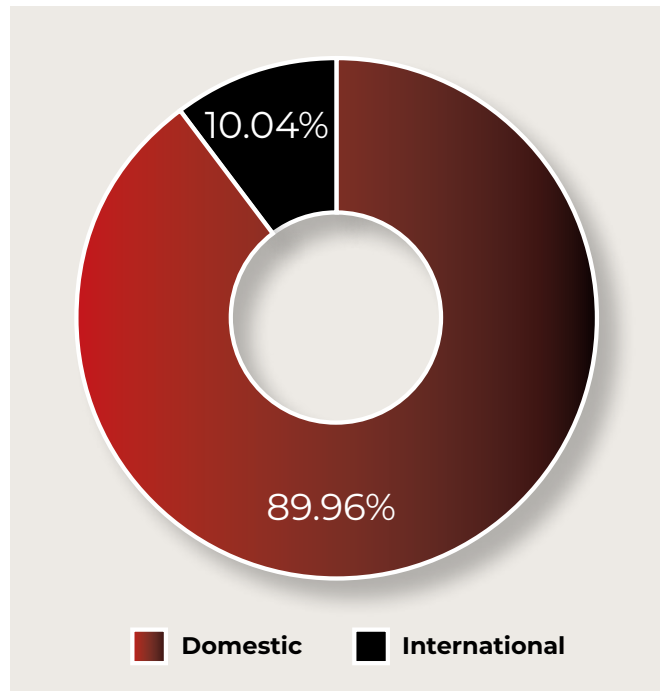
### Listing

The equity shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange where they are traded actively. Market capitalisation was ₹2,386.28 as on 31st March, 2020.

Revenue by geography, FY2018-19



Revenue by geography, FY2019-20 (%)







# LUX. THE BIG NUMBERS

1

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

1

(Rank), Lux among innerwear exporters from India

95

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

6

Manufacturing facilities across India

2000

(lakh pieces per year), Sales

16

Number of Brands

14

(%), Market share in India's organised innerwear sector

46

(Countries), Export presence

1500+

Employees, FY2019-20

100

Number of Lux products

5000+

SKUs

950+

Distributors, FY2019-20

**1957**

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

**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.

**1994**

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

## HOW WE HAVE GROWN

# ACROSS T

Shah Rukh Khan was engaged as brand ambassador for ONN.

**2010**

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

**2013**

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

**2014**

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

**2015**

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.

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

**2016**

**1995**

Incorporation of Lux Industries Limited as a Public Limited Company making Lux 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 Cozi's brand ambassador.

**2003**

The Lux IPO was launched; the issue was oversubscribed by four times.

# THE YEARS

Varun Dhawan was signed as Lux Cozi brand ambassador. Lux launched its women innerwear range - Cozi her. Lux conducted the largest sectoral conference for all dealers.

**2017**

Lux conducted the largest-ever distributors' conference in the hosiery textiles industry (950+ distributors). Amitabh Bachchan was on-boarded as brand ambassador for Lux Venus and Lux Inferno. Re-launched Lux Classic as Lux Venus Classic.

**2018**

Launched India's first scented vest under brand Lux Cozi. Launched One8 brand. Kartik Aaryan was on-boarded as brand ambassador for Lux Inferno and Tapasee Pannu for Lyra. Launched Lux Nitro, a casual wear product line

**2019**

## Strengthening margins

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15.56

(%) EBIDTA margin, FY2018-19

15.95

(%) EBIDTA margin, FY2019-20

## Increasing brand spend efficiency

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13.40

(₹), Revenue generated  
from every rupee of brand  
spending, FY2018-19

13.53

(₹), Revenue generated  
from every rupee of brand  
spend, FY2019-20

**AT LUX, WE HAVE INVESTED IN  
BRANDS WITH A SINGULAR OBJECTIVE.**

**OUTPERFO**



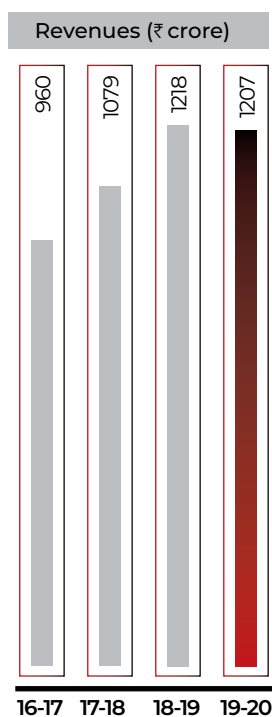
# PERFORMANCE.

# LUX IS MORE THAN JUST AN INDIAN COMPANY. IT IS A MULTI-CONTINENTAL BRAND AVAILABLE IN NEARLY 46 COUNTRIES.





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



## Definition

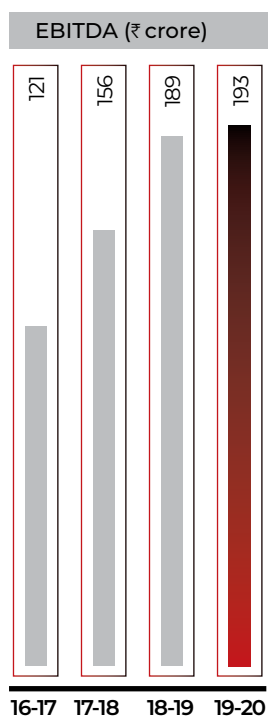
Growth in sales net of taxes and excise duties.

## Why is this measured?

It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

## Value impact

Aggregate sales stood at ₹1207 crore in FY2019-20 against ₹1218 crore in FY2018-19, on account of market sluggishness and the pandemic effect.



## Definition

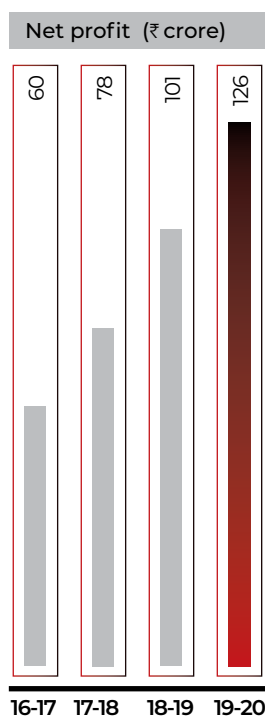
Earning before the deduction of interest, depreciation, extraordinary items and tax.

## Why is this measured?

It is an index that showcases the Company's ability to optimise costs of all kinds despite inflationary pressures..

## Value impact

The company reported ₹4 crore increase in EBITDA in FY20 despite a marginal decline in turnover, the result of better cost management.



## Definition

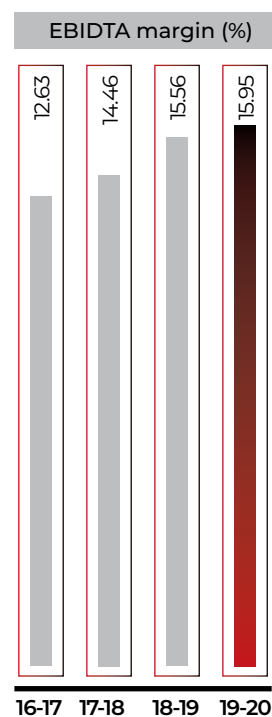
Profit earned during the year after deducting all expenses and taxes.

## Why is this measured?

It highlights the strength in the business model in generating value for its shareholders.

## Value impact

The Company reported a 24% increase in its net profit in FY2019-20.



## Definition

EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency.

## Why is this measured?

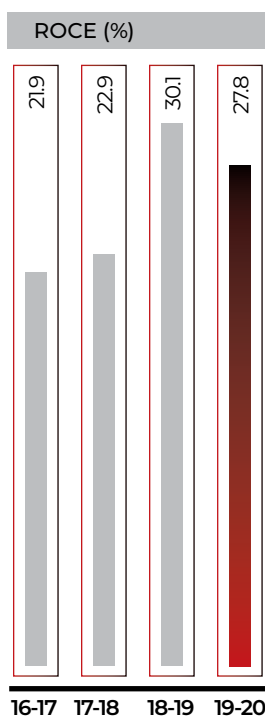
The EBITDA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

## Value impact

The Company reported a 39 bps increase in EBITDA margin during FY2019-20 despite a sluggish demand year and pandemic effect.



# STRENGTHENING MARGINS, PROFITS, INTEREST COVER AND NET WORTH



## Definition

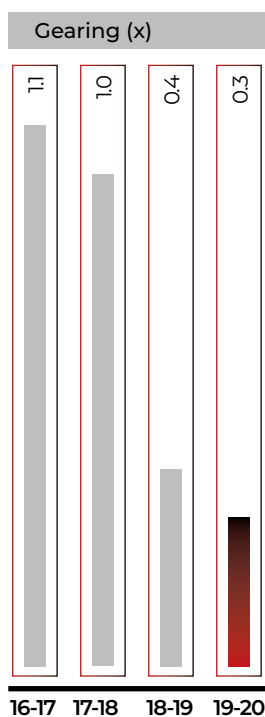
It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

## Why is this measured?

ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

## Value impact

The Company reported a 27.8% ROCE during FY2019-20 compared to 30.1% in FY2018-19 on account of market sluggishness and the pandemic effect.



## Definition

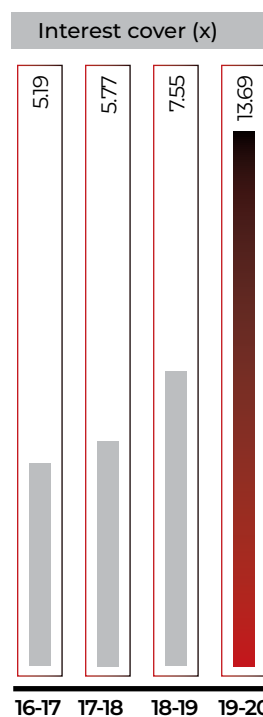
This is derived through the ratio of debt to net worth (less revaluation reserves).

## Why is this measured?

This is one of the defining measures of a company's financial health, indicating greater credit worthiness.

## Value impact

The Company's gearing stood at an improved 0.3x in FY2019-20 against 0.4x in FY2018-19 following debt repayment.



## Definition

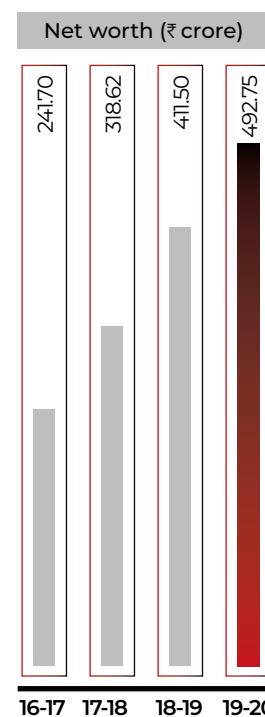
This is derived through the division of EBITDA by interest outflow.

## Why is this measured?

Interest cover indicates the Company's comfort in servicing interest – the higher the better.

## Value impact

The Company's interest cover strengthened 614 bps following debt repayment and better working capital management.



## Definition

This is derived through the accretion of shareholder-owned funds.

## Why is this measured?

Net worth indicates the financial soundness of the company – the higher the better.

## What does it mean?

This indicates the borrowing capacity of the company and influences the gearing (which in turn influenced the cost at which the company can mobilise debt).

## Value impact

The Company's net worth strengthened by ₹81.25 crore during a challenging year, helping strengthen the overall gearing.



**Ashok Kumar Todi**  
Chairman

# THE CHAIRMAN'S OVERVIEW

## Overview

**T**his is a challenging time to be communicating with you.

The lockdown in the last week of the financial year and the first quarter of the current financial year have raised important questions: Will an inner and outer knitwear company do well? Will demand remain protected? Will people want to spend money the way they did in the past for the products that we make?

Before I answer these questions, permit me to appraise what I do know and about what I will not hazard a guess. I will not estimate the extent of the pandemic on consumer sentiment and when the economy is likely to recover. This is not my area of specialisation and at most I can say is that I am hopeful that the concerted efforts

of governments, scientists and care givers will make it possible for the world to return to a semblance of normalcy in the foreseeable future.

During this tenure, consumer spending could remain muted as incomes remain affected. When an economy begins to contract – and the Indian economy is estimated to de-grow during the current financial year – there could be a cascade of de-growth across downstream consuming sectors. It would be naive to believe that the innerwear segment will remain immune. The country's innerwear sector will do well to hold on to the growth of the previous year; even if it reports a flat year with no growth during FY2020-21, I would consider that to be a positive development and an index of the rich consumption potential of this country.

I WILL NOT ESTIMATE THE EXTENT OF THE PANDEMIC ON CONSUMER SENTIMENT AND WHEN THE ECONOMY IS LIKELY TO RECOVER. THIS IS NOT MY AREA OF SPECIALISATION AND AT MOST I CAN SAY IS THAT I AM HOPEFUL THAT THE CONCERTED EFFORTS OF GOVERNMENTS, SCIENTISTS AND CARE GIVERS WILL MAKE IT POSSIBLE FOR THE WORLD TO RETURN TO A SEMBLANCE OF NORMALCY IN THE FORESEEABLE FUTURE.

### Case for optimism

I am optimistic with regard to the medium-term prospects of India for good reasons. Innerwear in India addresses the vast sweep of rural and semi-urban India. In most cases, especially where the products address the mid-priced bulge of the Indian innerwear consumption, the market is vast and even sustainable. The product demand to this extent can be considered inelastic; in the past too people have purchased innerwear not at a whim but because they needed them; I do not see this changing and would venture to suggest that people will continue to buy if they feel that their earlier items needed replacement. The basis of this guarded optimism is that even during the lockdown, the demand for innerwear continued unabated. We destocked our inventory during this period and, in turn, our distribution pipeline liquidated its stock in circulation as people ventured out to buy what they considered to be essential products.

### Where does Lux fit into this scenario?

My answer is that at a time when consumer sentiment could well remain hesitant, the game will gravitate to those companies that own stronger brands. Lux is attractively placed in this regard. Over the last few decades, the company has built a distinctive capability in being able to grow brands from scratch. We have created brands that have established a distinctive unaided recall, translating into a consumer pull.

### Building scale

We are building a larger company. The proposed merger of J.M. Hosiery and Ebell Fashions will enhance shareholder value (the scheme has been filed with NCLT). The merger of group companies has been proposed as these companies operate in the same line of business, a consolidation of these will enhance synergies and potential gains in market share. It will also bring in

## OUR STRENGTHS



Rich sectoral  
experience



Extensive  
distribution  
network



Cost  
leadership



Proprietary  
manufacturing  
ability



Vast product  
variety



Focus on the  
mid-priced  
segment

operational efficiency and value enhancement through the elimination of distribution and administrative costs.

Besides, the complement of these companies will strengthen our post-merger business model: J.M. Hosiery owns the men's brand GenX, while Ebell Fashions owns the women's brand Lyra; their coming into Lux will strengthen our overall portfolio. The result is that our men's innerwear portfolio will be complemented by a value-added women's portfolio that will make it possible for us to carve away a larger share of the overall wardrobe spending. The merger will extend the company from inner wear to casual wear; we expect to generate superior procurement of economies, strengthening our margins.

**The service differentiator**  
At Lux, we believe the future will belong to companies that demonstrate a superior service



THE COMPANY LAUNCHED ONE8, ENDORSED BY **VIRAT KOHLI**, THE FIRST TIME THAT OUR COMPANY ENTERED THE PREMIUM INNERWEAR MARKET.

# 7.39

% of revenues invested in the Lux brand, FY2019-20

# 16

Number of Lux brands



Enduring brands



Celebrity endorsements



Strong Balance Sheet



Increased liquidity



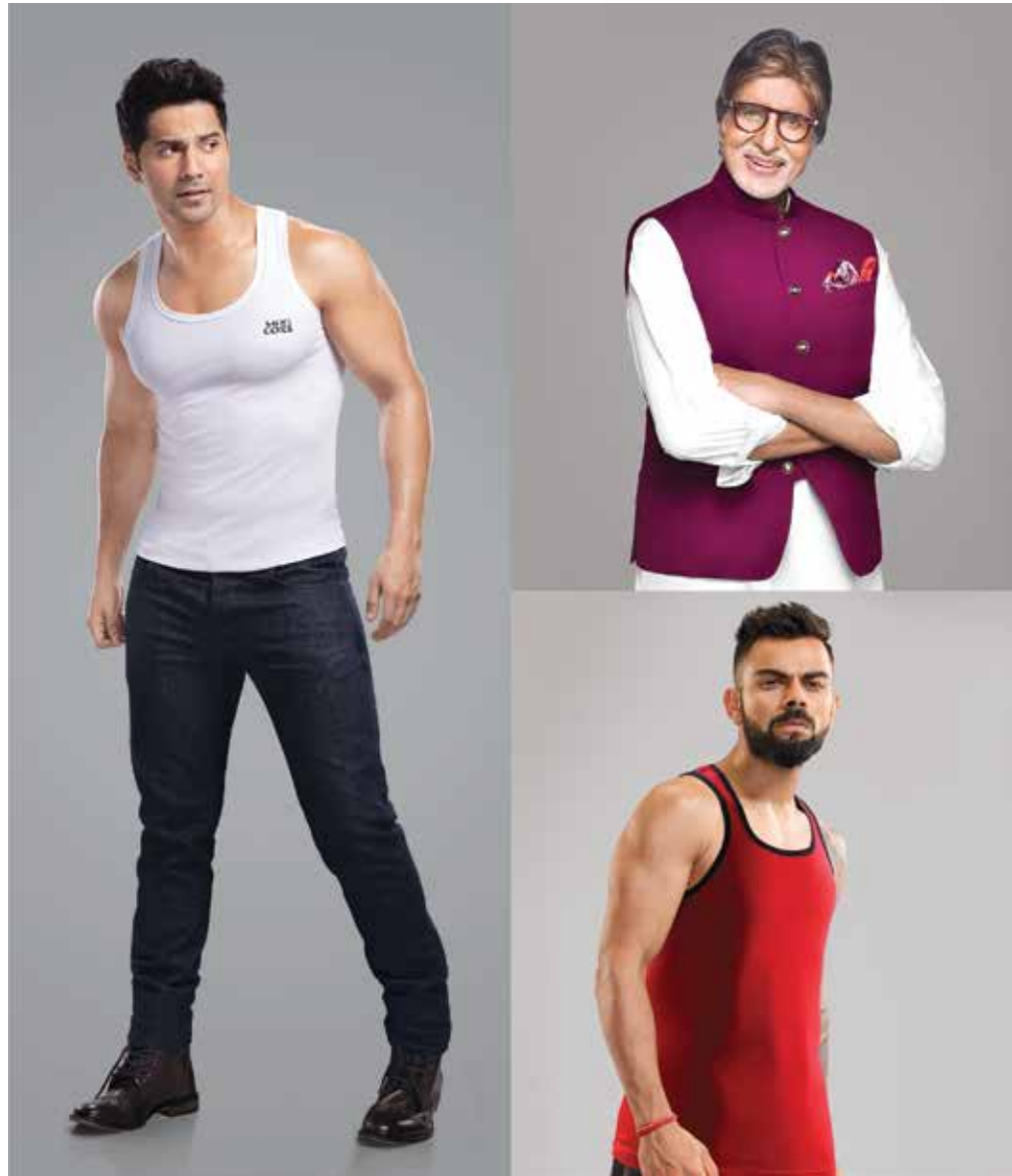
International presence



Contemporary technology

THE COMPANY DEMONSTRATED ITS SUPERIOR SERVICE DURING THE RECENT PAST WHEN IT LEVERAGED THE POWER OF ITS DISTRIBUTION NETWORK TO MAKE A SUCCESS OF ITS SCENTED VEST LAUNCH.

when it comes to addressing their primary customers (trade partners). In a business where trade partners are spread across the country, there will be a premium in providing uniform policies, servicing them with speed and taking care of their cash flows through timely product dispatch and stocks replenishment. The company demonstrated its superior services during the recent past when it leveraged the power of its distribution network to make a success of its scented vest launch. Besides, our prudent brand spending has helped transform conventional product push into a consumer pull, strengthening revenues for our trade partners, reinforcing their commitment. By the close of the year under review, Lux products were marketed in (5000+ SKUs) retail outlets and supported, in turn, by 950+ distributors. The breadth and depth of this network makes it possible for us to move products through the country with speed so that they are always available on shelves when consumers need them.



### Competitive costs

At Lux, we believe that the sustainable knitwear companies will be those with competitive cost structures. At Lux, we factored competitiveness into our design: insourced the manufacture and cutting of knitted fabric in a showpiece manufacturing facility in Dankuni on the outskirts of Kolkata; we outsourced the manual and labour-intensive functions of stitching and dyeing to external agencies, representing a balance of insourcing and

outsourcing. We believe that this balance has made it possible for the company to moderate costs and report the highest net margin among mid-sized peer companies.

### Shrinking the receivables cycle

At Lux, we recognised that we could do everything and yet fail to bring sales proceeds in at the right time. The result is that in the last couple of years, the company embarked on leveraging the strength of its corporate and product brands in moderating the length of its receivables cycle.



BECAUSE WE DARE  
AND BECAUSE WE  
PERSIST, WE EXPECT  
TO STAY IN THE GAME  
AND PREVAIL

Despite caution to the contrary, I am pleased to report that in the last two years, we reduced our working capital cycle significantly, strengthening our cash flows and reducing the cash load on our business. We believe that it is possible to grow our business with less cash and the last year was a successful experiment in this regard.

### Creating markets

At Lux, we believe that success is best derived when we don't just create products but create

markets instead. Over the last number of years, we did precisely this; we plugged market gaps with new products; we disturbed the boring monotony of markets with radically different products. For instance, during the last financial year, we launched a scented vest, possibly the first time in the country's innerwear sector that the value proposition was being extended from price, quality, comfort and durability to soothing fragrance. Similarly, the company launched One8, endorsed by Virat Kohli, the first time that our

company entered the premium innerwear market. Both products were well received.

### Passion makes the difference

That brings me to the conclusive reason why Lux expects to outperform across the foreseeable future: the Lux passion. At our company we don't give up. We keep doing new things. We keep disturbing the status quo. We cut our occasional losses short and move on. We refused to be cowed down by external realities.

Because we dare and because we persist, we expect to stay in the game and prevail when the economy revives and consumer spending returns to the market place.

### Ashok Kumar Todi

Chairman

# HOW LUX PROTECTED STAKEHOLDERS DURING THE COVID-19 PANDEMIC




**Primary customers**

Provided material on demand (the first in the industry to start supplying)

Maximised precautions during product delivery

Work-from-home for customer service team

Sanitised delivery vehicles



**Employees and workers**

Initiatives to protect mental, physical and financial well-being

High workplace safety like temperature check at the entrance / sanitation standards

Installed water taps outside the manufacturing units for workers to wash hands before entering the premises

Built disinfectant tunnels at the office entrance

Smooth transition to working from home

Periodic electronic video communication calls





## Investors

Sustained focus on shrinking receivables and enhancing liquidity

Cash and cash equivalents of ₹1.26 crore as on March 31, 2020

Declared a payout ratio of 25%

Focused cost rationalisation



## Community

Contributed ₹50 lakh to Emergency Relief Fund

Distributed essential items in and around the manufacturing units



**Pradip Kumar Todi**  
Managing Director

# THE MANAGING DIRECTOR'S BUSINESS REVIEW

## Overview

The principal message that we wish to send out is that during a challenging year for the Indian economy, Lux Industries Limited performed creditably.

**F**rom a standalone basis, the company's revenues declined by 1% but profit after tax increased by 24%.

We believe that these numbers are creditable given the consumer sentiment, increased competition within the knitwear space, pressure on brand building and the impact of

Covid-19 that affected the company's performance in March 2020.

The proposed merger of the company with group companies J.M. Hosiery and Ebell Fashions could not be completed and is expected to be completed during the current financial year. The company expects

# 24%

Increase in PAT over FY2018-19



that this merger will provide increased shareholder value based on the terms of the merger as well as the products that the merging companies will bring to the Lux portfolio.

### Performance

The company outperformed the growth of the innerwear sector during the year under review for a number of reasons.

The company continued to excite the market place with

the launch of new products or new endorsements for existing products.

The company sustained its brand building through an investment corresponding to 7.39% of its revenues, protecting its visibility and recall as one of the most dynamic innerwear companies in the country.

The company reported a 25% increase in its winter wear segment following an



improvement in product offerings that capitalised on an extended winter. The company's ONN outerwear performed creditably, strengthening offtake in this segment.

The company seeded the innerwear market with the launch of a scented vest during the year under review. The introduction of a scented vest proved to be an innovation that surprised consumers, carving out a reasonable presence in the market.

### Strengthening our working capital management

One of the principal achievements of the company's performance during the year under review is its superior working capital management.

During the last few years as competition increased, there was a tendency across the major innerwear players to extend longer credit to trade partners. Starting with FY2018-19, the company

reversed this trend, sending out a signal that a smaller size of liquid and secured business is better than larger volumes accompanied by a longer receivables cycle. Besides, the company is convinced that a superior leverage of its brand needed to reflect a declining debtors' cycle.

The result of this conviction is that the company tightened its working capital management during the year under review. The company increased the proportion of cash-and-carry sales and improved debtors monitoring. The result of these initiatives was a stronger credit discipline.

The impact of this discipline translated into the quality of our financials during the year under review. There was a significant decline in the number of days of receivables in the last two years; this performance would have been better but for the longer credit that needed to be provided for accelerating offtake of the company's winter wear portfolio.

This decline in the company's average receivables cycle to one of the lowest tenures among the mid-tier inner wear segment translated into a corresponding improvement in the company's interest outgo. The interest paid by the company declined substantially from ₹23.60 crore in FY2018-19 to ₹13.16 crore in FY2019-20; correspondingly, interest cover strengthened from 7.55 to 13.69; liquidity at the end of the year under review was comfortable.

We believe that by exercising a stronger financial discipline, we have kick started a virtuous financial cycle that will provide us with larger resources to accelerate the growth of our business.

## Product successes

The performance of the company during the year under review was marked by product success, either related to launch or sales sustenance. The success of the company's portfolio was reinforced by brand spending of ₹89 crore, accounting for 7.39% of the company's revenues in FY2019-20.

The highlight of the year under review was the launch of One8, a brand endorsed by Virat Kohli. The launch of this innerwear brand represented a high point in the company's existence: the product addressed the premium category, the first time that the company was entering this segment.

This launch was challenging as it warranted a reappraisal of all the reasons for which the company had succeeded in the past in the mid-priced mass-based innerwear segment. The company launched the product online and thereafter through a select distribution network with virtually no promotional and advertising support. Despite the evident challenges, the company grew the offtake of its premium product quarter-on-quarter with an increasing proportion of repeat indents from trade partners. The company intends to grow this brand into a high-margin contributor to its bottom-line, shifting the needle decisively in favour of a value-added product portfolio.

The company launched a scented Lux Cozi vest during the early part of the year under review. This innerwear product was intended to cut the price-based clutter of the mass-based vest segment. The product succeeded in creating a new product differentiator (smell) that extended beyond the conventional parameters of softness, whiteness, price and durability.



ONE OF THE PRINCIPAL ACHIEVEMENTS OF THE COMPANY'S PERFORMANCE DURING THE YEAR UNDER REVIEW WAS ITS SUPERIOR WORKING CAPITAL MANAGEMENT

25

(%), Proportion of post-tax profit to be paid out as dividend

During the year under review, Bollywood actress Tapasee Pannu was engaged as the brand ambassador of Lyra. The endorsement and superior product characteristics helped transform Lyra from a functional legging to a lifestyle product with attractive offtake implications.

The company's winter wear Inferno brand was endorsed by brand ambassadors Amitabh Bachchan and Kartik Aaryan, strengthening offtake.

The company launched a promotional campaign for ONN T-shirts for the first time, creating a new revenue stream and serving as an effective brand extension.

The company ended the year

under review with a complement of mass-based, upmarket and premium brands in good health, strengthening prospects of business sustainability.

## Covid-19 impact and counter-initiatives

The performance of the company was affected by the lockdown during the last week of the financial year. The lockdown came at an inopportune time; the last quarter of the financial year usually accounts for more than 30% of revenues in a normal year. The impact of a decline in offtake during March 2020 affected the performance during the fourth quarter, with revenues virtually around the level of the previous year.

The impact of the lockdown extended from the last month of FY2019-20 into the first quarter of the current financial year, affecting the company's capacity to manufacture, market and distribute. The company's manufacturing facility, closed from 24 March 2020 partially resumed operations in May, 2020. To reinforce its throughput during the lockdown, the company engaged with its vast eco-system of product contractors engaged in fabric cutting and stitching.

Meanwhile the company selected the lockdown to destock its inventory of finished products. The company leveraged its extensive pan-India distribution and reliable transporters to reach products across Tier 2 and Tier 3 cities. The products were well received during this period, helping the company generate moderate revenues during this period.

## Governance

At Lux, we believe that the key to corporate respect and sustainability lies in good governance.

## LUX AND THE COVID-19 IMPACT

### The outbreak of the pandemic

**The** COVID-19 pandemic is the most defining global crisis in living memory. The spread of the virus disrupted the global economy and consumer sentiment starting December 2019. The virus was declared a global pandemic by the World Health Organisation in March 2020.

### The response

**Most** global governments declared lockdowns in successive phases. The Indian government implemented a national lockdown in late March 2020, which covered the comprehensive closure of offices, factories and public places. All international, inter-state and intra-state travel was restricted and borders sealed to limit pandemic impact.

### Lux's responsiveness

**Lux** moved with proactive speed in temporarily shutting its offices and manufacturing facilities.

The Company's business was affected as the lockdown was announced in the last month of the financial year which usually accounts significant share of revenues in a normal year. The impact of a decline in offtake during March 2020 affected the performance during the fourth quarter of FY20.

The lockdown was extended from the last month of FY2019-20 into the first quarter of the current financial year; this affected the company's capacity to manufacture, market and distribute. The company's manufacturing facility, closed from 24 March 2020, partially resumed operations only in the first week of May 2020. However, the company destocked its inventory of finished products by leveraging its extensive pan-India distribution and reliable transporters to reach products across Tier 2 and Tier 3 cities, helping the company generate moderate revenues during this period.

Over the last few years, the company embarked on a number of initiatives in this respect. These initiatives comprised the decision to merge Lux Group companies, eliminating a conflict of interest.

As an extension of its commitment, the management announced a payout ratio of 25% to be paid to investors from the post-tax profits of the company. We believe that this payout represents a prudent balance between the company's need to conserve capital for business reinvestment on the one hand and the need to reward shareholders on the other.

#### Outlook

The management of the company

is optimistic of prospects for a number of reasons.

The nature of the product makes it a building block of societal convenience and comfort; the cost of the product is attractively modest to encourage consumption; the nature of consumption is largely inelastic to economic growth; there is large headroom for the consumption of superior innerwear products without stretching personal expenditure.

The company possesses robust brand traction; financial discipline has strengthened cash flows; the company is growing the volume of business with a lower Balance

Sheet load (debt); the company has taken a decisive initiative to enhance its presence in the premium innerwear segment, an exclusive niche marked by low competition.

In view of these realities, the company expects to protect revenues at worst and grow revenues at best should the Indian economy revive during the current financial year. This growth is expected to be profitable, marked by healthy margins and superior liquidity.

**Pradip Kumar Todi**  
Managing Director

# OUR BRANDS REPORT, FY2019-20



## Overview

Lux has not just grown in terms of revenues over the years; it has catalysed the transformation of India's unorganised hosiery sector to brand-driven organised; from brand anonymity to celebrity endorsements.

The result is that over the years, Lux has not just addressed sectoral challenges; it has done so with panache.

**It** has not just skirted commoditised categories; it has premiumised them instead.

**It** has not been shy of cluttered spaces; it has focused on emerging as premium, aspirational, trendsetting and a benchmark.

**It** has not been fazed by investment requirements; it has introduced brands in that have extended into a brand family and portfolio (comprising extensions and spinoffs) instead.

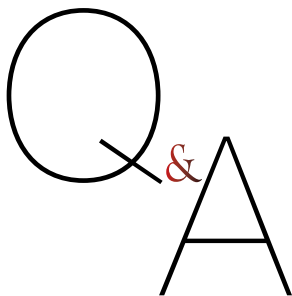
**It** has not been challenged by complex messaging; it has evolved the pitch of the product to the personality and connected the products to users instead.

**It** has not been intimidated by a demanding customer; it has selected to provide a choice across 5,000+ SKUs, among the largest in India's innerwear sector instead.

**It** has not been discouraged by reports of plateauing markets; it has invested proactively in launching pioneering products based on the conviction that supply creates/ increases demand instead.

**It** has not blinked in the face of pricing challenges; it has demonstrated the courage to create new price points in India's innerwear textiles sector instead.

# REVIEW OF OUR BRANDS PERFORMANCE, FY2019-20



**Q: Was the management pleased with the performance of Lux's brand during the year under review?**

**A:** The management was pleased with the performance of the brands in FY2019-20, which was a year marked by economic slowdown and tentative consumer sentiments. Besides, the pandemic affected consumer sentiment further in the later part of the year. In fact, according to the opinion of the management, the performance of its brands was historic during the year under review.

**Q: Why was the performance of the brands considered historic?**

**A:** The year under review represented a shifting of the company's brand needle. For decades, Lux had focused on the mid and economy price segments. These segments represented the largest consumer bulge. However, there was a growing conviction that companies that operated in these price segments would never be able to graduate to the premium segment. That is the myth that Lux demolished during

the year under review with the launch of One8.

**Q: How did Lux penetrate the so-called glass ceiling?**

**A:** The most important point is that the management convinced itself that this was possible. This appears to be the most critical point in a sector where such an extension – economy and mid-priced to premium – is fraught with risks. For companies intending to make this transition what is required is a complete transformation in mindset: warranting a completely different marketing team, distribution network and even manufacturing infrastructure. The nearest analogy that one can think of is that in a world of mid-priced cars, marketing a Mercedes warrants a completely different approach.

**Q: What was creditable in Lux's approach?**

**A:** The fact that Lux ventured successfully into this segment showcases some remarkable facets of the organisational mindset: one, its willingness to step outside the comfort zone; two, its willingness to create a parallel

## LEVERAGING LUX BRANDS FOR SUPERIOR CASH FLOWS

### The company started to moderate its receivables cycle in FY2018-19

The company resolved to effectively leverage the power of its brands



The company imposed a tighter credit discipline – a shorter cycle



The company sent out a message that no business was better than bad business



The company significantly reduced its working capital cycle in FY2019-20

team empowered with complete autonomy to work in a completely different manner; three, to attempt to do things that questioned some of the management's multi-decade practices. This structured approach in addressing the premium segment opens up a completely new dimension for the company.

**Q: In what way will this launch open up a new dimension?**

A: There are a number of ways that the success of One8 could transform the corporate brand of Lux. One, it will validate the fact that the management possesses the bandwidth to create brands ranging from the price-sensitive economy (Venus) to the mid-priced (Cozi) to the premium (One8), possibly the widest value chain in India's fashion hosiery sector. Two, we believe that the success of One8 will make it possible for Lux to attract better professionals and evolved institutional investors. Three, we believe that 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: The Company launched three brands or variants during a single

year: the Lux Cozi scented vest, the celebrated One8 and the ONN T-shirt. The fact that this transpired at a time of sectoral weakness validates the company's capacity to question the status quo and create growth in a sluggish market. Interestingly, much of the brand spending firepower was reserved for the scented vest; One8 was marketed through word of mouth; the ONN T-shirt promotion was shot in an international location, the benefits of which will gradually become visible. We believe that the launch of the ONN brand in a T-shirt format represents a prudent brand extension where we leverage an existing recall and launch a larger number of related products, moderating brand spending on the one hand and accelerating brand acceptance on the other. Besides, in a group company (to be merged), the management engaged Tapasee Pannu to endorse Lyra leggings.

**Q: If one had to document the company's biggest brand success during the year under review, what would it be?**

A: For years, the perspective at Lux was that if one invested in the brand, then the upside would be in the form of higher revenues. During the year under review, the company took that perspective ahead: it argued that if its brands were indeed strong

then they would be generating a consumer pull at the level of the trade partners, in which case its trade partners were sitting on a larger float while the company nursed a receivables cycle in excess of 100 days (until two years ago). During the year under review, the company tightened its brand pull coupled with credit discipline. We believe that this has already begun to generate superior liquidity, quicker debt repayment and Balance Sheet rightsizing. The strength of the company's brand will not just be seen in the company's topline but be visible across its profitability metrics as well from now on. The turning of the financial ship was one of the most decisive corporate brand-related initiatives at the company in years.

**Q: How would you sum up the company's brand strategy?**

A: Lux sustained its brand campaigns around salience, emphasizing the core attributes of its brand. The benefits of this consistency translated into a deepening recall that Cozi, for instance, does not just stand for a vest but a specific attribute, graduating the product from a functional attribute to an emotional recall.

## LEVERAGING LUX BRANDS FOR A WIDER VALUE CHAIN

### For decades, Lux addressed the price-sensitive market (sub-economy to mid-market)

In FY2019-20, the company extended its chain a decisive step further – towards the premium

The company's value chain extended from the economy (Venus) to the premium (One8)

The company's premium product is probably the first such instance by a mid-end hosiery player

The successful premium product launch will widen margins and enhance corporate respect

# OUR BRAND INVESTMENT AND PERFORMANCE IN NUMBERS

## Sizable brand building power



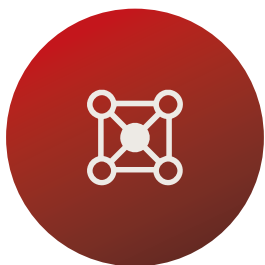
421

₹ crore, Lux's brand investment in the five years ending FY2019-20

204

₹ crore, Lux's brand investment in the five years ending FY2014-15

## Structured brand spending



7.39

% of revenues invested in the Lux brand, FY2019-20

6.47

% of revenues invested in the Lux brand, FY2014-15

## One of the consistently large sectoral spenders



89

₹ crore, Lux's brand spend, FY2019-20

49

₹ crore, Lux's brand spend, FY2014-15

The outcome of our brand focus

2012-13

Asia's Most Promising Brands

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2013

The Master Brand

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2014

The Master Brand

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2014-15

The Admired Brand of India

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2015

The World's Greatest Brands

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2016

Asia's Greatest Brands

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2017-18

Asia's Most Admired Brands & Leaders

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2018-19

India's best brand of the year award 2018

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2019-20

India's Power Brand, 2019

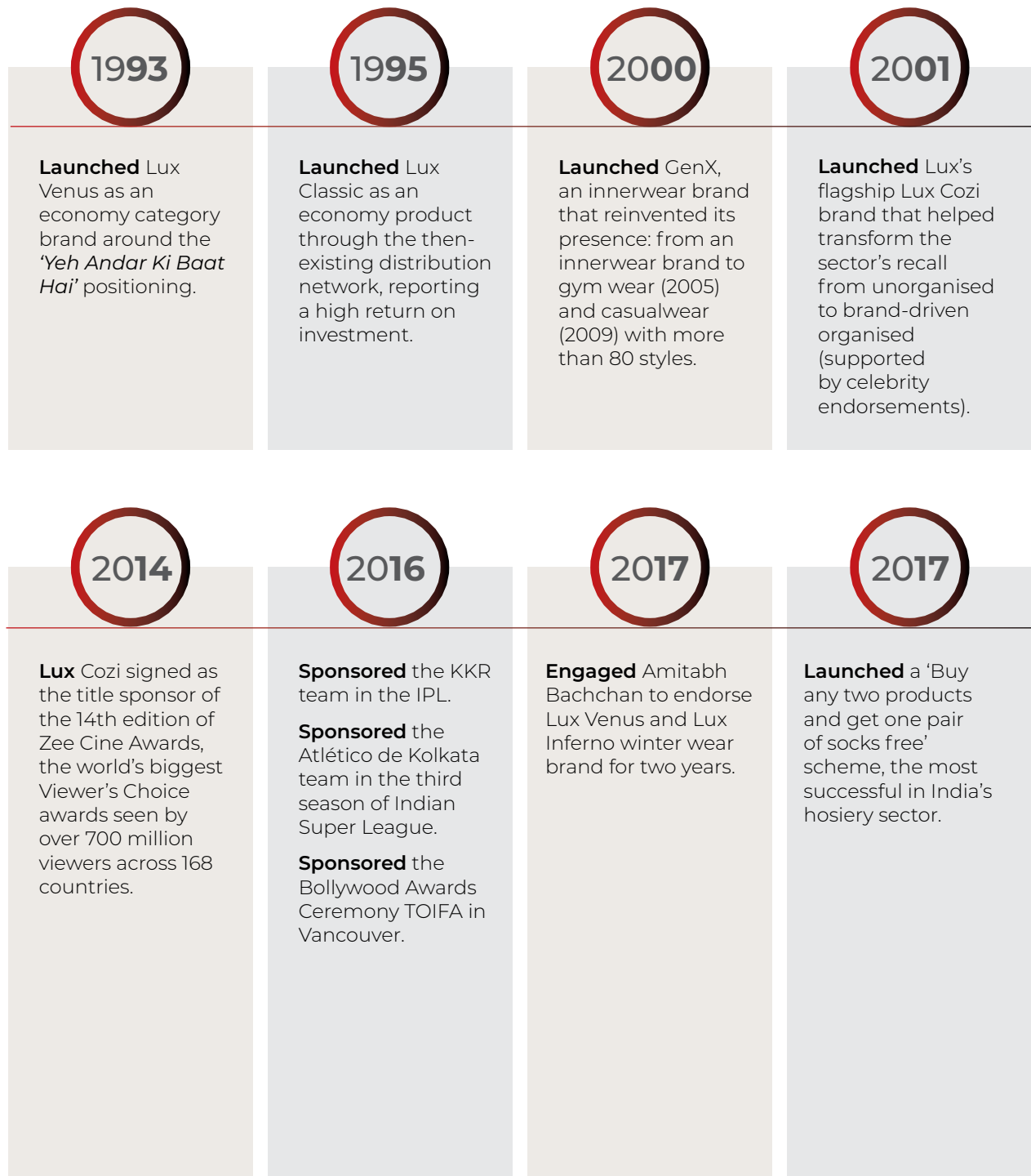
India's Most Admired Brand, 2019

India's Most Trusted Brand, 2019

Asia's Most Trusted Brand, 2019

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# OUR BRAND BUILDING TRACK RECORD



2005

**Launched** two products in the thermal category (followed by one in 2007), evoking different recalls and a larger aggregated market share.

2010

**Launched** a premium innerwear brand ONN as a retail-driven product for what had been until then a wholesale-driven company.

2012

**Launched** women's leggings and transformed this differentiated bottom wear into one of the company's remarkable success stories.

2013

**Lux** became the Comfort Partner of two of the most popular IPL 6 teams (Kings XI Punjab and Pune Warriors India).

2017

**Engaged** Bollywood heartthrob Varun Dhawan as the Brand Ambassador for Lux Cozi.

2018

**Conducted** the largest ever distributors' conference in the hosiery textile industry attended by more than 900 distributors.

**Relaunched** Lux Classic as Lux Venus Classic to create a much larger impact among consumers.

2019

**Engaged** Kartik Aaryan to endorse the Lux Inferno winter wear brand to attract the youth.

**Launched** One8, a brand featuring Virat Kohli, India's cricket captain; a new marketing and distribution channel was created.

2019

**Engaged** Tapasee Pannu to endorse Lyra, showcasing the product as the relevant choice for the modern and emotionally independent Indian woman.

**Introduced** a scented vest under Lux Cozi, the first time in India.

**Launched** the Lux Nitro range of t-shirt.

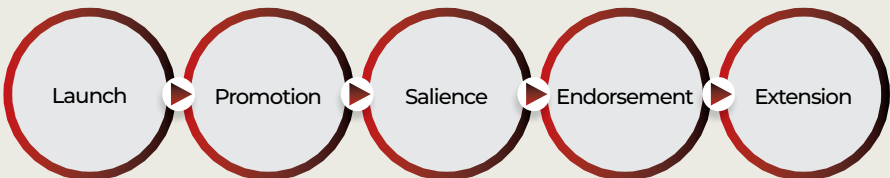


# LUX AND ITS BRANDING DISCIPLINE

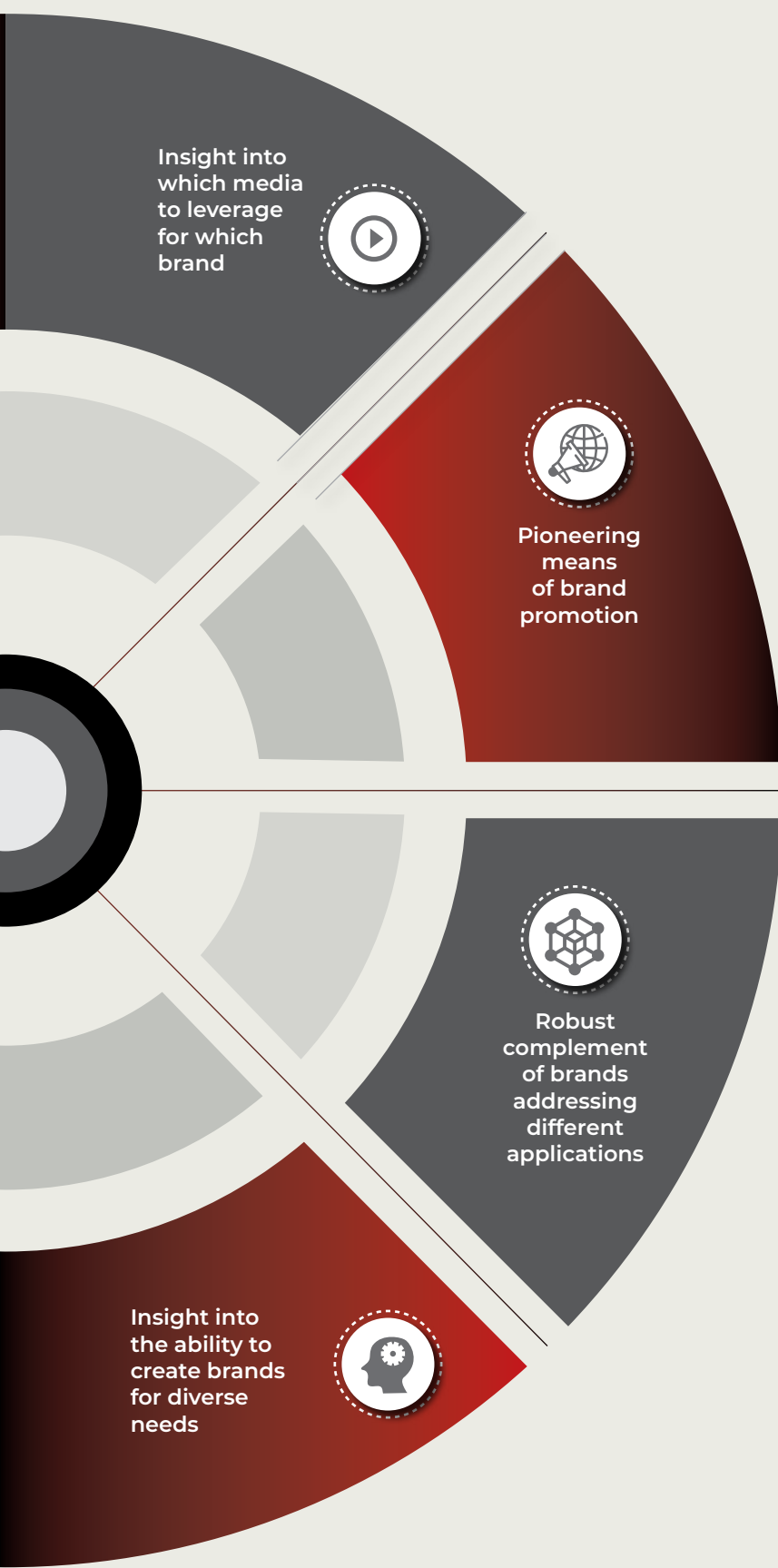
Sustained spending on creating and promoting brands

Recall of 'If it is Lux, it must be good'

## OUR BRAND EVOLUTION APPROACH







## PILLARS OF OUR BRANDS STRATEGY



Building mother brands



Creating sub-brands around mother brands



Focusing on innovative products and launches



Perpetually evolving messaging



Enhancing clarity and consistence of brand product salience



Sustaining brand promotion



Strengthening endorsement compatibility



Messaging around desired consumer aspiration (not product)



Translating brand strengths into quicker offtake and shorter receivables cycle

# LUX.

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

19  
93



20  
01



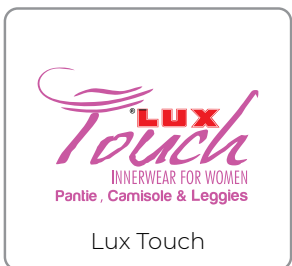
19  
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19



20  
16



20  
19



\* Lux Classic relaunched as Lux Venus Classic

# THE POWER BRANDS



**Venus**

Launch year: 1993

**Brand ambassador**

Amitabh Bachchan

**Price category**

Economy

**Strategy:** Lux Venus is an all age friendly vest; it is made from 100% cotton fabric to provide the best fit and comfort. Lux Venus vests and briefs are best suited to cater to the needs of populace. Lux Venus is among the most cost-effective product in its segment. Over the years, the company has been continuously investing in product advancement to maintain the brand positioning in the segment.

**Brand salience:** Lux Venus' tagline 'Yeh Andar ki Baat Hai' symbolises the softness of the product. The products are marketed as the most affordable, Venus vests is known for its superior quality, fine fitting, gentle on skin, longevity and stylish design in the affordable segment. Lux Venus has effectively established itself as an everyday wear product and the largest vest brand in the economy segment of India.



**GenX**

Launch year: 2000

**Price category**

Mid-economy

**Strategy:** GenX style inners are stylish yet affordable brand from the house of Lux. The aim was to address the needs of the youth for innovatively designed inner wears and at the same time make the product available at an affordable cost. The idea behind this brand was to create an inner wear range with an optimum mix of style and comfort.

**Brand salience:** GenX style inners are irresistible owing to superior quality and design. The brand represents a combination of comfort and trendiness for the youth. Each time the company launches a GenX style inner product, it does so through innovative ideas and designs. Each product is distinctively different; it is manufactured following detailed conceptualisation and design in line with the style and comfort requirements of today's youth - the perfect representation of fun, fashion and style.



**Lux Cozi**

Launch year: 2001

**Brand ambassador**

Varun Dhawan

**Price category**

Mid-economy

**Strategy:** Lux Cozi was launched with the aim to offer comfort and style at an affordable price. The brand is known for its innovative and demand-driven product offerings. The product is made from 100% cotton, ensuring superior comfort. The use of the best and finest cotton in Lux Cozi delivered durability with strong stitches. This provided breathability and freshness, making Cozi a preferred brand. The Company introduced innovative scented vests to fight rising summer heat; the refreshing scented vest emerged as a landmark men's innerwear product.

**Brand salience:** Lux Cozi has ensured quality garments with trendy fashion for consumers. Continuous product quality enhancement along with uncompromised quality at a pocket friendly price is the main USP of the brand. Lux Cozi focused on '*Suno Toh Apne Dil Ki*' and urged wearers to listen to their heart, strengthening its tagline around 'People's Brand'.



**Lux Cozi Bigshot**

Launch year: 2003

**Brand ambassador**

Varun Dhawan

**Price category**

Mid-economy

**Strategy:** Lux Cozi Bigshot was launched to provide innerwear comfort. Lux Cozi drawers are made from 100% combed cotton self-twisted yarn. The drawers are technically made up of skin protective enzyme finish which makes it a perfect under garment.

**Brand salience:** Lux Cozi Bigshot is one of the most consumer-favoured underwear brands in India, catering to millions who seek modish styles and comfort.



**Inferno**  
Launch year: 2007

**Brand ambassador**  
Amitabh Bachchan  
and Kartik Aaryan

**Price category**  
Mid-premium

**Strategy:** Addressed fashion-conscious consumers seeking light knit-wear. The Company introduced a premium product named Lux Inferno Premium. The product retains body heat with brushed fabric inside to ensure warmth without weight. A smart technology comprises natural anti-bacterial qualities to make it odour-resistant. The brand's comfort, style, quality and affordability strike a chord with customers

**Brand salience:** Lux Inferno has a definite style factor, soothes the body and justifies the tagline of '*Lux Inferno Andar to Sardi Chumantar*'. The product is available in various sizes across all ages. Lux Inferno is designed to protect consumers from extreme conditions.



**ONN**  
Launch year: 2010

**Price category**  
Premium

**Strategy:** ONN is the premium innerwear and casual wear apparel brand from Lux. ONN exudes class and style. ONN offers a range of products (sportswear, trendy wear, loungewear, casual shorts, T-shirts and designer briefs) addressing urban and semi-urban youth. ONN addresses men, women and children.

**Brand salience:** Keeping pace with the latest fashions and trends, ONN offers superior quality and international styling with product ranges comprising innerwear and outerwear. The brand is known for its mantra of 'Total Comfort'.



**Lyra**  
Launch year: 2012

**Brand ambassador**  
Tapasee Pannu

**Price category**  
Mid-premium

**Strategy:** Lyra was launched with the aim to become a wardrobe essential for girls. The brand Lyra started as a leggings brand and has grown to a complete women's wear brand. Lyra offers a variety of women's wear including leggings for women and kids, loungers, palazzo, track pants, t-shirts, along with lingerie. Recently the brand launched the pocket leggings range. The strength of Lyra's market leadership is strengthened through endorsement; a functional product was now positioned as a lifestyle statement.

**Brand salience:** Style, comfort, and fit create the complete women wear collection from Lyra. It is the only brand in the Indian retail space to offer a wide product portfolio, including outerwear and innerwear. Its tagline 'Time to Style' defines the brand. Lyra pioneered organised branded women leggings in the mid to premium segment.

# ONE8. REPRESENTS A LUX MILESTONE

The mid-premium segment of the men's innerwear market is influenced by realities different from the economy segment.

These differentiators comprise product portfolio, methods of retailing, classification of distributors and even marketing.

Lux's extension into the mid-premium segment of the men's innerwear category was marked by the launch of One8 innerwear. The brand comprised Virat Kohli as its protagonist.

Artimas Fashions Pvt. Ltd. was created as a subsidiary of Lux Industries to establish a unique and customized value-chain that would establish and grow its mid-premium business.

The subsidiary created independent and dedicated manufacturing capacities to manufacture all the products sold by the One8 brand. The brand launch was facilitated by a completely inorganic new distributor network.

In December 2019, the brand was launched across 45 cities on a single day. The launch of the portfolio comprised innerwear and will extend to loungewear-cum-sleep wear. The brand generated traction and commanded an edge in realisations over competitors.

The company intends to strengthen market share in 36 months and significantly alter the dynamics of its category.







LUX  
COZI

# A SCENTED VEST? YOU MUST BE JOKING...

**W**hen Lux first intimated that it would be introducing a scented vest, there was a concern.

*'Scented hoga to ek-do wash me khatam ho jaayega,'* said most.

*'Scented ek gimmick jaisa rahega jo Lux ke brand me add nahi kar paayega,'* said others.

Lux proceeded regardless.

The company's conviction was based around a few convictions.

**One**, the company felt that a scented vest would raise eyebrows and attention, sparking curiosity and the question 'Is it actually possible?'

**Two**, the company would succeed in creating more than a ripple in a large mass-based product segment where most players relied on the usual (price, softness, whiteness and endurance) to push products.

**Three**, the company was raising its differentiation to a tangential level completely beyond one's concept, strengthening its positioning as a daringly exciting company.

**Four**, in a price-sensitive segment, the company was proposing a new pitch: 'It's not really a vest; it is your feel-good mood-shifter.'

**Five**, by backing this unusual product – scented from the yarn stage – with promotional firepower, the company was sending out a powerful message to its trade partners: 'This is a game changing product.'

By the end of the year under review, Lux's scented vest had created a new paradigm.

Trade partners had begun to segregate the market across 'General products' and 'Lux *waale* innerwear.'

THE COMPANY PROPOSED A NEW PITCH: 'IT'S NOT REALLY A VEST; IT IS YOUR FEEL-GOOD MOOD-SHIFTER.'

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# HOW WE EXTENDED THE ONN AS AN INNERWEAR BRAND INTO AN INNERWEAR CUM ATHLEISURE

**F**or years, the ONN brand was Lux's mid-segment innerwear product for the discerning consumer.

This product represented one of the highest-priced products in the company's men's wear offerings.

The company had two options: let the product run on its usual momentum or take the product ahead.

During the financial year under review, the company decided to extend the ONN brand.

For a product that had been innerwear for 30 years, the company now selected to build on the brand's foundation: it extended ONN into an innerwear cum athleisure.

The company shot a promotional film for this product but did not promote the product around a brand ambassador, preferring to leverage its extensive recall instead.

The company created a new revenue stream, creating a foundation for multi-year growth and value-added product.

THIS PRODUCT REPRESENTED ONE OF THE HIGH-END PRODUCTS IN THE COMPANY'S MEN'S WEAR OFFERINGS.

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# A LEGGING ENDORSEMENT FOR THE CONFIDENT WOMAN

**M**ore than a decade ago, Lux introduced and popularised leggings in the Indian market.

The result of this pioneering commitment was that leggings are widely accepted across economical classes as a style statement that makes a woman feel confident of her body.

During the year under review, Lux Group took this product a decisive step ahead.

The Group engaged the prominent Hindi film actor Tapasee Pannu to endorse Lyra.

The strength of Lyra's market

leadership was strengthened through endorsement; a functional product was now positioned as a lifestyle statement.

From a product that would generally be worn anywhere and anytime for anywhere scenarios, the company's promotion highlighted the '*Main tayyar hokay aati hoon*' specialness.

In turn, showcasing the product as the relevant choice for the modern and emotionally independent Indian woman of substance with a mind of her own.

Strengthening the foundation for a new growth phase for Lyra.

**Note:** This is a product of Ebell Fashions Private Limited (proposed to be merged with Lux Industries Limited, the scheme of merger having been filed with NCLT).



# WHEN GENX FROM THE HOUSE OF LUX COUNTERED THE 'NAHI BIKEGA' PESSIMISM

For years, winter wear with hoodies existed for the youth. If no organised player addressed the large mid-priced segment there was a reason; the unorganised players had carved out a large slice of the market with competitive pricing. Either an organised player would need to introduce a considerably superior proposition or price lower, neither of which was feasible.

Until Lux dared GenX.

In August 2019, the company launched winter wear with hoodies addressing the younger generation aged between 25 and 35. While the wholesale trade offered the product between ₹400 and ₹700, Lux raised the ante. The company priced the product upwards of ₹500 per item and extending right to ₹1100.

A number of industry observers passed judgment: '*Nahi bikega.*'

**Note:** This is a product of J. M. Hosiery & Co. Limited (proposed to be merged with Lux Industries Limited, the scheme of merger having been filed with NCLT).

The House of Lux positioned the GenX product around care. Endorsed with prudence. Enhanced a sense of excitement. Utilised superior yarn. Strengthened the packaging. Strengthened the supply chain to always be available.

The customers responded: 'What's ₹200 more than the average quality? Especially when one is getting a product that will last years..'

The company reported an offtake of 200,000 pieces in the first season, logging more than ₹100 crore in revenues. The target for FY2020-21 is 50% higher as the product appears to have embarked on a multi-year growth journey.

A branded product from the House of Lux turned the winter heat on the competition when no one gave it a chance.





# OUR STAKEHOLDER VALUE-CREATION REPORT, FY2019-20

How we enhanced value in an integrated,  
inclusive and sustainable way

## OUR OVERALL VALUE ENHANCEMENT STRATEGY

Distinctive  
unaided brand  
recall

Prudent  
spending on  
creating and  
promoting  
brands

Multi-year  
celebrity  
endorsements

Longstanding  
relationships  
with channel  
partners

Investment in  
cutting-edge  
technology

One of the lowest  
manufacturing  
costs

Extended the  
value chain  
from economy  
to premium

Exported  
products to  
nearly 46  
countries

Increased  
liquidity by  
reducing working  
capital cycle

Reinvested  
profits into the  
business

### Overview

The Integrated Value-Creation Report represents the cornerstone of corporate success. This new measure overcomes the limitations of the conventional approach with a more comprehensive framework that captures a wider set of initiatives and addresses a larger family of stakeholders.

The Integrated Reporting approach explains the sectoral context, analyses corporate strategy and competitiveness leading to different reporting strands (financial, management commentary, governance and remuneration, and sustainability reporting) integrated to express an organisation's holistic ability to enhance value.

Integrated Reporting explains to providers of financial capital on how an organisation enhances value. Its impact extends beyond financial stakeholders; it enhances understanding across all stakeholders - including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - focused on an organisation's ability to improve value across time. This shift from the 'hard' to 'soft' (non-financial data) helps screen a Company more comprehensively, addressing the growing needs of external stakeholders.

## Drivers of Lux value

At Lux, we believe that the interplay of value for our various stakeholders has translated into our business profitability and sustainability.

**Our employees** represent the aggregate knowledge of how to grow the business across a range of functions (procurement, manufacturing, branding, sales & distribution, finance etc.). Our focus is to provide an exciting workplace, generate stable employment, and enhance productivity.

**Our shareholders** provided capital when we went into business. Our focus is to generate cashflow, growing RoCE and enhanced investment value.

**Our vendors** provide credible and continuous supply of resources and services (stitching and dyeing). Our focus is to maximise quality procurement at declining average costs with the objective to widen our markets, strengthening sustainability.

**Our customers** keep us in business through a consistent purchase of products, generating the financial resources to sustain our operations. Our focus is to provide a diversified range of products (perfect blend of style, affordability and comfort) to our customers.

**Our communities** provide the social capital (education, culture etc.). Our focus is to support and grow communities through consistent engagement.

**Our government** provide us with a stable structural framework that ensures law, order, policies etc. Our focus is to play the role of a responsible citizen.

**At Lux**, we believe that the prudent interplay of the value generated by each of our consistent payback ensures business sustainability and the ability to enhance organisational value.

## The resources of value-creation



### Financial capital

The financial resources that we seek are based on 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, employees form a part of our workforce, the 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 and 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**

**key Enablers**

**Lux** has generated a growing appetite for resources and services, a robust platform for yarn, stitching and dyeing vendors with a long-term focus.

**Lux** emphasises governance, operational excellence, cost leadership and information transparency

The company is focused on increasing its annual topline coupled with profitable growth.

The company announced a payout ratio of 25% of its profits.

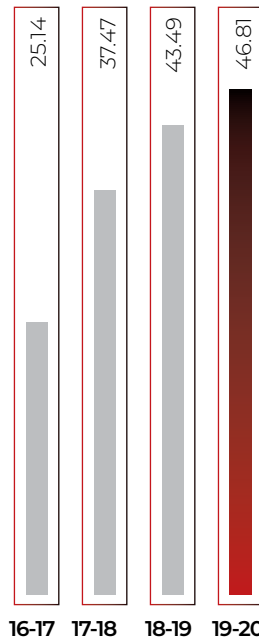
**Material issues / addressed**

Superior use of cutting-edge technologies leading to differentiated solutions.

Creating the basis of long-term viability through a superior price-value proposition.

## OUR VALUE-CREATION IN NUMBERS

### Employee value



16-17 17-18 18-19 19-20

Salaries and wages  
(₹ crore)

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



### Customer focus

**Lux** has emerged as a brand of choice for consumers. The Company widened its product basket and price range from ₹38 to ₹1350 per SKU. The Company comprises 950+ distributors and 450,000 retail points.

Enhancing revenue visibility through diversified product offerings.



### Employee focus

**Lux** is an employer of more than 1500 people across locations. The company facilitated personal and professional development, strengthening people retention and superior use of knowledge.

Creating a professional culture seeking overarching excellence in everything the company does.



### Community focus

**Lux** is engaged in community-strengthening initiatives near its manufacturing facilities (West Bengal, Tamil Nadu, Punjab). The Company contributed ₹50 lakh to Emergency Relief Fund for COVID-19.

Allocated 2% of the profit towards CSR activities.

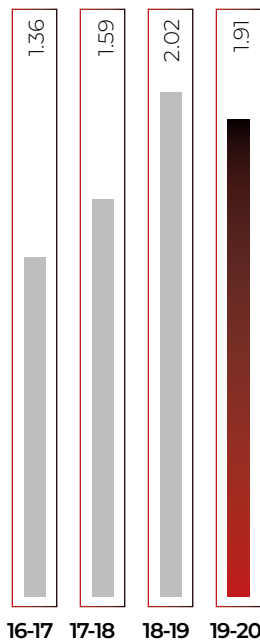


### Government focus

**Lux** pays taxes timely, generates local employment, complies with laws and statutes and enriches the communities where it is present.

The company paid ₹147.87 crore exchequer in FY2019-20.

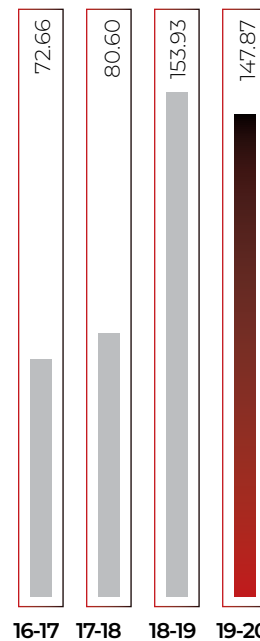
## Community



CSR spending (₹ crore)

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



Taxes paid (₹ crore)

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

# OUR BUSINESS MODEL

Lux's business model is focused on creating long-term value for the Company and stakeholders through the achievement of goals relating to profitability, efficiency, operational excellence and mitigation of business risks.

## The relevance of our sector

**Rising population:** India is the second-most populous country with a population of around 1.36 billion in 2019 and growing at more than 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 FY2019-20 is estimated at ₹134,226, a rise of 6.8% compared to ₹126,521 during FY2018-19.

**Increase in share of organised players:** The textiles and apparel industry has largely been a part of the unorganised sector; post 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. The median age of the country is around 28-29 years compared to a global average of 30 in 2019. This young population is upto date with global trends.

**Government support:** The government has taken 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 make the Indian textile industry more competitive, boost exports and facilitate modernisation, thereby increasing employment and exports.

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

**Increasing social media usage:** India has a population of over 1.36 billion people, of which 326 million are active social media users. The overall data traffic in India increased 47% in 2019 driven by continued 4G consumption. Word of mouth, which drives the apparel business, is more potent following an increasing use of social media platforms.

**Growing e-commerce:** India is witnessing unprecedented digitisation. Shopping patterns are shifting from the brick-and-mortar stores to e-commerce platforms. India improved its position from 80 in 2018 to 73rd in the 2019 in (B2C) E-commerce Index. In 2019, 74% of Indian online buyers researched products online before purchasing them in-store. Online retail channels have made purchasing innerwear products extremely easy for the consumers.

**Affluent middle-class:** Aspiring and affluent households that earn between ₹5 lakh and ₹20 lakh per annum have helped spur domestic consumption in India over the past decade. Affluent households have more than doubled since 2008. Aspirers have jumped from 31 million households to 57 million. Elite households, those who earn upwards of ₹20 lakh, have grown from 3 million to 9 million. With rising affluence in India, households are climbing up the income ladder to drive nearly 3.5 times growth in consumption. This growth is driven by two main factors—average spends per household and the total number of households.

(Source: Live Mint, Business Today, Economic Times, Statista, IBEF)

### ... And how Lux is competently placed to capitalise

**Profitable growth:** The Company reported significant revenue growth corresponded by a commensurate bottom-line increase in FY2019-20, resulting in profitable growth, a creditable showing in a sector marked by a slowdown.

**Trust:** The Company is in business to enhance a sense of trust – with its customers through superior quality products, with employees through the assurance of stable career growth, with vendors through an emphasis on the use of the highest product quality standards and with communities through the use of responsible practices and supportive engagement.

**Financial robustness:** The Company reconciled manufacturing growth with Balance Sheet integrity. The Company's gearing stood at 0.3 in FY2019-20 compared to 0.4 in FY2018-19; interest cover strengthened from 7.55 to 13.69. The company maintained its credit rating at AA for long-term bank facilities.

**Exclusive outlets:** The Company focused on growing its exclusive retail outlets, in line with its focus on providing customers with a seamless buying experience, especially for its premium range of products. This retail network will enhance the company's image as a lifestyle brand, widening visibility in a cluttered marketplace. The company is among the few players in India's innerwear sector with a presence in EBOs and large format stores.

## ... And how Lux is competently placed to capitalise

**Branding:** In a largely undifferentiated product segment marked by low brand loyalty, the Company created differentiation through extensive branding, celebrity endorsements and quality-enhancing programmes. The company spent 7-8% of its revenues on branding across the last decade.

**Knowledge capital:** The Company provides a fair, engaging and exciting workplace that has helped retain knowledge-driven professionals. The company successfully retained nearly 80% of its senior management across the last three years. More than 40% employees had been with the company for ten years or more.

**International sales:** The Company exports its products to nearly 46 countries across the world; it accounted for 10.4% of revenues in FY20.

**Brand recall:** The Company enjoys a strong brand recall in market owing to superior quality, availability of products and wider product bouquet.

**Premium:** The Company is more than just another fashion hosiery manufacturer; it is a progressively premiumising company. The proportion of revenues derived from premium brands increased from 16.8% in FY2017-18 to 20.9% FY2019-20, validating the Company's competence in portfolio premiumness in a sector often perceived as commodity.

**Quality focus:** The Company ensures that the best quality apparel is offered to consumers on the back of extensive quality controls besides in-house knitting and cutting of fabrics ensures consistent quality across production units.

**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 has 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 has 950+ exclusive distributors with an engagement of ten years or more, ensuring products availability across India. This relationship reflected in an attrition rate of less than 1%.



**Online presence:** With a surge in smartphone penetration, young consumers are showing a higher affinity for online purchases. The Company is creating an extensive online presence, enabling it to display its product range online and comprehend the pulse of the market.

**Wide range:** The Company offers a range of products starting from ₹38 to ₹1350 per piece - more than 100 products across 16 brands and more than 5000 SKUs, translating into the largest innerwear range in the industry.

**Merger:** The proposed merger is of J. M. Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (EEPL) with Lux Industries Limited. While J.M. Hosiery owns the men's brand GenX, Ebell Fashions owns the women's brand Lyra, thereby their accretion to the Lux business is expected to be complementary, profitable and transparent.

**State-of-the-art facilities:** The Company enhanced cutting-edge technology orientation by introducing a bouquet of modern equipment imported from reputed brands. The Company has 108 sewing machines from Singapore, 11 high-speed knitting machines from Germany and 2 cutting machines from Singapore and Italy, enabling it to manufacture more than 20 crore garment pieces ever year, the largest in the Indian innerwear textiles sector.

## Outcomes of our resilient business model

Revenues stood at ₹1207 crore in FY2019-20 compared to ₹1218 crore in FY2018-19

Exports stood at ₹133 crore in FY2019-20 compared to ₹136 crore in FY2018-19

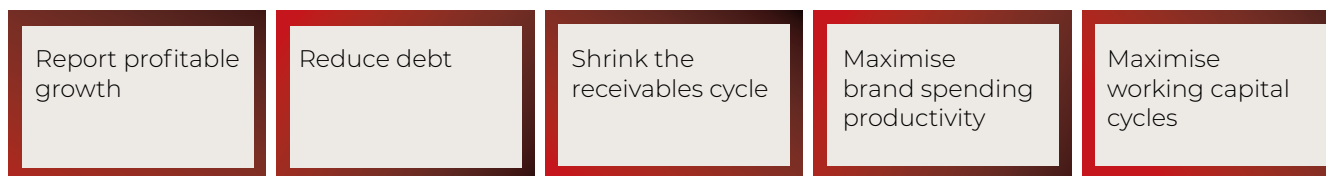
EBITDA increased from ₹189 crore in FY2018-19 to ₹193 crore in FY2019-20

Reported a retention rate of 80% with a retention rate of 90% at the senior managerial level

Brand spending stood at ₹89.18 crore in FY2019-20 compared to ₹91 crore in FY2018-19

# BUILDING SUSTAINABILITY THROUGH FINANCIAL COMPETENCE

## OBJECTIVES



### Overview

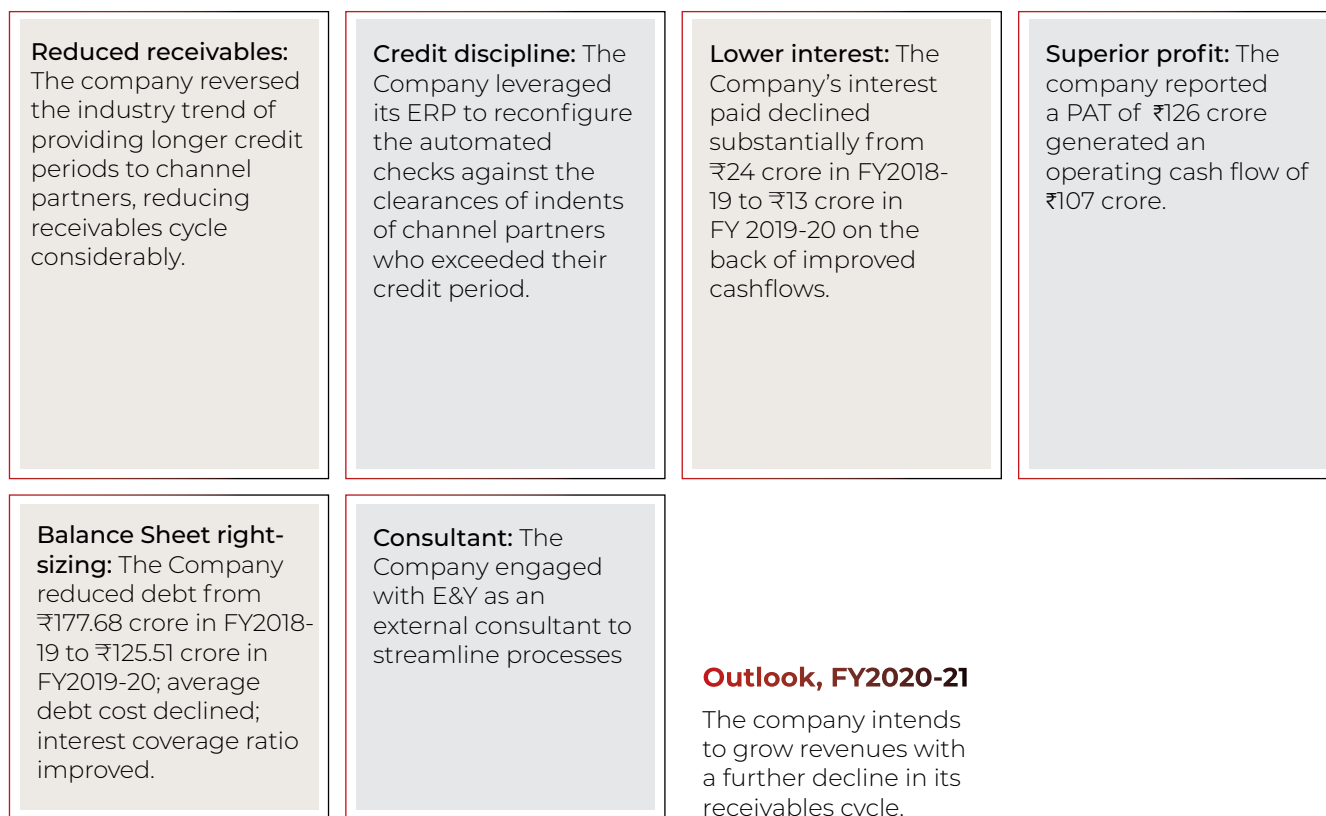
India's hosiery sector is marked by players attempting to balance the contrasting priorities of capacity expansion on the one hand and overhead optimisation on the other, making prudent funds management critical.

The company reinvested accruals with the objective to maximise

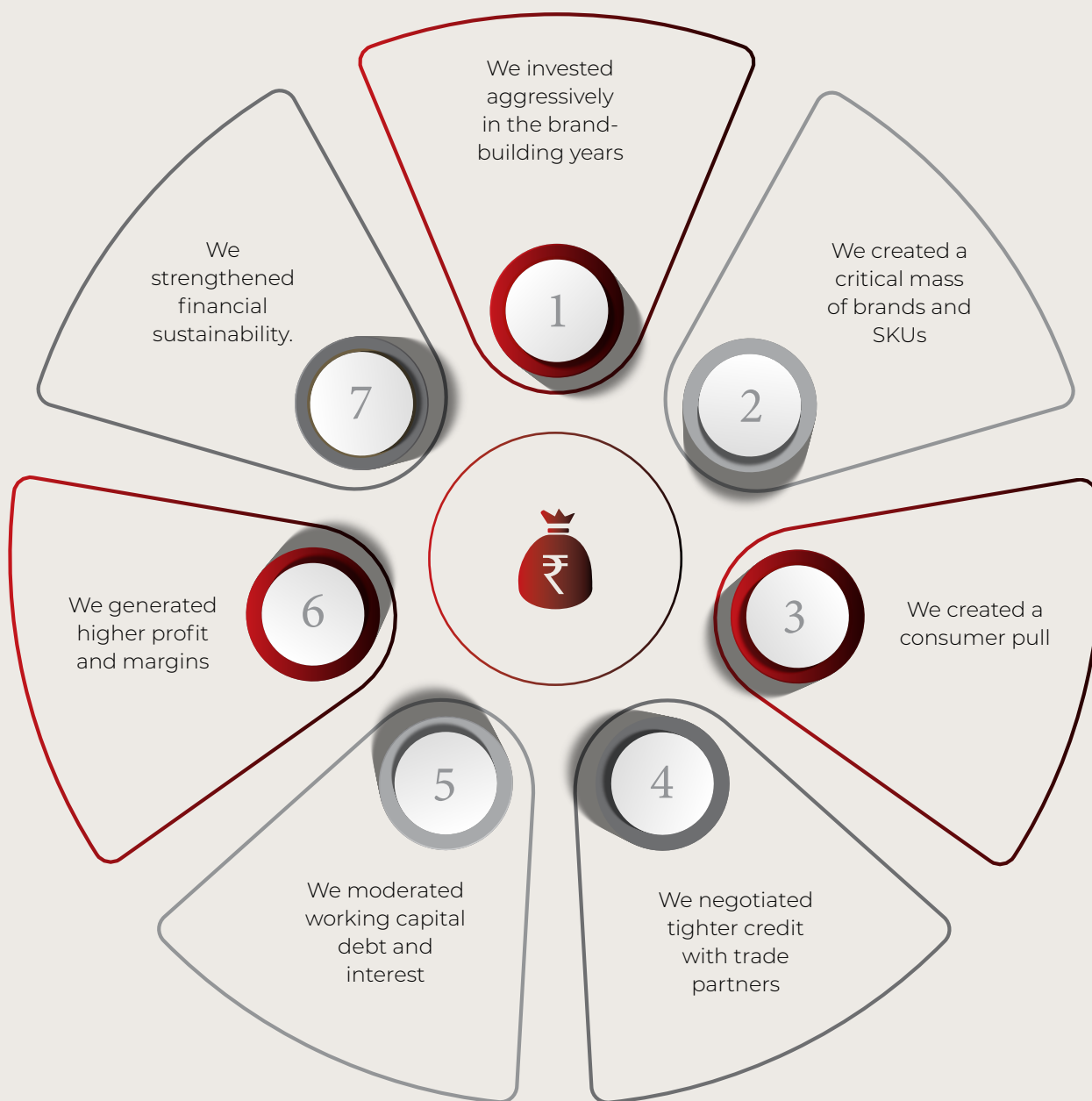
growth, generate a healthy cash flow, increase margins and enhance shareholder value. During the year under review, the company encountered a consumption slowdown on account of a national liquidity crunch and aggravated by the COVID-19 outbreak.

Despite these headwinds, the Company reported substantial sales during the year under review complemented a 2.12% growth in EBITDA and 39 bps increase in EBITDA margin in FY2019-20.

### Highlights, FY2019-20

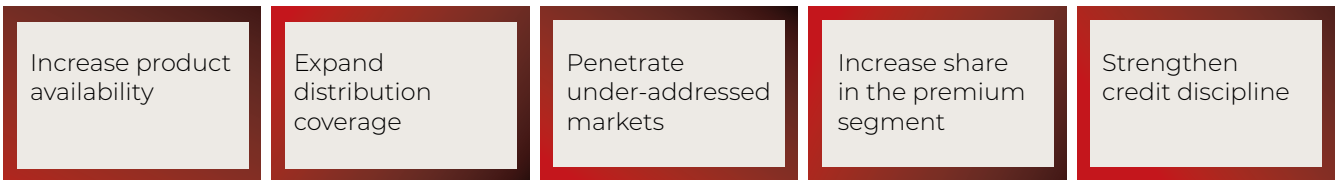


# HOW WE TRANSFORMED OUR FINANCIAL MODEL



# REINFORCING SUSTAINABILITY THROUGH OUR DISTRIBUTION AND MARKETING

## OBJECTIVES



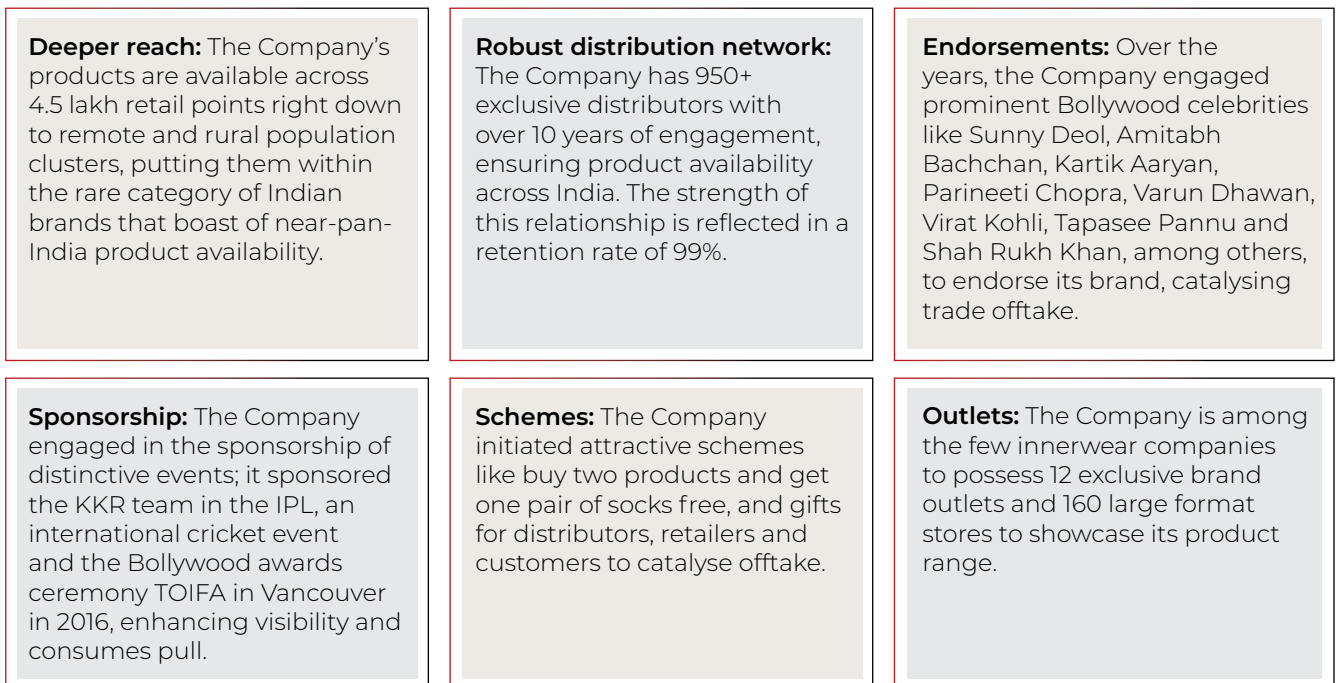
### Overview

In a retail-driven sector, where the product is marked by frequent replenishment, success is derived from the ability to place products in close proximity to the consumers. The Company's extensive distribution relationships helped replenish sales with speed; the large pan-India distributor family (950+ across India) enhanced product accessibility

right down to small population clusters in India. Over the past few years, the company created an online presence through e-commerce-focused websites, enhancing access and availability. During the year under review, the company launched One8 on an online platform followed by a select distribution network. The result: the

offtake of the premium product grew quarter on quarter with an increasing proportion of repeat indents from trade partners. Lux was the first Indian innerwear company to organise distributor and owner conferences within and outside India, empowering the trade to stock more and rewarding the most productive.

### Strengths



## Strengthening the network, FY2019-20

**Network:** The Company enjoys a strong presence in the northern, eastern and western parts of the country on the back of its robust network.

**Engagement:** The Company organised dealer conferences in Bahrain and Gurgaon.

**Research:** The Company conducted statewise, districtwise, citywise and townwise analysis to identify potential markets.

**New channel:** The Company invested in a new line of channel partners for marketing One8 products. It engaged 75 professionals to market One8 across 120 cities.

## New initiatives, FY2019-20

**Endorsements:** The Company on-boarded Amitabh Bachchan and Kartik Aaryan as brand ambassadors for Lux Inferno; the Group engaged Tapasee Pannu as brand ambassador for Lyra, transforming it from a functional product to a lifestyle product.

**Extension:** The Company launched a promotional campaign for ONN T-shirts, an effective brand extension.

**Promotions:** The company forayed into promotions through the consumer scheme of 'buy two products and get two containers free' for Lux Cozi; the scheme proved to be a success.

**Premium:** The company acquired the manufacturing and marketing rights of Virat Kohli's brand One8, increasing its share of the men's premium innerwear segment.

## Outlook, FY2020-21

The company is in the process of collating retailer data with the objective to reach out to them and strengthen its engagement with the market place.

### How we invested in our distribution framework

99

(%), Retention among distributors

950+

Number of distributors as on 31 March 2020

### What we generated from the network

1

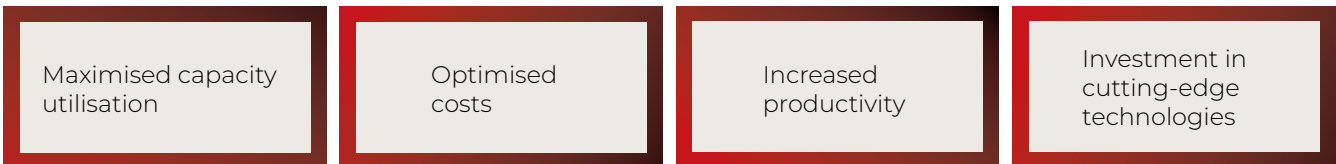
(Rank), Lux among the domestic mid-market innerwear players by volume

2000

(Lakh pieces), sales in a year

# DEEPENING SUSTAINABILITY THROUGH MANUFACTURING EXCELLENCE

## OBJECTIVES



### Overview

In the business of hosiery products, success is reinforced through the ability to manufacture around a high standard of excellence.

Over the years, the company invested in manufacturing operations to enhance its value chain, enhance quality consistency,

optimise costs and strengthen responsiveness to markets.

The company invested in one of the largest knitting facilities in Eastern India in its Dankuni facility, generating superior economies of scale. The company segregated its automation-intensive (in-sourced)

and labour intensive functions (outsourced), making it possible to scale a labour-intensive operation in a people-light manner; the Company shifted from labour-based production to machine based production, helping increase productivity with quality.

### Strengths



## Highlights, FY2019-20

**The** Company's longstanding contractors engaged in stitching, employ more than 40,000 workers, a robust ecosystem.

**The** Company achieved high capacity utilisation across all units

**The** Company installed CAD, a software program that enables designers to create garments and designs (specific weave and knit patterns)

## Outlook, FY2020-21

Lux plans to utilise 100% of its manufacturing capacity with higher efficiency and consistency.

# 176

(₹ crore), Gross fixed assets as on 31st March, 2020

## LUX'S PRESENCE ACROSS THE ENTIRE MANUFACTURING VALUE CHAIN

Process	In house/ outsource
Yarn	Outsourced from mills under Lux's supervision.
Knitting	In-house
Processing (bleaching, dyeing and colouring)	Outsourced but supervised
Cutting	In-house
Stitching	Outsourced but supervised
Packaging	In-house

# CORPORATE SOCIAL RESPONSIBILITY

## Overview

At Lux, we play the role of a responsible corporate citizen. We paid forward to society from the time we went into business and well before CSR became mandatory for organisations.

Our role is defined by a number of priorities.

**One**, we believe in sharing our success with communities.

**Two**, our corporate social responsibility projects are aligned with national and regional priorities.

**Three**, we have extended beyond mere cheque-writing to a deeper engagement with the objective to make a lasting difference.

**Four**, we partner specialised agencies who possess deeper on-ground experience and understanding.

**Five**, we believe in making initial investments where a moderate engagement from our side can translate into disproportionately larger societal impact.

**Six**, we focus on responsible engagement where we empower beneficiaries to assume control of their lives.

## Commitment, FY2019-20

During the financial year under review, the Company invested ₹1.91 crore in CSR initiatives. The Company focused on initiatives in the areas of education, health and sanitation, backward society development, support for the old age homes, animal welfare, environmental protection and the promotion of traditional arts and culture.



### Education

- Donated ₹38 lakh in private and government schools in West Bengal.
- Collaborated with Friends of Tribal Society to provide quality education to the underprivileged rural and tribal masses in West Bengal, benefitting more than 2,000 students.



### Social welfare

- Collaborated with Calcutta Vastra Vyavsayi Seva Samity to distribute clothes to more than 500 deprived people.
- Collaborated with some organisations to provide groceries and essential items to needy people.
- Collaborated with Little Sisters of the Poor to provide basic necessities to elderly people.



### Livelihood development

- Provided financial assistance to more than 100 small scale hosiery tailors for growth.



### Animal welfare

- Collaborated with Akhil Bharat Goraksha Sansthan and Hanuman Seva Samiti to provide food and shelter to cows in Rajasthan.





### Health and sanitation

- Collaborated with Anandalok Hospital in Kolkata to provide free medicines and treatment to needy patients.
- Installed more than 100 bins in and around West Bengal, Orissa and Jamshedpur in line with government's Swacch Bharat Abhiyan.
- Installed water purifiers in railway stations in Kolkata, providing safe drinking water to the public.



### Environment protection

- Distributed jute bags to discourage use of plastics.



### Relief measures

- Contributed ₹50 lakh in Emergency Relief Fund for Covid-19, emphasising our status as a responsible corporate citizen



### Art and culture preservation

- Contributed towards traditional art and cultural programmes in and around Kolkata.

# OUR MANAGEMENT

**Mr Ashok  
Kumar Todi,**  
*Chairman*

He is a commerce graduate and has been engaged in the hosiery business from last four 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 innovative 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 Saket Todi,**  
*President  
(Marketing)*

He has completed his 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.

**Mr Udit Todi,**  
*President  
(Strategy)*

He has his Master of Science in Finance from The London School of Economics and Political Science (LSE). His expertise in the field of finance and proficiency in management of the Company's marketing activities have been highly beneficial for the Company.

**Mr Ajay Kumar  
Patodia,** *Chief  
Financial Officer*

He is a Chartered Accountant and has been associated with the Company since 2005 and is an expert in the field of finance and taxation. His efforts have helped Lux to identify opportunities to accelerate growth and enhance profitability through every stage of economy.

# BOARD OF DIRECTORS



**Mr Ashok  
Kumar Todi,**  
*Chairman*



**Mr Pradip  
Kumar Todi,**  
*Managing Director*



**Mrs Prabha Devi  
Todi,** *Director*



**Mr Nandanandan  
Mishra,** *Director*



**Mr K. K. Agarwal,**  
*Director*



**Mr Snehasish  
Ganguly,** *Director*



**Mrs Rusha Mitra,**  
*Director*

# CORPORATE INFORMATION

## Board of Directors

**Mr Ashok Kumar Todi**  
Chairman

**Mr Pradip Kumar Todi**  
Managing Director

**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

**Chief Financial officer**  
**Mr Ajay Kumar Patodia**

**Company Secretary and  
Compliance Officer**  
**Mrs 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: mailmanager@karvy.com

## Auditors

**M/s. S.K. Agrawal And Co.**  
Chartered Accountants

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,  
Kolkata-700001.

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, DN-52, Sector-V  
10th Floor, 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 25th Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2020.

## 1. Standalone Financial Highlights

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Revenue from Operations	1,20,269.43	1,20,868.07
Other Income	421.17	919.78
Total Revenue	1,20,690.60	1,21,787.85
Profit Before Tax	16,696.86	15,464.14
Tax Expense (Including Deferred Tax)	4,095.56	5,332.74
Profit after Tax	12,601.30	10,131.40

## Consolidated Financial Highlights

(₹ in lakhs)

Particulars	March 31, 2020*	March 31, 2019
Revenue from Operations	1,20,612.80	1,20,704.77
Other Income	377.13	904.26
Total Revenue	1,20,989.93	1,21,609.03
Profit Before Tax	16,344.72	15,211.25
Tax Expense (Including Deferred Tax)	4,096.45	5,331.84
Profit after Tax	12,248.28	9,879.41

\*Note: In the financial year 2019-20, Altai Industries Private Limited cease to be the subsidiary of your company with effect from May 14, 2019. Consolidated financial results highlights comprise of Lux Industries Limited and its subsidiaries, Artimas Fashions Private Limited and Altai Industries Private Limited (till May 13, 2019).

## 2. Operating & Financial Performance

This year we faced challenging and uncertain times as India got struck by Covid-19 pandemic in mid-March 2020. Since then the government across states started implementing stringent lockdown measures which led to disruptions and halt in economic activities across industries and sectors. The Company was growing at a healthy rate, until the last few days of the year as Company had to temporarily shut its plants and business operations as per the government's lockdown directives. This led to loss of revenue and in turn impacted its bottom line.

Despite these challenging situations Company's performance is noteworthy, and Company has been able to maintain its margins which are way better than industry average.

The EBIDTA of the Company for the Financial Year 2019-20 is ₹192.52 crores as against ₹189.48 crores in previous Financial Year 2018-19. The PAT of the Company for the current Financial Year is ₹126.01 crores as against ₹101.31 crores in previous Financial Year. The earnings per share is ₹49.90 against ₹40.12 in the previous year.



As the Company informed to the Stock Exchanges, where the shares of the Company are listed that with effect from 23rd March, 2020 till the end of April, 2020, plants were closed following the Government directives in the wake of COVID-19 outbreak.

The Company have been able to resume its plant operation from May 2020, after taking all regulatory approvals and are adhering to all requisite norms of Social Distancing, Health and Safety except lockdown period. The Dankuni Plant of your company having an area of 5 lakhs square feet is running at optimum capacity, combined with cost efficiency measures have helped Company to improve margins. The Company has its other manufacturing capacities at Dhulagarh, Ludhiana and Tiruppur. The Company has its sales offices almost all over the country.

There is no change in the nature of the business of the Company. There was no significant and material order passed by regulators or courts or tribunal impacting the going concern status and Company's operation in future.

All factories of Company had been working efficiently during the year. Safety measures and processes have been installed and improved upon at all plants and work sites.

### 3. Composite Scheme of Arrangement

During the year under review, the Company has received NOC from SEBI for the Composite Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 (the 'Scheme') for Amalgamation of Transferor Companies i.e. J.M. Hosiery & Co. Limited and Ebell Fashions Private Limited into Transferee Company i.e. Lux Industries limited and has filed the Scheme before the NCLT, the scheme is under process and expected to be completed soon. The Appointed Date for the Scheme is April 1, 2018.

### 4. Performance of Subsidiary Companies

Altai Industries Private Limited ceases to be the subsidiary of your company with effect from May 14, 2019. During the year under review Artimas Fashions Private Limited ceased to be a wholly owned subsidiary of the Company and becomes a subsidiary of the Company and it has started manufacturing & selling of hosiery goods under the brand name of One8- Brand of Indian Cricket Team's Captain Virat Kohli.

### 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. The board, to give maximum returns to the shareholders, has approved a pay out ratio of 25% of the annual Standalone Profit After Tax of the Company.

The Company recommended/declared dividend as under:

	Financial Year 2019-20	Financial Year 2018-19
	Dividend Per Share in ₹	Dividend Per Share in ₹
Interim Dividend	10.00	-
Final Dividend	(*)2.50	3.50
Total Dividend	12.50	3.50

\* Recommended by the Board of Directors at its meeting held on June 29, 2020. The payment is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company to be held on 24th September, 2020.

### 6. 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.

### 7. Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in accordance with 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- L.

### 8. Share Capital

During the year under review, there were no changes in the Share Capital of the Company.

### 9. Transfer to Reserves

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

### 10. Transfer to Investor Education and Protection Fund

During the financial year under review, your Company has transferred unpaid/unclaimed dividend, amounting to ₹1,94,203/- for Financial Year 2011-12 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, 2013 at the Annual General Meeting held on September 27, 2013 will be transferred to the Investor Education

and Protection Fund (IEPF) of the Central Government by November, 2020 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.

6,005 Equity shares in respect of 4 folios corresponding to the dividend for the year ended on March 31, 2012 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 due individual notices to concerned Shareholders and advertisements in newspapers were served by the Company in this regard.

200 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 will be liable to transfer 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. Due individual notices to concerned Shareholders and advertisements in newspapers will be served by the Company so that they claim before transferring to avoid transfer of their shares to IEPF.

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 made 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 the date of ensuing AGM will be uploaded on the website of the company <https://www.luxinnerwear.com/under the 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.

### 11. 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.

### 12. Particulars of Loans, Guarantees or Investments

Details of the loan made by the Company are given below.

(₹ in lakhs)

Name	Rate of Interest	Max amount of Outstanding	Purpose
Manamaa Garments	8%	59.96	Working Capital Loan
Artimas Fashions Private Limited	9%	691.63	Working Capital Loan
Jalan & Sons HUF	8%	16.93	Working Capital Loan

The details of investments made by company are given under the notes to the financial statements.

### 13. 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.

### 14. Corporate Social Responsibility Initiatives

Pursuant to section 135 of the Companies Act 2013, read with rules made there under, your directors have constituted a Corporate Social Responsibility Committee. The Company works primarily through its CSR trust, the Lux Foundation 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 ₹191.90 Lakhs against a prescribed amount of ₹242.80 Lakhs. The difference will be covered on finding right projects which will benefit the society at most and in which support will reach to the beneficiaries directly.

The CSR Policy may be accessed on the Company's website at the link: [https://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies\\_03.pdf](https://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_03.pdf)

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

### 15. 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.

## 16. Corporate Governance

Your 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'.

## 17. 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 Ajay Kumar Patodia, Chief Financial Officer is set out in Annexure 'E' forming part of this report.

## 18. Directors & Key Managerial Personnel Retirement by Rotation

Mrs Prabha Devi Todi, Executive Director (DIN: 00246219), retires by rotation and, being eligible, offers herself for re-appointment. The Directors recommend her re-appointment.

Brief resume/details of Mrs Prabha Devi Todi (DIN: 00246219) is furnished in the annexure to the notice of the ensuing Annual General Meeting as required under the Code of Corporate Governance.

The following persons 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
2.	Mr Pradip Kumar Todi	Managing Director
3.	Mr Ajay Kumar Patodia	Chief Financial Officer
4.	Mrs Smita Mishra	Company Secretary & Compliance Officer

There has been no change in KMP during the year under review.

## 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 our website at [http://www.luxinnerwear.com/upload%20pdf/Cgovernance/id\\_02.pdf](http://www.luxinnerwear.com/upload%20pdf/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, your 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 your Company's procedures and practices, from time to time, besides regular briefing by the members of the senior leadership team.

The details of such familiarization programs for Independent Directors may be accessed on the company's website:- [https://www.luxinnerwear.com/upload%20pdf/Cgovernance/id\\_01.pdf](https://www.luxinnerwear.com/upload%20pdf/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 13, 2020 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://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies\\_07.pdf](https://www.luxinnerwear.com/upload%20pdf/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. Additional meeting, if any, is convened by giving appropriate notice in order to meet the requirements.

During the year, four Board Meetings and four 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.

## 19. Director's 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, 2020, 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, 2020 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.

## 20. Related Party Transactions

All related party transactions that were entered into during the financial year were at 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 Personnels 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://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies\\_09.pdf](https://www.luxinnerwear.com/upload%20pdf/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 with whom transactions were held 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 were given in the notes no. 33 to accounts.

## 21. Subsidiaries, Associate and Joint Ventures Companies

The Company has one Subsidiary Artimas Fashions Private Limited (Unlisted Private Limited Company) and during the year under review Altai Industries Private Limited cease to be the subsidiary of your company with effect from May 14, 2019. Further the Company does not have associate and there were no joint ventures entered into by the company.

## 22. 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. 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:- [http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies\\_10.pdf](http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_10.pdf)

## 23. 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'.

## 24. Auditors

M/s S K Agrawal And Co., Chartered Accountants (Firm Registration Number: 306033E) Statutory Auditors of the Company have submitted their Independent Auditor's report on the financial statement of the Company for the year ended on March 31, 2020.

Members of the Company at the Annual General Meeting (AGM) held on September 21, 2017, approved the appointment of M/s. S K Agrawal And Co., Chartered Accountants, as the Statutory Auditor of the Company for a period of five years commencing from the conclusion of the 22nd AGM of the company held on September 21, 2017 until the conclusion of the 27th AGM of the company to be held in the year 2022.

In terms of provision relating to appointment of statutory auditor forming part of the companies amendment Act 2017 notified on May 7, 2018 ratification of the appointment of Statutory Auditors at every AGM is no more a legal requirement. Accordingly the notice convening the ensuing AGM does not carry any resolution on ratification of the appointment of Statutory Auditor of the Company for financial year ending March 31, 2020.

## 25. Insider Trading Code

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') on prevention of insider trading, your 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 there is no change in the Code made by the Company. Your 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 changes 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 [https://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies\\_02.pdf](https://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_02.pdf)

## 26. Ratings

During Financial Year under review, Acuite Research & Ratings

Limited (Previously known as SMERA Ratings Limited) has reaffirmed the following ratings given to the Company:-

(₹in Crores)

Ratings	Amount	Category
ACUITE AA	374.18	Long-Term Instruments
ACUITE A1+	1.50	Short Term Instruments
ACUITE A1+	50.00	Commercial Paper

## 27. Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure 'I'.

## 28. Business Responsibility Report

The Company was ranked 423 by National Stock Exchange out of 500 top listed companies in India based on market capitalization as on January 31, 2019. Accordingly in compliance with regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has prepared Business Responsibility Report, which forms part of the Annual Report as Annexure 'J'. The Report provides a detailed overview of initiatives taken by your Company from environmental, social and governance perspectives.

## 29. 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.

## 30. 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.

## 31. Particulars of Employees

As on March 31, 2020, total number of employees on the records of your Company was 1561 as against 1496 in the previous Financial Year. Your 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.

The ratio of remuneration of each director to the median of employee's 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 is annexed herewith as Annexure 'K(i)'.  
A statement containing the names of top 10 employees in terms of remuneration drawn and every person employed throughout the year, who were in receipt of remuneration in terms of rule 5(2) and 5(3) of the Companies (Appointment and Remuneration Personnel) Rules 2014 is annexed herewith as Annexure 'K(ii)'.

A statement containing the names of top 10 employees in terms of remuneration drawn and every person employed throughout the year, who were in receipt of remuneration in terms of rule 5(2) and 5(3) of the Companies (Appointment and Remuneration Personnel) Rules 2014 is annexed herewith as Annexure 'K(ii)'.

### 32. Prevention of Sexual Harassment at workplace

Your 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 employee. 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 relating of complaints filed, disposed and pending during the financial year is provided in the Corporate Governance report of this Annual Report.

### 33. Board Policies

During the year Company has not approved any new policy 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 board revised and adopted following policies:

Name of the Policy	Summary of Key Changes	Web link (if any)
Nomination and Remuneration Policy	The Nomination and Remuneration Policy was amended in line with SEBI (LODR) Regulations, 2015 and Companies Act, 2013 as amended from time to time.	<a href="https://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_07.pdf">https://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_07.pdf</a>
Dividend Distribution Policy	The Dividend Distribution Policy was amended to include the minimum pay out ratio.	<a href="https://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_14.pdf">https://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_14.pdf</a>

### 34. Annexures forming part of Board 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	Particulars
Annexure - I	Extract to the Annual Return in Form MGT-9.
Annexure -J	Business Responsibility Report ('BRR').
Annexure - K	(i) 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.
	(ii) Statement containing the names of top ten employees as required under section 197(12) of the Companies Act 2013 read with the rule 5(2) and 5(3) of the Companies (Appointment and Remuneration Personnel) Rules 2014.
Annexure - L	Statement containing salient features of the financial statements of Subsidiaries in Form AOC-1.
Annexure - M	Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo.

### 35. Conservation of Energy, Technology Absorption and Foreign Exchange Earning 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 'M'.

### 36. Acknowledgement

Your 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

Kolkata  
June 29, 2020

**Sd/-**  
**Ashok Kumar Todi**  
*Chairman*  
DIN:00053599

## 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 of 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

- 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 -

#### 4.1.1 Financial parameters and 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 crystallization of contingent liabilities, if any
- ix. Up gradation of technology and physical infrastructure
- x. Creation of contingency fund
- xi. Acquisition of brands and business

- xiii. Cost of Borrowing
- xiv. 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

#### i. 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's 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](http://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.



## 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:

Your company strongly believes in development of and giving back to the society. Long term view is taken in implementation of the CSR program. The objective of the company is to improve quality of life with direct intervention with the society. During the year the CSR expenditure was done in the following areas as 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
- Women empowerment
- Promotion of traditional art and culture
- Ensuring environmental sustainability,
- Making available safe drinking water.

The CSR Policy is available on the Web Link:-

[http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies\\_03.pdf](http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_03.pdf)

2. Composition of CSR committee:

Name of the Committee Member	Designation
Mr Ashok Kumar Todi	Chairman
Mr Pradip Kumar Todi	Member
Mr Kamal Kishore Agrawal	Member

3. Average net profit of the company for last three financial years:  
Average net profit: ₹12,139.92 Lakhs
4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above):  
The company is required to spend ₹242.80 Lakhs
5. Details of CSR spend for the financial year:
  - a) Total amount spent for the financial year:- ₹191.19 Lakhs
  - b) Amount unspent if any:- ₹51.61 Lakhs
  - c) Manner in which the amount spent during the financial year is detailed below:-

Sl. No.	CSR Project/ Activities	Sector	Locations	Amount outlay (budget) project or program wise ₹ (In Lakhs)	Amount spent on the project or programs ₹ (In Lakhs)	Cumulative expenditure up to the reporting period ₹ (In Lakhs)	Mode of implementation (Direct or through implementing agencies)
1	Promotion of Education	Schedule VII (ii) Promotion of Education	Local & Other area, Kolkata, West Bengal.	60.00	38.72	38.72	Friends of Tribal Society and others.
2	Healthcare	Schedule VII (i) Promoting healthcare	Local area, West Bengal- Kolkata	20.00	2.11	2.11	Anandloke Hospital, Lux Industries Limited/Lux Foundation through Mr Pradip Kumar Todi and others.
3	Social Welfare	Schedule VII (iii) Social Welfare of Socially and economically backward group	Local area, West Bengal- Kolkata	10.00	21.04	21.04	Natraj Yuva Sangha, Calcutta Vastra Vyaavsayi Samity, Narayan Seva Sansthan, Care Kankurgachi, Bengal Hosiery Tailors.
4	Animal Welfare	Schedule VII (iv) Animal Welfare	Jalore, Salasar-Rajasthan, Kolkata, west Bengal	40.00	28.00	28.00	Shri Hanuman Seva Samity, Akhil Bharata Goraksha Sansthan, Shri Nimbark Gouseva Trust.
5	Support to elderly people	Schedule VII (iii) Old age homes, day care centres and other facilities for senior citizen.	Local area, West Bengal- Kolkata	5.00	1.51	1.51	The Little Sisters of Poor.
6	Promotion of traditional art and culture	Schedule VII (v) Promotion of traditional art and culture	Local area, West Bengal- Kolkata	5.00	22.30	22.30	Indian National Forum of Art & Culture, Bihar Nagrik Sangh Trust, Paschim Bangiya Marwari Sammelan, Narayani Tandhandas Deosar, Narayan Urja
7	Ensuring Environmental Sustainability.	Schedule VII (iv) Ensuring Environmental Sustainability.	Puri, Odisha, Jamshedpur, Jharkhand, Saltlake, Kolkata and other local areas of West Bengal.	50.00	26.92	26.92	Newage Clean Solutions Private Limited & Green Clean Media Works
8	Making available safe drinking Water	Schedule VII (i) Making available safe drinking Water.	Local area, West Bengal- Kolkata	5.00	0.59	0.59	Through Amito Label Kraft..
9	Emergency Relief Fund	Schedule VII (xii) Relief activities.	Local area, West Bengal, Kolkata	50.00	50.00	50.00	Emergency Relief Fund.
				245.00	191.19	191.19	

\*Details of Implementing CSR Agencies.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:  
During the year under the Company has spent ₹191.19 Lakhs out of ₹242.80 Lakhs. The Reasons for not spending are provided in the Board's Report.

7. Responsibility Statement:

The Responsibility Statement of the CSR Committee of the Board is reproduced below:-

'CSR Committee confirms that the implementation and monitoring of CSR Policy is in line with the CSR Objectives and Policy of the Company.'

For and on behalf of the Board of Directors

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

Kolkata  
June 29, 2020

## MANAGEMENT DISCUSSION AND ANALYSIS

### Global economic overview

The global economy grew 2.9% in 2019 compared to 3.6% in 2018, as the result of an increase in trade disputes globally and slowdown of the manufacturing sector, coupled with a global financial crisis and Brexit. Global trade also grew a mere 0.9 in 2019 due to trade tensions and slower economic growth.

### Global economic growth over five years

	World output	Advanced economies	Developing and emerging
2015	3.5	2.3	4.3
2016	3.4	1.7	4.6
2017	3.9	2.5	4.8
2018	3.6	2.2	4.5
2019	2.9	1.7	3.7

(Source: IMF)

### Indian economic review

The Indian economy slowed to 4.2% in FY2019-20, compared to 6.1% in FY2018-19. India emerged as the fifth-largest world economy in 2019. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. The country climbed 79 positions in five years and was among the top 10 performers for the third year running.

The nominal exchange rate (the Indian rupee (₹) or INR vis-à-vis the US Dollar) exhibited sizable two-way movements during October-December 2019. The INR came under intensified and sustained depreciation pressures beginning mid-January 2020, reflecting a generalized weakening of emerging market currencies amidst flights to safety.

The nominal per capita net national income was estimated at ₹134,226 in FY2019-20, up 6.1% from ₹126,521 in FY2018-19. Retail inflation climbed to a six-year high of 7.59% in January 2020.

Growth in nominal rural wages, both for agricultural and non-agricultural labourers,

remained subdued averaging around 3.4% and 3.3%, respectively during FY2019-20 so far (until January 2020), reflecting a continued slowdown in the construction sector.

The government reduced corporate tax income rate (CIT) to 22% from 30%; it announced a new tax rate of 15% for new domestic manufacturing companies, strengthening the Make-in-India initiative. The new effective CIT would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average statutory CIT of 23.03%.

The outbreak of COVID-19 and the subsequent lockdown enforced in the country are expected to moderate demand. Intensification of social distancing is expected to lead to supply

side as well as demand side shocks.

Supply chain disruptions could hurt domestic production in sectors which are dependent on imported inputs such as pharmaceuticals, autos, chemicals, power, etc.

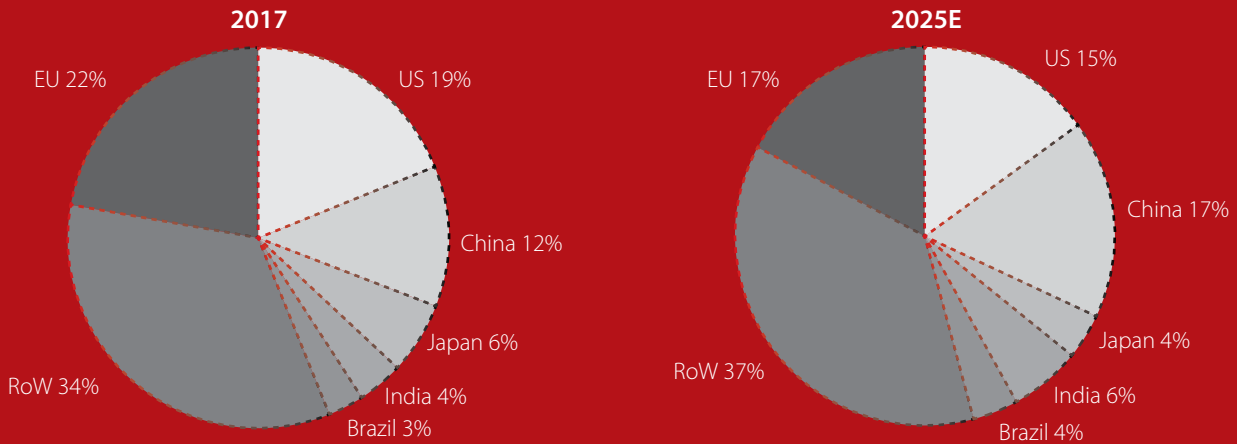
**THE GOVERNMENT REDUCED CORPORATE TAX INCOME RATE (CIT) TO 22% FROM 30%; IT ANNOUNCED A NEW TAX RATE OF 15% FOR NEW DOMESTIC MANUFACTURING COMPANIES, STRENGTHENING THE MAKE-IN-INDIA INITIATIVE.**

### Growth of India's GDP in FY2019-20

	Q1, FY20	Q2, FY20	Q3, FY20	Q4, FY20
Real GDP growth (%)	5.2	4.4	4.1	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, RBI, Franklin Templeton, PIB)

### Global Apparel Consumption – Country wise share



(Source: UN Comtrade, Wazir Analysis, Televisory's Analysis)

### Indian textiles and apparel industry

India is the world's second largest producer of textiles and garments. The textile industry plays a significant role in the economy, contributing to over 13% of industrial output and over 2% of GDP. The industry employed more than 4.5 crore citizens, another 6 crores in allied sectors and contributed ~15% to the export earnings of India in 2019-20.

The domestic textile and apparel market was estimated at US\$ 100 billion in 2018-19, growing at a CAGR of 10% since 2005-06. While men's clothing continued to

constitute to be the biggest chunk of the local apparel market, at 41%; women wear contributes 38%, followed by kids wear at 21% of the overall market is the fastest growing segment in India. Rising per capita income, favourable demographics and a shift in preference to branded products is expected to catalyse demand. India's textile and apparel exports stood at US\$ 38.70 billion in 2018-19 and expected to increase to US\$ 82.00 billion by 2021 from US\$ 11.92 billion in FY20 (up to July 2019).

Increase in domestic demand is set to boost fabric production. Fabric production in

FY19 stood at 70 billion square meters and at 29.04 billion square meters by August 2019. Apparel manufacturers are diversifying exports into countries such as Japan, Israel, South Africa, and Hong Kong. India is highly integrated into GVCs of countries such as Bangladesh, South Africa, Sri Lanka, UAE, Belgium, US, Indonesia, Malaysia, UK and Hong Kong, India's textile industry is at the confluence of favourable quantity and price of raw materials. In addition to cost competitiveness over China and Brazil, India also has diverse supply of raw materials. (Source: IBEF)

## India advantage

**Cost:** Countries like USA, Turkey, Korea, Egypt, China and Brazil have high textile manufacturing costs whereas the manufacturing costs for textiles in India and Indonesia are lesser.

**FDI:** The comparative and competitive cost advantage of India is also likely to attract substantial FDI into the Indian textile industry. The Indian government introduced a number of export promotion policies for the sector and has also allowed 100% FDI in the Indian textiles sector under the automatic route.

**Self-sufficient:** India is presently self-dependent across its textile value chain. It has sufficient raw materials/feedstock for the manufacturing Man Made Fibre (MMF) textiles. Adequate feedstock availability reduces India's dependency on other countries for raw materials and able to produce MMF textiles of international standard to meet the global demand.

**Skilled labour:** India has gained global appreciation as an attractive outsourcing destination mainly due to its abundant availability of labour force.

**US\$ 3.41 billion**  
FDI received by Indian textiles industry (including dyed and printed) from April 2000 to December 2019.

## SWOT analysis

### Strengths

Abundant raw material availability helps the industry to control cost and reduce the lead-time across operation

Availability of low cost and skilled manpower

The cultural diversity and rich heritage of the country offers inspiration base for designers.

Rising income levels, increasing urbanisation and growth of the purchasing population drive domestic demand.

Manufacturing flexibility helps to increase productivity

### Weakness

Highly fragmented

Higher dependence on cotton

Spinning sector lacks modernization and there is a need of introducing new technology

High power costs and long export lead times are eroding India's export competitiveness across the textile chain

Unfavourable labour laws

## SWOT analysis

### Opportunities

The trade is growing between regional trade blocs due to bilateral agreements between participating countries

Supply chain management and information technology plays an important role in apparel manufacturing. Availability of EDI (Electronic Data Interchange) makes communication fast, easy, transparent and reduces duplication

India has the opportunity to increase unit value realization by moving up the value chain to produce value-added products

Greater investments and 100% FDI

Emerging retail industry and malls provide huge growth for apparel industry

There has been an increase in seasons per year which has resulted in shortening fashion cycles

### Threats

Competition from other countries such as China

Market sluggishness due to the pandemic

### Government initiatives

The Government of India has assigned 207 Harmonized System Nomenclature (HSN) to promote India's technical textile industry and further increase its market size to ₹2 lakh crore (US\$ 27.72 billion) by 2020-21.

The Government of India approved a new skill development scheme named Scheme for Capacity Building in the Textile Sector with an outlay of US\$ 202.9 million from 2017-18 to 2019-20.

100% FDI (automatic route) is permitted in the Indian textile sector.

The new Textile Policy aims to achieve US\$ 300 billion textile exports by 2024-25 and create an additional 35 million jobs.

## Budgetary provisions, 2020-21

<p>The Government of India allocated ₹3,514.79 crore to the textile industry.</p>	<p>Allocated ₹761.90 crore for Amended Technology Upgradation Fund Scheme (ATUFS).</p>	<p>Allocated ₹3000 crore for skill development.</p>	<p>Allocated ₹1000 crore for ROSL, which is expected to be beneficial for exporters of made-ups and apparels.</p>	<p>Introduced National Technical Textiles Mission, which is expected to give thrust to production of a wide variety of textiles.</p>
<p>Allocated ₹350 crore for 2% interest subvention for all GST-registered MSMEs on fresh or incremental loans would give a big thrust to MSMEs. Considering that over 80% of the domestic apparel industry is in the MSME sector, this would boost the textile and apparel industry.</p>				

(Source: Economic Times, Fibre2fashion, Textile Excellence)

### Growth drivers

**Abundance of natural fibre:** The Indian textile industry principally depends on cotton as it forms the building block of the industry.

**Fashion market:** The Indian fashion market was at US\$ 70 billion, of which only 25% is organised and projected to grow at 8-10% CAGR to reach US\$ 100 billion in next five years.

**Millennial demand:** India is a young country with a median age of 28-29 years. Millennials account for 34% of the country's total population and ~47% of the working population.

**Affluent middle-class:** Aspiring and affluent households that earn between ₹5 lakh and ₹20 lakh per annum have helped spur domestic consumption in India over the past decade. Affluent households have more than doubled since 2008. Aspirers have jumped from 31 million households to 57 million. Elite households, those who earn upwards of ₹20 lakh, have grown from 3 million to 9 million.

**Increasing per capita income:** The nominal per-capita net national income during 2019-

20 was estimated at ₹134,226, a rise of 6.8% compared to ₹126,521 during 2018-19.

**Growing aspirations:** Even as India's population is growing on the one hand, the country's aspirations are growing on the other. One of the most visible manifestations of India's aspirational growth lies in the improving quality of lifestyle. This has led to an increase in demand of branded apparel.

**Rising population:** India is the second-most populous country with a population of around 1.36 billion in 2019 and growing at >1% per year, the largest population increment anywhere. This population growth, coupled with increased aspiration for a better lifestyle, is driving the demand for apparel.

**Urbanisation:** About 34% of India's population is urban; 400 million more are expected to become urban dwellers by 2050. By 2030, the proportion of India's urban population is expected to increase to 40% even as the population becomes larger.

**Western wear demand:** The western wear market was pegged at ₹1332.46 billion

in 2018. With more than 40% of working population and rising urbanisation, the demand for western wear is going to increase further and it is likely to become one of the top segments by market share in the future.

**Growing online brands:** The e-retail market in India is valued at US\$ 16.3 billion and expected to grow at a CAGR of 45% from 2017 to 2020.

**Working women:** Women comprise 48% of India's population while 23.6% women working commercially in the country. The increasing incidence of working women is strengthening the demand for apparel and branded innerwear.

**Growing fashion-consciousness:** With a rise in disposable incomes and sophistication of digital and other media, consumers are becoming more aware. There are around 7,000 qualified designers in India with more than 5,000 studying design.

(Source: Outlook India, Live Mint, Economic Times, IBEF, Statista, Department of Industrial Policy and Promotion)

## Textile and apparel industry in India (US\$ billion)

Year	Industry size
FY16	80
FY18	90
FY19	100
FY26	220

(Source: IBEF)

## COVID-19 impact on the Indian textile and apparel industry

The Coronavirus outbreak affected the global economy and textile & apparel industry. The nationwide shutdown brought India's textile & apparel industry to a standstill. The outbreak of the coronavirus in China had already disrupted the supply chain and Indian apparel manufacturers faced a shortage in supply of synthetic fabric and accessories. But after coronavirus moved to Europe and USA, production slowed. With retail stores in these markets temporarily closing, brands started putting their orders on hold. This disruption is expected to reduce demand by 15-20%, resulting in production and job losses. The textile players are expected to record a substantial decline in their topline and operating profits.

## Indian innerwear sector overview

The Indian innerwear market is currently estimated at ₹32,000 crore, accounting for 9% of the total domestic fashion retail market. Among all the fashion categories, innerwear has emerged as one of the fastest growing categories. The innerwear market is classified into five product categories: low, economy, mid-market, premium, and super-premium. The ₹650-crore super premium category grew 26% and the ₹1,800-crore premium segment by 22% whereas the ₹4,700 crore medium category, retailing at an average ₹250 a piece, grew at a much slower 17%. Most Indian brands are largely in the mid-to-economy segment, catering to the masses. There are more than 1 lakh MBOs (multi-brand outlets) across India, which account for over 60% of the total sales of undergarments, while the rest take place through modern trade formats like malls or online portals. (Source: Economic Times, India Retailing, the Print)

## Company overview

Lux Industries Limited was incorporated in 1995 and has emerged as one of the largest players in the hosiery business having a market share of 14% of the organised industry. The Company has more than 100 products across 16 brands to address the growing need of customers. The company has ~5,000 SKU's under various brands and sub-brands. The Company's six manufacturing facilities possess a cumulative capacity of 2,000 lakh garment pieces a year. With focus on growing exclusive retail outlets and in providing customers with a seamless buying experience, the Company's products are available in ~4, 50,000 retail points spread across India. Lux exports to nearly 46 countries across the globe.

## Financial overview

### Analysis of the profit and loss statement

**Revenues:** Revenues from operations declined by 1% from ₹1218 crore in 2018-19 to ₹1207 crore in 2019-20.

**Expenses:** Total expenses of the Company decreased by 21.91% from ₹1063.24 crore in 2018-19 to ₹1039.94 crore due to decrease in advertising & selling expenses. Raw material costs, which accounts for a 42.59% share of the Company's revenues increased by 11.49%.



## Analysis of the Balance Sheet

### Sources of funds

The capital employed by the Company increased by 5.39% from ₹594.82 crore as on 31st March 2019 to ₹626.90 crore as on 31st March 2020 owing to increase in shareholder's fund. Return on capital employed, a measurement of returns derived from every rupee invested in the business stood at 28.73% in 2019-20 compared to 29.97% in 2018-19 on account of market sluggishness.

The net worth of the Company increased by 20.48% from ₹413.92 crore as on 31st March 2019 to ₹498.69 crore as on 31st March 2020 owing to increase in reserves and surpluses.

Long-term debt of the Company increased by 20.81% to ₹6.39 crore as on 31st March 2020 owing to capacity expansion.

Finance costs of the Company decreased by 44.24% from ₹23.60 crore in 2018-19 to ₹13.16 crore in 2019-20 following the repayment of debts. The Company's interest cover stood at a comfortable 13.69 x in 2019-20 (7.55 x in 2018-19).

### Applications of funds

Fixed assets (gross) of the Company increased by 2.62% from ₹158.36 crore as on 31st March 2019 to ₹162.51 crore as on 31st March 2020 owing to an increase in plant and machinery. Depreciation on tangible assets increased by 2.47% from ₹10.60 crore in 2018-19 to 10.86 crore in 2019-20 owing to an increase in fixed assets during the year under review.

### Investments

Non-current investments of the Company reduced from ₹4.63 crore as on 31st March 2019 to ₹4.61 crore as on 31st March 2020.

### Working capital management

Current assets of the Company increased by 2.38% from ₹662.84 crore as on 31st March 2019 to ₹ 678.61 crore as on 31st March 2020 owing to the growing scale of business of the Company. The current and quick ratios of the Company stood at 2.24 and 1.02 in 2019-20 compared to 1.77 and 0.99, respectively in 2018-19.

Inventories including raw materials, work-in-progress and finished goods among others increased by 27.91% from ₹250.97 crore as on 31st March 2019 to ₹321.02 crore as on 31st March 2020. The inventory cycle stood at 3.04 in 2019-20 compared to 3.20 in 2018-19.

Cash and bank balance of the Company was ₹1.35 crore as on 31st March 2020.

Loans and advances by the Company reduced by 85.72% from ₹3.93 crore as on 31st March 2019 to ₹0.56 crore in 2019-20 on account of refund of loan given.

## Key Ratios

Particulars	2018-19	2019-20	% change
Debt-Equity Ratio	0.44	0.26	(41.17)
RONW (%)	24.48	25.27	3.24
Debtors' Turnover	3.22	3.58	11.19
Inventory Turnover	3.20	3.04	(4.92)
Interest Coverage Ratio (x)	7.55	13.69	81.25
Current Ratio (x)	1.77	2.24	26.45
Operating Profit Margin (%)	15.56	15.95	2.53
PAT Margin (%)	8.32	10.44	25.51

## Explanation on Key Financial Ratio

**Significant change in Current Ratio:** During the year current liability decreased due to repayment of short term borrowings.

**Significant change in Interest Coverage ratio:** During the year interest expense has reduced whereas profit has increased.

**Significant change in Pat Margin:** During the year reduction in income tax and other expenses has resulted in higher PAT margins.

**Significant change in Debt equity ratio:** Debt equity ratio reduced due to reduction in debt and increase in retained earnings of the company.

## 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.

**Geographic risk:** A slowdown in the global economy could have an adverse impact on global demand and exports.

**Mitigation:** The Company is currently present in 46 export countries and intends to expand into new markets. The Company derived 10.04% of its revenues from export sales in 2019-20.

**Competition risk:** Lux is exposed to competition risk from other domestic branded players and from Asian countries such as Sri Lanka, China and Taiwan.

**Mitigation:** The Company has invested in R&D, quality control, cost optimization, timely delivery and an extensive distribution network, resulting in a superior quality product that has enhanced its competitiveness.

**Commodity price risk:** Volatility in the price of basic raw materials (cotton, yarn and chemicals) could impact profitability.

**Mitigation:** The Company maintained strong long-term relationships with suppliers and negotiated long-term contracts, which helped it counter volatility. Through its backward integrated facility at Dankuni, the Company absorbed some increases in raw material prices.

**Changing fashion trends risk:** Failing to keep up with changing fashion trends could result in loss of sales and revenue.

**Mitigation:** The Company has been always ahead of trends due to the expertise of its in-house design team. The company offers more than 100 products under 16 brands, providing a bouquet of choice.

DURING THE YEAR SHORT TERM DEBT WERE PAID AND RETAINED EARNINGS OF THE COMPANY INCREASED.

**Liquidity risk:** A liquidity crunch could affect day-to-day operations.

**Mitigation:** The Company strengthened its cash flows by reducing the working capital cycle in Financial Year 2019-20.

**Safety risk:** The labour-intensive garment industry is exposed to accidents, health and injury risk.

**Mitigation:** The Company has developed and implemented critical safety standards across its manufacturing facilities and established training need identification protocol at each level.

**Human resource risk:** There is a need of qualified and talented manpower to sustain business growth.

**Mitigation:** The Company's employee strength stood at 1561 on 31st March 2020 while its retention rate stood 80% during the year under review.

### Internal control systems and their adequacy

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

### Human resources and industrial relations

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes 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 1561 as on 31st March 2020.

### Cautionary statement

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

## 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

Your Company is committed to and continues to practice good Corporate Governance. It will always be our endeavor to attain highest levels of accountability and equity in all actions and enhancement of value of all the stakeholders. The Company makes all legal and regulatory compliances. The Company is committed to benchmark itself with the best standards of Corporate Governance not only in form but also in substance. We adopt best corporate practices and principles of integrity and accountability to achieve excellence in its dealings. Apart from accepting the role of a responsible Corporate Representative, our 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 has an optimum combination of Executive and Non-Executive Directors. As on March 31, 2020, the Company's Board of Directors comprised of seven directors. The Chairman of the Board is an Executive Promoter Director. In addition, the Board comprises

of six other Directors; one Promoter Executive Director, one Woman Executive Director (as prescribed under Regulation 17 of Listing Obligations and Disclosures Requirements Regulations, 2015), one woman non-executive independent director (as prescribed under Regulation 17(1) of SEBI (LODR) (Amendment) Regulations, 2018) and remaining three 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 Ashok Kumar Todi, Mr Pradip Kumar Todi and Mrs Prabha Devi Todi, are related to each other. Mr Ashok Kumar Todi and Mr Pradip Kumar Todi are brothers and Mrs Prabha Devi Todi is the wife of their elder brother. 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, 2020 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	11	-	-	Product Development & Production.
Mrs Prabha Devi Todi	Lux Industries Limited	Executive & Non-Independent	1	-	-	Board service and governance.

Name of the Director	Name of the company*	Category of Directorship	No. of other Directorships**	No. of Committee Memberships***		Key skills & attributes****
				Chairman	Member	
Non-Executive & Independent						
Mr Nandanandan Mishra	Lux Industries Limited Viaan Industries Limited United Credit Limited	Non-Executive & Independent	2	3	6	Accounting & Financing, Legal, Board Service and governance.
Mr Snehasish Ganguly	Lux Industries Limited	Non-Executive & Independent	9	1	2	Printing and Packaging.
Mr Kamal Kishore Agrawal	Lux Industries Limited	Non-Executive & Independent	1	-	1	Accounting & Financing.
Mrs Rusha Mitra	Lux Industries Limited	Non-Executive & Independent	1	-	-	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 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 05, 2019.
Mr Ashok Kumar Todi	3/4	Yes
Mr Pradip Kumar Todi	4/4	Yes
Mr Nandanandan Mishra	4/4	Yes
Mr Snehasish Ganguly	2/4	Yes
Mr Kamal Kishore Agrawal	4/4	Yes
Mrs Prabha Devi Todi	4/4	No
Mrs Rusha Mitra	4/4	Yes

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

Mrs Prabha Devi Todi, Director (DIN: 00246219), being liable to retire by rotation at the ensuing AGM and being eligible, has offered herself for re-appointment.

Brief profile of Mrs Prabha Devi Todi (DIN: 00246219) is given in the annexure to the notice of AGM.

## 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 separate 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: [https://www.luxinnerwear.com/upload%20pdf/Cgovernance/id\\_01.pdf](https://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 2019-20. 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 our 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 the company for smooth functioning of board without any hindrance.

- Printing and Packaging – Expert in printing and packaging that helps the Company to developed 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	22nd April 2019	06th August 2019	13th November 2019	13th February 2020
Board Strength	7	7	7	7
No. of Directors Present	6	6	6	7

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

#### b. Details of Shareholding of Directors as on March 31, 2020:

SL No.	Name	No. of shares held
1	Mr Ashok Kumar Todi	34,67,834
2	Mr Pradip Kumar Todi	42,26,500
3	Mrs Prabha Devi Todi	36,23,000

Note: Other directors do not hold shares in the Company.

#### 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 13, 2020, 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

Your 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, 2020 is as follows:

Name of the Committee Member	Category
Mr Nandanandan Mishra, Chairman	Independent, Non-Executive
Mr Snehashish 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, four meetings of the Audit Committee were held on April 22, 2019, August 06, 2019, November 13, 2019 & February 13, 2020 and attendance was as under:

Name of the Committee Member	No. of Meetings	
	Held	Attended
Mr Nandanandan Mishra, Chairman	4	4
Mr Snehashish Ganguly, Member	4	2
Mr Kamal Kishore Agrawal, Member	4	4

##### 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: [https://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies\\_11.pdf](https://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_11.pdf)

### Nomination and Remuneration Committee

Your 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, 2020 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 thrice during the financial year ended March 31, 2020 on April 22, 2019 and 06th August, 2019 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](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 serves 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 1st April, 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.

### 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, 2020

(₹ in lakhs)

Name of Directors	Remuneration (Salary)	Sitting Fees		Total
		Board Meeting	Other Committee	
Mr Ashok Kumar Todi	300.00	-	-	300.00
Mr Pradip Kumar Todi	300.00	-	-	300.00
Mrs Prabha Devi Todi	-	-	-	-
Mr Nandanandan Mishra	-	0.20	0.40	0.60
Mr Snehasish Ganguly	-	0.10	0.25	0.35
Mr Kamal Kishore Agrawal	-	0.20	0.60	0.80
Mrs Rusha Mitra	-	0.20	0.05	0.25

## 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 Nomination and Remuneration Committee 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)

Your 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 your 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, 2020 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 13, 2020 and all members had attended the meeting.

During the year the Company has received 6 complaints which were attended to. No investors' complaint is pending as on March 31, 2020.

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

### (c) Board Support and Role of Company Secretary in Overall Governance Process:

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.

Your 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, 2020 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, 2020, four meetings of

the Corporate Social Responsibility Committee were held on April 22, 2019, August 06, 2019, November 13, 2019 & February 13, 2020 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, your 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, 2020 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, 2020 on February 13, 2020 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 Board

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, 2020 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, 2020, twelve meetings of the Committee of Directors were held on April 02, 2019, May 27, 2019, August 19, 2019, September 09, 2019, September 25, 2019, October 14, 2019, October 31, 2019, December 03, 2019, December 09, 2019, December 23, 2019, December 31, 2019, and January 13, 2020 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:

The Committee met once during the financial year ended March 31, 2020 on July 18, 2019 and all the members had attended the meeting.

Mr Ajay Kumar Patodia, Chief Financial Officer and Mrs Smita Mishra, the Company Secretary are the permanent invitees to the Board and Committee meetings of the Company.

## 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 2019-20.

### (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
22nd	September 21, 2017, 11:00 a.m.	India Power Convergence Centre, Plot no. X-1, 2&3, Block- EP Sector – V, Salt lake City, Kolkata – 700091.	i) Re-appointment of Mr Ashok Kumar Todi (DIN 00053599) as a Whole Time-Director.
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.

### b) Passing of Resolutions by Postal Ballot:

During the financial year 2019-20, the company has passed no resolution by postal ballot.

At the forthcoming AGM also, there is no items on the Agenda that needs approval by Postal Ballot.

### c) Extra-ordinary General Meeting:

No Extra-ordinary General Meeting was held by the Company in the financial year 2019-20.

## 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 (IN AS-24) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Notes to accounts.

### 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, your 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](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](http://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 unaudited, 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](http://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](http://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](http://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, on a consolidated basis, to the statutory auditor are as follows:

Type of Service	2019-20	2018-19
Audit fees	17.00	10.00
Others	9.88	0.58
Total	26.88	10.58

(₹ in lakhs)

## 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(I) 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	24th September, 2020 at 11:00 a.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
Book closure dates	18th September, 2020 to 24th September, 2020.
Proposed dividend	₹2.50 (125%) per equity share of ₹2/- each.
Dividend payment date	Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting

Financial Year	1st April to 31st March
Financial Calendar:	
First Quarterly Results	On or before 14th August, 2020
Second Quarterly Results	On or before 14th November, 2020
Third Quarterly Results	On or before 14th February, 2021
Fourth Quarterly Results	On or before 30th May, 2021
Annual General Meeting	September, 2021

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 2019-20 have been duly paid to the above Stock Exchanges.

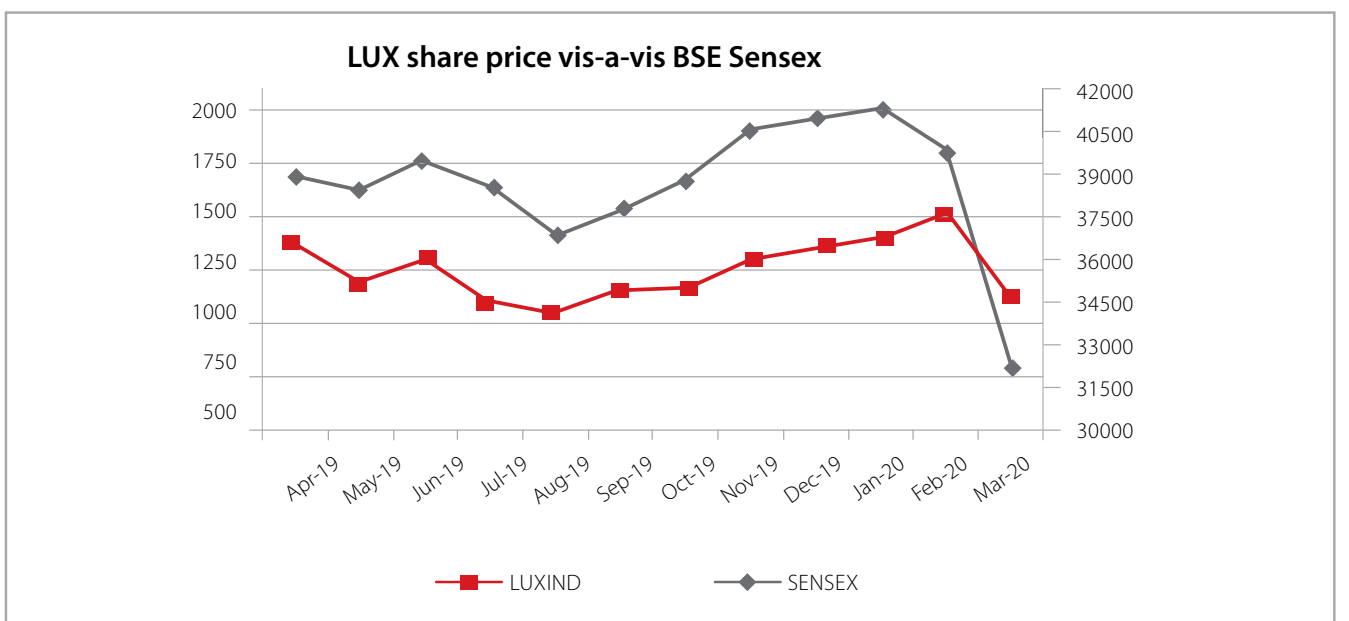
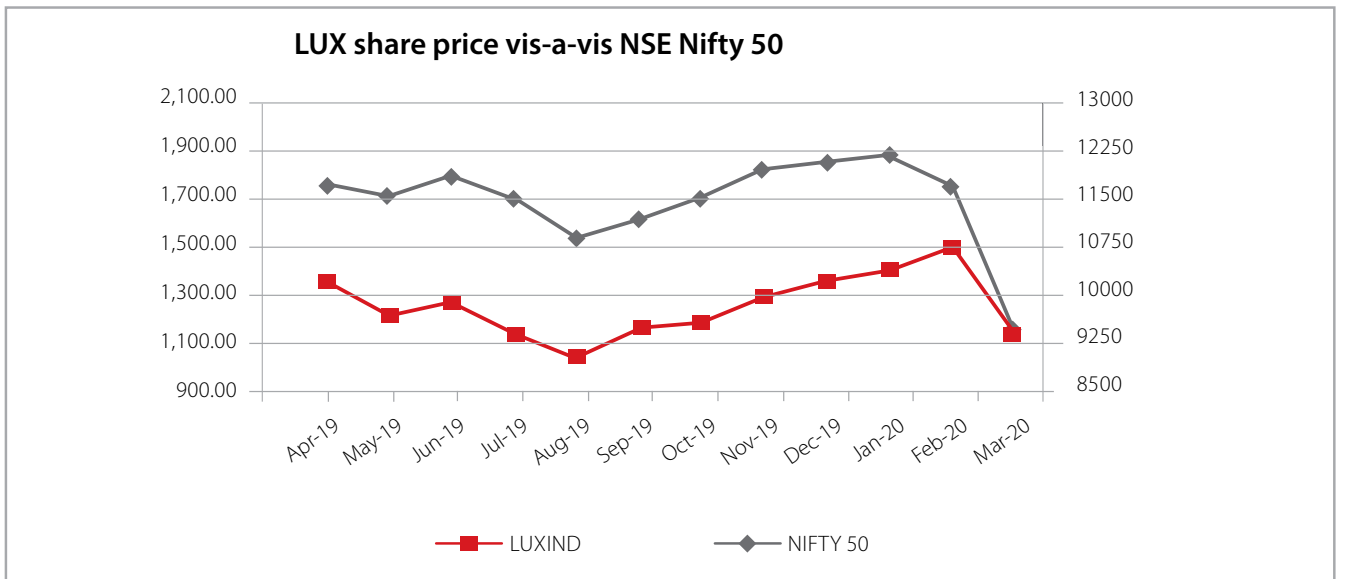
#### Stock Price data:

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, 2019	1424.90	1308.00	836212	1470.85	1300.05	32249
May, 2019	1358.00	1085.00	1013709	1354.85	1080.00	38343
June, 2019	1352.90	1200.00	960288	1413.00	1200.10	30727
July, 2019	1236.20	1040.00	1099857	1234.25	1016.95	17544
August, 2019	1122.40	984.00	1099940	1119.80	983.50	23055
September, 2019	1297.90	1045.85	1051335	1300.30	1045.05	19190
October, 2019	1249.80	1133.00	906962	1252.00	1116.55	13139



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)
November, 2019	1424.00	1176.60	1132253	1425.00	1178.00	23931
December, 2019	1473.15	1251.55	2202538	1466.00	1255.00	1947157
January, 2020	1549.80	1265.10	1299373	1549.00	1267.75	27603
February, 2020	1648.90	1362.30	1270407	1680.00	1362.05	62705
March, 2020	1458.70	814.20	1209293	1440.00	812.80	158746

**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, 2020, 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, 2020

Category	Number of Shares		% to total equity
	Shareholders	Shares	
Demat mode			
No. of Shares held by NSDL	8128	24138629	95.59
No. of Shares held by CDSL	4049	1112132	4.40
Total	12,177	25,250,761	99.99
Physical mode	63	2239	0.01
<b>Grand total</b>	<b>12,240</b>	<b>25,253,000</b>	<b>100.00</b>

## 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	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 05, 2019	October 28, 2026
2019-20#	Interim	10.00	February 13, 2020	February 20, 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 director's 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:

During the year, the unpaid shares in the Suspense Account were transferred to IEPF account as per prescribed law.

### Distribution of Shareholding as on March 31, 2020:

Sl. no.	Range of Shares held	No. of Shareholders	%	No. of shares	%
1	1 - 5000	11978	97.86	1199420	4.75
2	5001 - 10000	127	1.04	474796	1.88
3	10001 - 20000	45	0.37	317291	1.26
4	20001 - 30000	16	0.13	197032	0.78
5	30001 - 40000	18	0.15	324973	1.29
6	40001 - 50000	8	0.07	179460	0.71
7	50001 - 100000	22	0.18	805295	3.19
8	100001 & Above	26	0.21	21754733	86.15
	<b>Total</b>	<b>12,240</b>	<b>100.00</b>	<b>25,253,000</b>	<b>100.00</b>

### 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, 2020:

Category	Number of		% to total equity
	Shareholders	Shares	
A. Promoters and Promoters Group			
- Indian Promoters	9	17552834	69.51
B. Public Shareholding			
- Corporate Bodies	290	1897637	7.51
- NBFC	2	413926	1.64
- Banks	1	13	0.00
- Indian Financial Institutions	1	6277	0.02
- Non Resident Non Repatriable	62	33474	0.13
- Non Resident Indians	98	64754	0.26
- Foreign Portfolio Investors	1	19800	0.08
- Foreign Portfolio Corp	47	1077565	4.27
- Mutual Funds	5	965477	3.82
- Alternative Investment Fund	1	329300	1.30
- IEPF	1	9710	0.04
- Indian Public	11246	2692406	10.66
- HUF	393	169624	0.67
- Trust	6	4984	0.02
- Clearing Members	77	15219	0.06
<b>Total</b>	<b>12240</b>	<b>25,253,000</b>	<b>100.00</b>

**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. 28, B.T. Road, Kolkata – 700002.
5. B-XXXII-1429/11, Jujhar Singh Nagar, Gahlewal Pind, rahon Road, Ludhiana -141008.
6. Srijan Logistic Park, West bengal.

**Address for Correspondence:**

<p>KFin Technologies Private Limited (Previously known as Karvy Fintech Private Limited.) "Karvy Selenium Tower B", Plot No. 31 &amp; 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032. Toll Free No : 18003454001 Fax:+91-40-23420814 E-Mail: einward.ris@karvy.com</p>	<p>Secretarial Department Lux Industries Limited, 39, Kali Krishna Tagore Street, Kolkata- 700 007 Tel:033-40402121 Fax:033-40012001 E-mail: investors@luxinnerwear.com</p>
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**Registrar and Share Transfer Agents:**

	Local Address
<p>KFin Technologies Private Limited (Previously known as Karvy Fintech Private Limited.) , "Karvy Selenium Tower B", Plot No. 31 &amp; 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032. Toll Free No : 18003454001 Fax:+91-40-23420814 E-Mail: einward.ris@karvy.com</p>	<p>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</p>

For and on behalf of the Board of Directors

Kolkata  
June 29, 2020

Sd/-  
Ashok Kumar Todi  
Chairman  
DIN:00053599

## ANNEXURE 'E' TO BOARD'S REPORT

### CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Pradip Kumar Todi, Managing Director and Ajay Kumar Patodia, 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 31st March, 2020 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 2019-20.

Kolkata  
Date: June 29, 2020

Sd/-  
Pradip Kumar Todi  
Managing Director  
(DIN: 00246268)

Sd/-  
Ajay Kumar Patodia  
Chief Financial Officer  
(PAN: AFVPP9103P)

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
Lux Industries Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated 5th September 2019.

2. We, S K AGRAWAL AND CO, Chartered Accountants, 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 31st March, 2020, 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

1. 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

2. 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.

3. 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.

4. 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.

5. 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 31st March, 2020.

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.

Kolkata  
June 29, 2020

For, S K AGRAWAL AND CO  
Chartered Accountants  
ICAI Firm Registration No-306033E

Sd/-  
Sandeep Agrawal  
Partner  
Membership No: 058553

## ANNEXURE 'G' TO BOARD'S 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,  
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.govt.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 31st March, 2020 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.

Sl. 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 Nandanadan 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 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  
C P No.: 2551

Place : Kolkata  
Date : July 08, 2020

## FORM NO. MR - 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 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 duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

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 during the audit period, the Company had,

- i) obtained approval of shareholders by way of special resolution passed at the Annual General Meeting held on 05.09.2019 for re-appointment of Mr Pradip Kumar Todi (DIN: 00246268) as the Managing Director of the Company, for a period of 5 years with effect from September 28, 2019.
- ii) obtained approval of shareholders by way of Ordinary resolution passed at the Annual General Meeting held on 05.09.2019 u/s Section 188(1)(f) and other applicable provisions of the Companies Act, 2013 for revision in salary of Mr Saket Todi and Mr Udit Todi.
- iii) filed the scheme of amalgamation of M/s J.M. Hosiery & Co Limited and M/s Ebell Fashions Private Limited with M/s Lux Industries Limited and their respective shareholders with the National Company Law Tribunal, Kolkata Bench and the matter is pending for hearing.
- iv) disposed of its entire shareholdings in its subsidiary Company, Altai Industries Private Limited.

We further report that, due to the impact to pandemic situation caused by COVID-19, the disclosure under Regulation 31(4) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 had been intimated to Stock Exchange on 26.06.2020

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

C P No.: 2551

UDIN :F004515B000389306

Place : Kolkata  
Date : 29.06.2020

*Note : The COVID-19 outbreak was declared as a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended across the country to contain the spread of the virus. Due to COVID-19 pandemic impact, the documents were obtained through electronic mode and verified with requirements. It is further stated that due to the pandemic situation cause by COVID-19, few intimations made to Stock Exchanges under relevant SEBI Regulations and compliances under the Companies Act 2013 read with relevant rules were within the extended period and relaxations granted by respective regulatory authorities.*

“ANNEXURE – A”

**(TO THE SECRETARIAL AUDIT REPORT OF LUX INDUSTRIES LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020)**

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

C P No.: 2551

UDIN : F004515B000389306

Place : Kolkata  
Date : 29.06.2020

## FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)  
of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

1.	CIN	L17309WB1995PLC073053
2.	Registration Date	21st July 1995.
3.	Name of the Company	LUX INDUSTRIES LIMITED
4.	Category/Sub-Category of the Company	Indian, Non- Government Company, Limited by Shares
5.	Address of the Registered office and contact details	39, Kali Krishna Tagore Street, Kolkata-700007 Phone no. 91-33-40402121 Fax: 91-33-40012001
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent:-	KFin Technologies Private Limited (Previously Known as KarvyFintech Private Limited) "Karvy Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032 Tel:+91-40-67162222, Fax:+91-40-23420814 E-Mail: support@karvy.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are:-

Sl. No	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the company
1	Manufacture of knitted apparel including hosiery	14,309	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No	Name And Address of the Company	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Artimas Fashions Private Limited	Subsidiary	50.97	2(87)(ii)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	18615000	0	18615000	73.71	17552834	0	17552834	69.51	4.2
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any other .....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	18615000	0	18615000	73.71	17552834	0	17552834	69.51	4.2
(2) Foreign									
a) NRIS - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other .....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	18615000	0	18615000	73.71	17552834	0	17552834	69.51	4.2
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	480967	0	480967	1.90	965477	0	965477	3.82	1.92
b) Banks/FI	6658	0	6658	0.03	6290	0	6290	0.02	-0.01
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	-0.04
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investors	417162	0	417162	1.65	1097365	0	1097365	4.35	2.73
Sub-total (B)(1):-	904787	0	904787	3.58	2069132	0	2069132	8.19	4.61
2. Non-Institution									
a) Bodies Corp.									
i) Indian	2643353	0	2643353	10.47	1897637	0	1897637	7.51	-2.96
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital Up to ₹2 lakh	2545464	2264	2547728	10.09	2377791	2239	2380030	9.42	-0.67
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	102696	0	102696	0.41	482000	0	482000	1.91	1.50
c) Other (specify) Alternative Investment Fund	300994	0	300994	1.19	329300	0	329300	1.30	0.11
Trust	4185	0	4185	0.02	4984	0	4984	0.02	0
Non Resident Indians	51438	0	51438	0.20	64754	0	64754	0.26	0.06
Clearing Members	11837	0	11837	0.05	15219	0	15219	0.06	0.01
Non Resident Indian Non Repatriable	30797	0	30797	0.12	33474	0	33474	0.13	0.01
NBFC Registered with RBI	36480	0	36480	0.14	413926	0	413926	1.64	1.50
IEPF	3705	0	3705	0.01	9710	0	9710	0.04	0.03
Sub-total (B)(2):-	5730949	2264	5733213	22.70	5628795	2239	5631059	22.30	-0.40
Total public shareholding(B)=(B(1)+(B)(2)	6635736	2264	6638000	26.29	7697927	2239	7700166	30.49	0.00
C. Shares held by Custodian for GDRs and ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	25250736	2264	25253000	100.00	25250761	2239	25253000	100.00	0

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged/encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares pledged/encumbered to total Shares	
1	Mrs Prabha Devi Todi	3723000	14.74	NIL	3623000	14.35	NIL	-0.39
2	Mr Pradip Kumar Todi	4482500	17.75	NIL	4226500	16.74	NIL	-1.01
3	Mr Ashok Kumar Todi	3730000	14.77	NIL	3467834	13.73	NIL	-1.04
4	Mrs Bimla Devi Todi	3505000	13.88	NIL	3280000	12.99	NIL	-0.89
5	Mrs Shobha Devi Todi	2752500	10.90	NIL	2527500	10.01	NIL	-0.89
6	Mr Udit Todi	186000	0.74	NIL	186000	0.74	NIL	NIL
7	Mr Saket Todi	136000	0.54	NIL	142000	0.56	NIL	0.02
8	Ms Shilpa Agrawal	50000	0.20	NIL	50000	0.20	NIL	NIL
9	Ms Neha Todi	50000	0.20	NIL	50000	0.20	NIL	NIL
	Total	18615000	73.71	NIL	17552834	69.51	NIL	NIL

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mrs Prabha Devi Todi				
	At the beginning of the Year	3723000	14.74	3723000	14.74
	Less: Market Sale as on 23.12.2019.	-100000	0.40	100000	0.40
	At the End of the year			3623000	14.35
2	Mr Pradip Kumar Todi				
	At the beginning of the Year	4482500	17.75	4482500	17.75
	Less: Market Sale as on 23.12.2019.	-250000	0.99	250000	0.99
	Less: Interse transfer as on 20.03.2020.	-6000	0.02	6000	0.02
	At the End of the year			4226500	16.74
3	Mr Ashok Kumar Todi				
	At the beginning of the Year	3730000	14.77	3730000	14.77
	Less: Market Sale as on 23.12.2019.	-262166	1.04	262166	1.04
	At the End of the year			3467834	13.73
4	Mrs Bimla Devi Todi				
	At the beginning of the Year	3505000	13.88	3505000	13.88
	Less: Market Sale as on 23.12.2019.	-225000	-0.89	225000	0.89
	At the End of the year			3280000	12.99
5	Mrs Shobha Devi Todi				
	At the beginning of the Year	2752500	10.90	2752500	10.90
	Less: Market Sale as on 23.12.2019.	-225000	0.89	225000	0.89
	At the End of the year			2527500	10.01
6	Mr Udit Todi				
	At the beginning of the Year	186000	0.74	186000	0.74
	Date wise Increase/Decrease with reasons	No change during the year			
	At the End of the year			186000	0.74
7	Mr Saket Todi				
	AT THE BEGINNING OF THE YEAR	136000	0.54	136000	0.54
	Add: Interse transfer as on 20.03.2020.	6000	0.02	6000	0.02
	At the End of the year			142000	0.56
8	Ms Shilpa Agrawal				
	AT THE BEGINNING OF THE YEAR	50000	0.20	50000	0.20
	Date wise Increase/Decrease with reasons	No change during the year			
	At the End of the year			50000	0.20
7	Ms Neha Todi				
	At the beginning of the Year	50000	0.20	50000	0.20
	Date wise Increase/Decrease with reasons	No change during the year			
	At the End of the year			50000	0.20

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of the Shareholder	Shareholding at the beginning/end of the year		Date of Change	Increase/decrease in the shareholding	Reason for Increase or decrease	Cumulative Shareholding during the year 2019-20	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	PANGHAT VANIJYA PRIVATE LIMITED							
	Shareholding at beginning of the year	609000	2.41		There is no change in the shareholding of the holder during the year 2019-20.			
	Shareholding at the end of the year	609000	2.41					
2	KOTAK SMALL CAP FUND							
	Shareholding at beginning of the year	480963	1.90	05/04/2019	3361	Purchase	484324	1.92
				12/04/2019	10177	Purchase	494501	1.96
				19/04/2019	1787	Purchase	496288	1.97
				24/05/2019	10093	Purchase	506381	2.01
				31/05/2019	29561	Purchase	535942	2.12
				07/06/2019	5550	Purchase	541492	2.14
				26/07/2019	20000	Purchase	561492	2.22
				02/08/2019	18615	Purchase	580107	2.30
				09/08/2019	20454	Purchase	600561	2.38
				23/08/2019	11741	Purchase	612302	2.42
				30/08/2019	1529	Purchase	613831	2.43
				06/09/2019	3480	Purchase	617311	2.44
				20/09/2019	5695	Purchase	623006	2.47
				27/09/2019	30108	Purchase	653114	2.59
				30/09/2019	10000	Purchase	663114	2.63
				04/10/2019	3286	Purchase	666400	2.64
				11/10/2019	3268	Purchase	669668	2.65
				18/10/2019	7428	Purchase	677096	2.68
				25/10/2019	4277	Purchase	681373	2.70
				01/11/2019	5483	Purchase	686856	2.72
				08/11/2019	14034	Purchase	700890	2.78
				15/11/2019	5540	Purchase	706430	2.80
				13/12/2019	-7712	Sale	698718	2.77
				27/12/2019	57087	Purchase	755805	2.99
				31/12/2019	10000	Purchase	765805	3.03
				07/02/2020	19797	Purchase	785602	3.11
				14/02/2020	9168	Purchase	794770	3.15
				21/02/2020	4876	Purchase	799646	3.17
				28/02/2020	40275	Purchase	839921	3.33
				06/03/2020	55293	Purchase	895214	3.54
				13/03/2020	10112	Purchase	905326	3.59
				20/03/2020	32558	Purchase	937884	3.71
				27/03/2020	26966	Purchase	964850	3.82
	Shareholding at the end of the year	964850	3.82					
3	MANGALNIDHI MERCANTILE PRIVATE LIMITED							

Sl. No.	Name of the Shareholder	Shareholding at the beginning/end of the year		Date of Change	Increase/decrease in the shareholding	Reason for Increase or decrease	Cumulative Shareholding during the year 2019-20	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
	Shareholding at beginning of the year	445000	1.76		There is no change in the shareholding of the holder during the year 2019-20.			
	Shareholding at the end of the year	445000	1.76					
4	JUPITER INDIA FUND							
	Shareholding at beginning of the year	Nil		27/12/2019	454228	Purchase	454228	1.80
				21/02/2020	-5393	Sale	448835	1.78
				06/03/2020	-5455	Sale	443380	1.76
	Shareholding at the end of the year	443380	1.76					
5	MONET SECURITIES PVT LTD							
	Shareholding at beginning of the year	Nil		03/05/2019	76	Purchase	76	0.00
				10/05/2019	15804	Purchase	15880	0.06
				17/05/2019	98	Purchase	15978	0.06
				24/05/2019	173	Purchase	16151	0.06
				31/05/2019	-166	Sale	15985	0.06
				07/06/2019	147	Purchase	16132	0.06
				14/06/2019	121	Purchase	16253	0.06
				21/06/2019	7654	Purchase	23907	0.09
				28/06/2019	15075	Purchase	38982	0.15
				05/07/2019	1635	Purchase	40617	0.16
				12/07/2019	48	Purchase	40665	0.16
				19/07/2019	225	Purchase	40890	0.16
				26/07/2019	29100	Purchase	69990	0.28
				02/08/2019	845	Purchase	70835	0.28
				09/08/2019	5650	Purchase	76485	0.30
				16/08/2019	10120	Purchase	86605	0.34
				23/08/2019	4024	Purchase	90629	0.36
				30/08/2019	7874	Purchase	98503	0.39
				06/09/2019	175	Purchase	98678	0.39
				13/09/2019	13	Purchase	98691	0.39
				20/09/2019	-5460	Sale	93231	0.37
				04/10/2019	60	Purchase	93291	0.37
				11/10/2019	37155	Purchase	130446	0.52
				18/10/2019	-55000	Sale	75446	0.30
				25/10/2019	9412	Purchase	84858	0.34
				01/11/2019	-1547	Sale	83311	0.33
				08/11/2019	13	Purchase	83324	0.33
				15/11/2019	-4820	Sale	78504	0.31
				22/11/2019	55	Purchase	78559	0.31
				29/11/2019	-17952	Sale	60607	0.24
				06/12/2019	1068	Purchase	61675	0.24
				13/12/2019	3413	Purchase	65088	0.26
				27/12/2019	1458	Purchase	66546	0.26



Sl. No.	Name of the Shareholder	Shareholding at the beginning/end of the year		Date of Change	Increase/decrease in the shareholding	Reason for Increase or decrease	Cumulative Shareholding during the year 2019-20	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				31/12/2019	6739	Purchase	73285	0.29
				03/01/2020	53000	Purchase	126285	0.50
				03/01/2020	-53600	Sale	72685	0.29
				10/01/2020	-7000	Sale	65685	0.26
				17/01/2020	-15296	Sale	50389	0.20
				24/01/2020	8000	Purchase	58389	0.23
				31/01/2020	334	Purchase	58723	0.23
				07/02/2020	-20893	Sale	37830	0.15
				21/02/2020	-8000	Sale	29830	0.12
				28/02/2020	209574	Purchase	239404	0.95
				06/03/2020	165000	Purchase	404404	1.60
				06/03/2020	-144672	Sale	259732	1.03
				13/03/2020	128724	Purchase	388456	1.54
				20/03/2020	9206	Purchase	397662	1.57
				27/03/2020	232762	Purchase	630424	2.50
				27/03/2020	-209484	Sale	420940	1.67
				31/03/2020	9778	Purchase	430718	1.71
	Shareholding at the end of the year	430718	1.71					
6	ABAKKUS GROWTH FUND-1							
	Shareholding at beginning of the year	300000	1.19	24/05/2019	4300	Purchase	304300	1.21
				13/03/2020	25000	Purchase	329300	1.30
	Shareholding at the end of the year	329300	1.30					
7	SHIVALIK REMEDIES PRIVATE LIMITED							
	Shareholding at beginning of the year	172218	0.68	11/10/2019	-37155	Sale	135063	0.53
				06/12/2019	-42068	Sale	92995	0.37
				13/12/2019	-88600	Sale	4395	0.02
				07/02/2020	-4395	Sale	0	0.00
	Shareholding at the end of the year	Nil						
8	KARUNA MITTAL							
	Shareholding at beginning of the year	Nil		20/03/2020	162000	Purchase	162000	0.64
	Shareholding at the end of the year	162000	0.64					
9	CHENNAI FERROUS INDUSTRIES LIMITED							
	Shareholding at beginning of the year	152672	0.60	06/12/2019	-26557	Sale	126115	0.50
				13/03/2020	-126115	Sale	0	0.00
	Shareholding at the end of the year	Nil						
10	KARVY STOCK BROKING LTD							
	Shareholding at beginning of the year	147539	0.58	05/04/2019	437	Purchase	147976	0.59
				05/04/2019	-816	Sale	147160	0.58
				12/04/2019	-564	Sale	146596	0.58
				19/04/2019	927	Purchase	147523	0.58
				19/04/2019	-100	Sale	147423	0.58
				26/04/2019	297	Purchase	147720	0.58

Sl. No.	Name of the Shareholder	Shareholding at the beginning/end of the year		Date of Change	Increase/decrease in the shareholding	Reason for Increase or decrease	Cumulative Shareholding during the year 2019-20	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				26/04/2019	-1072	Sale	146648	0.58
				03/05/2019	179	Purchase	146827	0.58
				10/05/2019	-393	Sale	146434	0.58
				17/05/2019	1909	Purchase	148343	0.59
				17/05/2019	-54	Sale	148289	0.59
				24/05/2019	119	Purchase	148408	0.59
				24/05/2019	-750	Sale	147658	0.58
				31/05/2019	741	Purchase	148399	0.59
				31/05/2019	-960	Sale	147439	0.58
				07/06/2019	144	Purchase	147583	0.58
				07/06/2019	-34	Sale	147549	0.58
				14/06/2019	605	Purchase	148154	0.59
				14/06/2019	-532	Sale	147622	0.58
				21/06/2019	394	Purchase	148016	0.59
				21/06/2019	-239	Sale	147777	0.59
				28/06/2019	82	Purchase	147859	0.59
				28/06/2019	-110	Sale	147749	0.59
				05/07/2019	107	Purchase	147856	0.59
				12/07/2019	17	Purchase	147873	0.59
				12/07/2019	-410	Sale	147463	0.58
				19/07/2019	416	Purchase	147879	0.59
				19/07/2019	-1022	Sale	146857	0.58
				26/07/2019	171	Purchase	147028	0.58
				26/07/2019	-193	Sale	146835	0.58
				02/08/2019	580	Purchase	147415	0.58
				02/08/2019	-683	Sale	146732	0.58
				09/08/2019	40	Purchase	146772	0.58
				09/08/2019	-62	Sale	146710	0.58
				16/08/2019	83	Purchase	146793	0.58
				23/08/2019	924	Purchase	147717	0.58
				23/08/2019	-1120	Sale	146597	0.58
				30/08/2019	231	Purchase	146828	0.58
				30/08/2019	-100	Sale	146728	0.58
				06/09/2019	80	Purchase	146808	0.58
				06/09/2019	-101	Sale	146707	0.58
				13/09/2019	87	Purchase	146794	0.58
				13/09/2019	-356	Sale	146438	0.58
				20/09/2019	-89	Sale	146349	0.58
				27/09/2019	2081	Purchase	148430	0.59
				27/09/2019	-2220	Sale	146210	0.58
				30/09/2019	1808	Purchase	148018	0.59
				30/09/2019	-330	Sale	147688	0.58

Sl. No.	Name of the Shareholder	Shareholding at the beginning/end of the year		Date of Change	Increase/decrease in the shareholding	Reason for Increase or decrease	Cumulative Shareholding during the year 2019-20	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				04/10/2019	3400	Purchase	151088	0.60
				04/10/2019	-3408	Sale	147680	0.58
				18/10/2019	10	Purchase	147690	0.58
				18/10/2019	-120	Sale	147570	0.58
				25/10/2019	-10	Sale	147560	0.58
				01/11/2019	25	Purchase	147585	0.58
				01/11/2019	-928	Sale	146657	0.58
				08/11/2019	976	Purchase	147633	0.58
				08/11/2019	-1041	Sale	146592	0.58
				15/11/2019	609	Purchase	147201	0.58
				15/11/2019	-241	Sale	146960	0.58
				22/11/2019	-592	Sale	146368	0.58
				29/11/2019	-54	Sale	146314	0.58
				06/12/2019	-144848	Sale	1466	0.01
				21/02/2020	-5	Sale	1461	0.01
	Shareholding at the end of the year	1461	0.01					

#### (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr Ashok Kumar Todi- Chairman & Whole Time Director				
	At the beginning of the year	3730000	14.77		
	Less: Market Sale as on 23.12.2019.	-262166	1.04	262166	1.04
	At the end of the year	-	-	3467834	13.73
2	Mr Pradip Kumar Todi- Managing Director				
	At the beginning of the year	4482500	17.75	-	-
	Less: Market Sale as on 23.12.2019.	-250000	0.99	250000	0.99
	Less: Interse transfer as on 20.03.2020.	-6000	0.02	6000	0.02
	At the end of the year	-	-	4226500	16.74
3	Mrs Prabha Devi Todi- Director Non Independent				
	At the beginning of the year	3723000	14.74	-	-
	Less: Market Sale as on 23.12.2019.	-100000	0.40	100000	0.40
	At the end of the year	-	-	3623000	14.35

Other directors, Mr Nandanandan Mishra, Mr Kamal Kishore Agarwal, Mr Snehasish Ganguly, Ms Rusha Mitra and Mrs Smita Mishra, Company Secretary and Mr Ajay Kumar Patodia, Chief Financial Officer do not hold any shares in the Company at the beginning as well as at the end of the year and further they have not done any transactions in the shares of the Company during the year.

## V. INDEBTNESS (₹ in Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16125.91	1963.35	-	18089.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.61	-	-	4.61
Total (i+ii+iii)	16130.52	1963.35	-	18093.87
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	3687.74	1579.30	-	5267.04
Net Change Indebtedness	3687.74	1579.30	-	5267.04
At the end of the financial year				
i) Principal Amount	12436.77	384.05	-	12820.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.01	-	-	6.01
Total (i+ii+iii)	12442.78	384.05	-	12826.83

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr Ashok Kumar Todi – Chairman	Mr Pradip Kumar Todi – Managing Director	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	300.00	300.00	600.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
	Stock Option	-	-	-
	Sweat Equity	-	-	-
2	Commission	-	-	-
3	- as % of profit	-	-	-
4	- others specify	-	-	-
	Others please specify	-	-	-
	Total (A)	300.00	300.00	600.00
5	Ceiling as per the Act	1728.21 Lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

## B. Remuneration to other directors:-

(Amount in ₹ Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr Nandanandan Mishra	Mr Kamal Kishore Agarwal	Mr Snehasish Ganguly	Mrs Rusha Mitra	Mrs Prabha Devi Todi (*)	
1	Fee for attending board/committee meeting	0.60	0.80	0.35	0.25	-	2.00
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	0.60	0.80	0.35	0.25	-	2.00
2	Other Non-Independent Directors						
	Fee for attending board/committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	0.60	0.80	0.35	0.25	-	2.00
	Total Managerial Remuneration						2.00
	Overall ceiling as per the Act	₹172.82 Lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

Notes(\*) Mrs Prabha Devi Todi chose not to receive any remuneration for her services rendered to the Company.

## C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr Ajay Kumar Patodia, Chief Financial Officer	Mrs Smita Mishra, Company Secretary	
1	Gross Salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	61.98	11.56	73.54
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others specify	-	-	-
5	Others please specify	-	-	-
	Total (C)	61.98	11.56	73.54

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Particulars	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ compounding fee imposed	Authority(RD/NCLT/ Court)	Appeal made if any, give detail
A. Company			NONE		
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Kolkata  
June 29, 2020

Sd/-  
Ashok Kumar Todi  
Chairman  
DIN:00053599

## BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended March 31, 2020 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 2019-20.

### 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	<a href="http://www.luxinnerwear.com">www.luxinnerwear.com</a>
E-mail Id	<a href="mailto:cs@luxinnerwear.com">cs@luxinnerwear.com</a>
Financial Year reported	2017-18
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 6 manufacturing plants in 3 States in the country: State/Union Territory Location - Tamil Nadu: Tirupur, West Bengal: B.T.Road, Dhulagarh, Srijan Logistic Park, Dankuni, Punjab: Ludhiana
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 nearly 46 countries and are committed to cover more countries by 2020.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ In Lakhs)

Paid up Capital	529.98
Total Turnover	120,690.60
Total Profit after tax	12,601.30
Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profits (%)	Our total spending on CSR is ₹191.90 Lakhs which is 1.57% 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. (g) Women Empowerment. (h) Promotion of Traditional Art & Culture. (i) Ensuring Environmental Sustainability. (k) Making available Safe Drinking Water. (l) Emergency Relief Fund
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### SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company?	The Company has one Subsidiary Artimas Fashions Private Limited.
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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.
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### 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 Agarwal DIN: 01433255 Designation: Independent Non-Executive Director Contact details: 9830007755
Details of BR head responsible for implementing BR Policies (Name, Designation, Contact Details)	Mr Ajay Kumar Patodia, Designation: Chief Financial Officer, Mobile:9007021011. E-mail Id: ajay.patodia@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:

Principle 1 [P1] BUSINESS CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY.	Principle 2 [P2] BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.	Principle 3 [P3] BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES.	Principle 4 [P4] BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED.
Principle 5 [P5] BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.	Principle 6 [P6] BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT.	Principle 7 [P7] BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER.	Principle 8 [P8] BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.
Principle 9 [P9] BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER.			

(a) The detailed compliance of the above-mentioned Principles, by the Company are mentioned below:

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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? If 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?	<p>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:</p> <ul style="list-style-type: none"> <li>i. DIN Number: 00053599 Name: Mr Ashok Kumar Todi Designation: Chairman</li> <li>ii. DIN Number: 00246268 Name: Mr Pradip Kumar Todi Designation: Managing Director</li> <li>iii. DIN Number: 01433255 Name: Mr Kamal Kishore Agarwal Designation: Independent Non-Executive Director</li> </ul>								

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 2019-20 and the same can be viewed under investor section on the website of the Company, the weblink is as follows: [www.luxinnerwear.com](http://www.luxinnerwear.com)

**SECTION E: PRINCIPLE WISE PERFORMANCE**

<b>Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.</b>		
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?	<p>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:</p> <p>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.</p> <p>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.</p>

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.
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**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 incorporated social or environmental concerns, risks and/or opportunities	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.
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 inplace.
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 areresaled and ultimately recycled.

**Principle 3 : Businesses should promote the wellbeing of all employees**

No.	Questions	Yes/No
1	Total number of employees	1561
2	Total number of employees hired on temporary/ contractual/casual basis	50
3	Number of permanent women employees	159
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.	<p>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.</p> <p>During the financial year 2019-20, 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.</p>
7	<p>What percentage of your under mentioned employees were given safety &amp; skill up-gradation training in the last year?</p> <p>(a) Permanent Employees</p> <p>(b) Permanent Women Employees</p> <p>(c) Casual/Temporary/Contractual Employees</p> <p>(d) Employees with Disabilities</p>	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?	<p>Yes. We have mapped and identified external stakeholders, including disadvantaged, vulnerable and marginalised stakeholders.</p> <p>Our stakeholders include – employees, customers, dealers, suppliers, investors, media, government and regulators, peers and industry ecosystem.</p>
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.

<b>Principle 5: Businesses should respect and promote human rights.</b>		
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.

<b>Principle 6: Business should respect, protect, and make efforts to restore the environment.</b>		
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 Business Responsibility 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.
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?	No.
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; (f) South India Hosiery Association and (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? Provide details thereof.	Yes, the Company has CSR Policy which derives its core values and covers various aspects as per guidelines given by Ministry of Corporate Affairs as part of Companies Act, 2013. Lux through various foundation, trust has undertaken various initiative/projects as mentioned below:- a. Education b. Healthcare c. Animal Welfare & Social Welfare d. Promotion of Traditional Art & Culture. e. Making available Safe Drinking Water. f. Support to Elderly People. g. Social Welfare of Socially and Economically Backward Group. F. Women Empowerment. G. Ensuring Environmental Sustainability.
2	Details of programmes:	Lux has taken various step with the help of through in-house team, government bodies, trust, NGOs to promote education to tribal children, and also promoting health care by providing medical facilities to underprivileged people, animal welfare & supporting to elderly people & social welfare of socially and economically backward group & making available safe drinking water. Installation of bins, and water purifier at various public places.
3	Are the programmes/projects undertaken through, in-house team, own foundation, external NGO, government structures, any other organization?	Through external registered trust, NGO, local municipal bodies and government structures.
4	Have you done any impact assessment of your initiative?	Yes, the company during financial year 2019-20 has done various impact assessment.

No.	Questions	Yes/No	
5	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Activities	₹ in Lakhs
		Promotion of Education	38.72
		Medical Facilities	2.11
		Social Welfare	21.04
		Animal Welfare	28.00
		Promotion of Traditional Art and Culture	22.30
		Support to Elderly People	1.51
		Ensuring Environmental Sustainability	26.92
		Making available Safe Drinking Water	0.59
	Emergency Relief Fund	50.00	
6	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain	Yes. Most of our programmes are participatory in nature and focus on institution development and capacity building.	

**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? Please provide 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  
June 29, 2020.

ANNEXURE 'K(i)' TO BOARD'S REPORT

**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.**

- (1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of the Director/KMP	Director Identification Number (DIN)/ PAN	Title	Remuneration in fiscal 2020 (in ₹ lakhs)	Remuneration in fiscal 2019 (in ₹ lakhs)	% increase of remuneration in 2020 as compared to 2019 <sup>(1)</sup>	Ratio of remuneration to MRE <sup>(1)</sup>	Comparison of the Remuneration of the KMP against the performance of the Company
Mr Ashok Kumar Todi	00053599	Whole-Time Director	300.00	300.00	0%	319.15	The increments were linked to market and industry information, on performance of the individual employee as well as company performance. In the year under review, average increment is Nil. The Company PAT has increased by 24%.
Mr Pradip Kumar Todi	00246268	Managing Director	300.00	300.00	0%	319.15	
Mr Nandanandan Mishra <sup>(2)</sup>	00031342	Independent Director	0.60	0.90	-33%	0.64	
Mr Kamal Kishore Agrawal <sup>(2)</sup>	01433255	Independent Director	0.80	1.10	-27%	0.85	
Mr Snehasish Ganguly <sup>(2)</sup>	01739432	Independent Director	0.35	0.80	-0.56%	0.32	
Mrs Rusha Mitra <sup>(2)</sup> ). <sup>(3)</sup>	08402204	Independent Director	0.25	NA	-	0.27	
Mr Ajay Kumar Patodia	AFVPP9103P	Chief Financial Officer	61.98	39.18	58%	65.94	
Mrs Smita Mishra	BCLPM5354D	Company Secretary	11.56	11.56	0%	12.30	

<sup>(1)</sup> MRE - Median Remuneration of employees based on annualised salary.

<sup>(2)</sup> Difference in remuneration for the year 2020 as compared to year 2019 is due to number of meetings attended

<sup>(3)</sup> Rusha Mitra was appointed as Independent Director of the Company on 29.03.2020, so remuneration for the year 2018-19 is not applicable.

- (2) The Median Remuneration of Employees (MRE) of the Company during the financial year was 0.94 lakhs.
- (3) In the financial year, there was increase of 1.61 % in the Median Remuneration of Employees.
- (4) There were 1561 employees on the rolls of Company as on 31st March, 2020.
- (5) Relationship between average increase in remuneration and company performance: The Profit Before Tax for the financial year ended 31st March, 2020 increased by 25.70% whereas the average March, 2020 increased by 8% whereas the average remuneration increases by 1.61%.
- (6) Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year was 3.69% whereas the increase in the managerial personnel was 3.50%. 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.
- (7) 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 of Directors

Sd/-  
Ashok Kumar Todi  
Chairman  
DIN:00053599

Kolkata  
June 29, 2020.



ANNEXURE 'K(ii)' TO BOARD'S REPORT

ANNEXURE TO THE DIRECTORS' REPORT

The statement showing the list of top ten employees and their remuneration as on 31st March, 2020:

Sl. No.	Name of Employee	Designation	Remuneration received (₹ in lakhs)	Qualification and experience of the employee	Date of commencement of employment	Age of the employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the Company within meaning of clause (iii) of sub rule (2) above	Whether such employee is a relative of any other director or manager of the Company	Nature of employment, whether contractual or otherwise
1	Mr Ashok Kumar Todi	Chairman, Whole Time Director	300.00	B. Com, 40 years	21/ Jul/1995	62years	NA	13.73	Elder brother of Mr Pradip Kumar Todi and Brother in law of Mrs Prabha Devi Todi	Permanent
2	Mr Pradip Kumar Todi	Managing Director	300.00	B. Com, 36 years	21/ Jul/1995	57 years	NA	16.74	Younger brother of Mr Ashok Kumar Todi and Brother in law of Mrs Prabha Devi Todi	Permanent
3	Mr Saket Todi	President-Marketing	111.55	MBA & B. Com, 6 years	1/ Apr/2014	30 years	NA	0.56	Son of Mr Ashok Kumar Todi and Nephew of Mrs Prabha Devi Todi & Mr Pradip Kumar Todi	Permanent
4	Mr Udit Todi	President-Strategy	111.55	MBA & B. Com, 6 years	1/ Apr/2014	30 years	NA	0.74	Son of Mr Pradip Kumar Todi and Nephew of Mrs Prabha Devi Todi & Mr Ashok Kumar Todi	Permanent
5	Mr Ajay Kumar Patodia	Chief Financial Officer	61.98	FCA, FICWA, DISA (ICAI), SAP (FI), IFRS (C), 20 years	1/ Apr/2005	46 years	M. V. Cotspin Ltd.	-	-	Permanent
6	Mr Bibekananda Maity	Head- Information Technology	32.22	MBA, PGDCA, MCA, 23 years	2/ Nov/2015	51years	Aryan Mining & Trading Corporation Ltd.	-	-	Permanent
7	Mr Anand Poddar	Head- Advertisement	20.22	B. Com (H), Diploma in Advertising Management, 12 years	1/ Aug/2005	35 years	NA	-	-	Permanent
8	Mr Vikash Malhotra	Vice President-Sales	20.00	PG in Sales & Marketing, 21 years	25/ Jun/2016	45 years	Bodycare International Ltd.	-	-	Permanent
9	Mrs Shikha Jajoo	General Manager Finance	18.00	B. Com, FCA	01/ May/2017	45years	Practicing Professional	-	-	Permanent
10	Mr Sumit Sureka	Vice President Advertisement	17.91	B.Com, MBA	01/ Sep/2018	38 Years	Eastern Organic Fertilizers Private Limited	-	-	Permanent

For and on behalf of the Board of Directors

Sd/-  
Ashok Kumar Todi  
Chairman  
DIN:00053599

Kolkata  
June 29, 2020

## ANNEXURE 'L' TO BOARD'S 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 amounts in )

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.	Share capital	20,05,000
5.	Reserves & surplus	(5,83,60,321)
6.	Total assets	21,62,93,863
7.	Total Liabilities	27,26,49,184
8.	Investments	Nil
9.	Turnover	6,07,32,880
10.	Profit before taxation	(3,48,06,232)
11.	Provision for taxation	(88,454)
12.	Profit after taxation	(3,48,94,685)
13.	Proposed Dividend	-
14.	% of shareholding	50.97%

#### Part "B": Associates and Joint Ventures

The Company does not have any associate or joint venture, therefore, the requirement under this part is not applicable to the Company.

For and on behalf of the Board of Directors

Kolkata  
June 29, 2020

Sd/-  
Ashok Kumar Todi  
Chairman  
DIN:00053599

## ANNEXURE 'M' TO BOARD'S 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, 2020

#### 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 the refore 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, your 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) Your Company has imported following machines with the latest and updated technology:-

- Pad Printing Machine, Comec Italia, Italy.
- Sewing & Stitching Machine from Brother Machinery Taiwan.
- Sewing & Stitching Machine from Pegasus Sewing Machine Pte Ltd., Singapore
- Knitting Machine from United Texmac, China.

- (b) The year of import: 2019-20.

- (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 exported its products to Middle East Countries, Africa, Australia and South East Countries.
- b. Information in respect of Foreign Exchange Earning and Outgo is:

(₹in lakhs)

Sl. No.	Particulars	Current Year	Previous Year
i)	Earning	13,031.45	13,254.13
ii)	Outgo		
	Capital Goods	469.98	396.58
	Expenses	566.78	776.51
<b>Total</b>		<b>1,036.76</b>	<b>1,173.09</b>

For and on behalf of the Board of Directors

Kolkata  
June 29, 2020

Sd/-  
Ashok Kumar Todi  
Chairman  
DIN:00053599

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# 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 31st March 2020, 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, 2020, 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 48 to the standalone financial statement, which describes the uncertainties and potential impact of the Covid-19 pandemic of 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 31 March 2020. 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
<p>Revenue from Sale of Goods</p> <p>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.</p> <p>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.</p> <p>Considering the judgment and estimates involved in revenue recognition, it is considered to be a key audit matter.</p>	<p>Our audit procedure includes the following:</p> <ul style="list-style-type: none"> <li>• Considered the adequacy of the company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'</li> <li>• Assessed the design and tested the operating effectiveness of the internal financial controls related to revenue recognition.</li> <li>• 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.</li> <li>• 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.</li> <li>• Selected Samples of rebates and discounts during the year, compared them with the supporting documents and perform recalculation of those variable considerations as per scheme documents.</li> </ul> <p>Assessed the relevant disclosure made in the standalone Ind AS financial statement</p>

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 are 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.

## 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:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss 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;
- d. 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;
- e. On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 B".
- 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 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 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  
Firm Registration No.-306033E

**Sandeep Agrawal**  
(Partner)

Place: Kolkata  
Dated: 29th June, 2020

Membership No. 058553  
UDIN: 20058553AAAABA9555

## 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, 2020. 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 year end). 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 31st March, 2020 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of income tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of 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 Lakhs)	Period to which amount relates	Forum where the dispute is pending
West Bengal Sales Tax Act	Penalty	30.84	2003-04	High Court, Kolkata
West Bengal Sales Tax Act	Penalty	19.17	2004-05	High Court, Kolkata
Punjab Vat Act,2005	Penalty	11.71	2002-03 To 2005-06	Deputy Commissioner (Appeal) Ludhiana, Excise and Taxation.
The Finance Act,1994	Penalty	136.23	2007-08 To 2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act,1994	Penalty	47.79	2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act,1994	Penalty	197.97	2011-12 To 2012-13	Deputy Excise and Service Tax Appellate Tribunal
The Central Excise Act,1994	Penalty	100.52	2011-12	Customs, Excise and Service Tax Appellate Tribunal

- 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  
UDIN:20058553AAAABA9555

**Sandeep Agrawal**  
(Partner)

Place: Kolkata  
Dated: 29th June, 2020

Membership No. 058553  
UDIN:20058553AAAABA9555

# 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, 2020 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") 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 unauthorised 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, 2020, 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  
Firm Registration No.-306033E

**Sandeep Agrawal**  
(Partner)

Place: Kolkata  
Dated: 29th June, 2020

Membership No. 058553  
UDIN:20058553AAAABA9555

## Standalone Balance Sheet as at March 31, 2020

₹ in Lakhs

	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>A</b>	<b>Non-current assets</b>		
	Property, plant and equipment	12,500.69	13,180.05
	Capital work-in-progress	76.46	40.83
	Other intangible assets	18.18	44.18
	Right of use assets	1,080.39	-
	Financial assets		
	Investments	460.68	462.66
	Other financial assets	300.57	325.83
	Other non-current assets	360.49	5.64
	<b>Total Non-current assets</b>	<b>14,797.46</b>	<b>14,059.19</b>
<b>B</b>	<b>Current assets</b>		
	Inventories	32,102.70	25,097.25
	Financial assets		
	Trade receivables	30,673.85	36,829.14
	Cash and cash equivalents	125.88	192.27
	Bank balance other than above	8.72	6.35
	Loans	56.17	393.41
	Other financial assets	216.48	259.99
	Other current assets	4,677.04	3,505.29
	<b>Total Current assets</b>	<b>67,860.84</b>	<b>66,283.70</b>
	<b>TOTAL ASSETS</b>	<b>82,658.30</b>	<b>80,342.89</b>
<b>EQUITY AND LIABILITIES</b>			
<b>C</b>	<b>Equity</b>		
	Equity share capital	529.98	529.98
	Other equity	49,339.11	40,862.45
	<b>Total Equity</b>	<b>49,869.09</b>	<b>41,392.43</b>
<b>D</b>	<b>Non-current liabilities</b>		
	Financial liabilities		
	Borrowings	638.74	528.72
	Other financial liabilities	967.03	-
	Deferred tax liabilities (Net)	538.95	757.69
	Provisions	387.31	288.18
	<b>Total Non-current liabilities</b>	<b>2,532.03</b>	<b>1,574.59</b>
<b>E</b>	<b>Current liabilities</b>		
	Financial liabilities		
	Borrowings	11,912.78	17,239.79
	Trade payables		
	A) total outstanding dues of micro enterprises and small enterprises; and	338.96	508.96
	B) total outstanding dues of creditors other than micro enterprises and small enterprises	13,944.23	15,759.21
	Other financial liabilities	2,732.91	2,367.93
	Other current liabilities	999.07	884.68
	Provisions	68.15	57.59
	Current tax liabilities	261.08	557.71
	<b>Total current liabilities</b>	<b>30,257.18</b>	<b>37,375.87</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>82,658.30</b>	<b>80,342.89</b>
	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

ICAI Firm Registration No. 306033E

Sandeep Agrawal

Partner

Membership no. 058553

Place : Kolkata

Date : 29.06.2020

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Ashok Kumar Todi

Chairman

(DIN - 00053599)

Ajay Kumar Patodia

Chief Financial Officer

(PAN - AFVPP9103P)

Pradip Kumar Todi

Managing Director

(DIN - 00246268)

Smita Mishra

Company Secretary

(Mem No - A26489)

## Standalone Statement of Profit and Loss for the year ended March 31, 2020

₹ in Lakhs

	Notes	Year ended March 31, 2020	Year ended March 31, 2019	
I	Revenue from operations	23	1,20,269.43	1,20,868.07
II	Other Income	24	421.17	919.78
III	<b>Total income (I+II)</b>		<b>1,20,690.60</b>	<b>1,21,787.85</b>
IV	<b>Expenses</b>			
	Cost of raw materials consumed	25	51,407.52	46,529.94
	Purchases of Stock-in-trade	25	6,150.90	7,666.96
	Changes in inventories of finished goods, Stock-in-trade and work-in-progress	25	(4,823.56)	3,505.44
	Employee benefit expense	26	4,681.04	4,349.22
	Finance costs	27	1,316.08	2,360.44
	Depreciation and amortisation expense	28	1,239.25	1,123.55
	Other expenses	29	44,022.51	40,788.16
	<b>Total expenses (IV)</b>		<b>1,03,993.74</b>	<b>1,06,323.71</b>
V	<b>Profit Before Tax (III - IV)</b>		<b>16,696.86</b>	<b>15,464.14</b>
VI	<b>Tax expense</b>			
	(i) Current tax	30	4,300.00	5,179.00
	(ii) Deferred tax	30	(213.80)	133.71
	(iii) Income tax for earlier years		9.36	20.03
	<b>Income tax expense (i+ii+iii)</b>		<b>4,095.56</b>	<b>5,332.74</b>
VII	<b>Profit for the Year (V-VI)</b>		<b>12,601.30</b>	<b>10,131.39</b>
VIII	<b>Other comprehensive income</b>			
	A (i) Items that will not be reclassified subsequently to profit and loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)		(19.66)	11.87
	(ii) Income tax relating to items that will not be reclassified to profit or loss		4.95	(4.15)
	<b>Other comprehensive income for the year (net of tax) (i-ii)</b>		<b>(14.71)</b>	<b>7.72</b>
	<b>Total comprehensive income for the year, net of income tax (VII + VIII)</b>		<b>12,586.59</b>	<b>10,139.11</b>
	<b>Earnings per equity share [nominal value of share ₹2 (March 31, 2019 ₹2)]</b>			
	Basic in ₹ per share	31	49.90	40.12
	Diluted in ₹ per share	31	49.90	40.12
	<b>Summary of significant accounting policies</b>	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  
ICAI Firm Registration No. 306033E

Sandeep Agrawal  
Partner  
Membership no. 058553

Place : Kolkata  
Date : 29.06.2020

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Ashok Kumar Todi  
Chairman  
(DIN - 00053599)

Ajay Kumar Patodia  
Chief Financial Officer  
(PAN - AFVPP9103P)

Pradip Kumar Todi  
Managing Director  
(DIN - 00246268)

Smita Mishra  
Company Secretary  
(Mem No - A26489)

## Standalone Statement of changes in equity for the year ended March 31, 2020

### a. Equity share capital

₹ in Lakhs

	No. of shares	₹ in Lakhs
<b>Equity shares of ₹2 each issued, subscribed and fully paid</b>		
As at April 1, 2018	2,52,53,000	529.98
Changes in equity share capital during the year	-	-
As at March 31, 2019	2,52,53,000	529.98
Changes in equity share capital during the year	-	-
As at March 31, 2020	2,52,53,000	529.98

### b. Other Equity

₹ in Lakhs

	Capital Redemption Reserve	Securities premium	General reserve	Retained earnings	Other Comprehensive Income Reserves	Total
<b>Balance as at April 1, 2018</b>	5,600.00	653.58	1,477.70	23,619.64	(18.69)	31,332.22
Add: Profit for the year	-	-	-	10,131.39	-	10,131.39
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-	-	-	7.72	7.72
Less: Dividend	-	-	-	505.06	-	505.06
Less: Dividend distribution tax	-	-	-	103.82	-	103.82
<b>Balance as at March 31, 2019</b>	5,600.00	653.58	1,477.70	33,142.15	(10.98)	40,862.45
Add: Profit for the year	-	-	-	12,601.30	-	12,601.30
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-	-	-	(14.71)	(14.71)
Less: Dividend	-	-	-	3,409.16	-	3,409.16
Less: Dividend distribution tax	-	-	-	700.76	-	700.76
<b>Balance as at March 31, 2020</b>	5,600.00	653.58	1,477.70	41,633.53	(25.69)	49,339.11



## Standalone Statement of changes in equity for the year ended March 31, 2020

### 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) 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.
- (D) 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
- (E) 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

ICAI Firm Registration No. 306033E

**Sandeep Agrawal**

Partner

Membership no. 058553

Place : Kolkata

Date : 29.06.2020

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Ashok Kumar Todi**

Chairman

(DIN - 00053599)

**Ajay Kumar Patodia**

Chief Financial Officer

(PAN - AFVPP9103P)

**Pradip Kumar Todi**

Managing Director

(DIN - 00246268)

**Smita Mishra**

Company Secretary

(Mem No - A26489)

## Standalone Statement of Cash Flows for the year ended March 31, 2020

₹ in Lakhs

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flows from operating activities</b>		
<b>Profit / (Loss) before tax</b>	16,696.86	15,464.14
Adjustment to reconcile profit / (loss) before tax to net cash flows:		
Depreciation and amortisation expense	1,239.25	1,123.55
Interest on lease liability	69.14	-
Finance costs - others	1,246.94	2,360.44
Profit on sale of property, plant and equipment	(0.02)	-
Loss on sale of property, plant and equipment	49.51	0.83
Finance income	(75.16)	(46.84)
Provision for doubtful advances (net)	11.50	38.58
Bad debts	111.25	7.78
Gain on Investment carried at Fair value through Profit or Loss	-	(367.55)
<b>Operating profit before working capital changes</b>	<b>19,349.27</b>	<b>18,580.93</b>
Movements in working capital:		
(Increase) / decrease in trade and other receivables	6,044.04	2,072.54
(Increase) / decrease in inventories	(7,005.44)	4,820.37
(Increase) / decrease in other assets	(1,681.36)	747.62
Increase / (decrease) in trade and other payables	(1,984.98)	(2,590.91)
Increase / (decrease) in other liabilities	554.03	336.88
<b>Cash generated from / (used in) operations</b>	<b>15,275.56</b>	<b>23,967.45</b>
Direct taxes paid (Net of refunds)	(4,605.99)	(4,687.75)
<b>Net cash flow from / (used in) operating activities</b>	<b>10,669.57</b>	<b>19,279.69</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, intangible assets and capital advance	(789.28)	(1,240.93)
Proceeds from sale of property, plant and equipment and intangible assets	279.36	16.69
Investment in equity shares of subsidiary company	(8.22)	-
Decrease / (Increase) in loan given	337.24	(308.86)
Decrease/(Increase) in term deposit	86.11	(0.01)
Finance income	107.37	24.69
<b>Net cash flow from / (used in) investing activities</b>	<b>12.57</b>	<b>(1,508.41)</b>
<b>Cash flows from financing activities</b>		
Proceeds/ (repayment) of non-current borrowings	58.57	(412.09)
Proceeds/ (repayment) from current borrowings	(5,327.01)	(14,408.29)
Finance costs - others	(1,245.54)	(2,360.44)
Dividend Paid	(3,409.16)	(505.06)
Dividend tax paid	(700.76)	(103.82)
Payment of lease liability - principal	(55.49)	-
Payment of lease liability - interest	(69.14)	-
<b>Net cash flow from / (used in) in financing activities</b>	<b>(10,748.53)</b>	<b>(17,789.69)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(66.39)</b>	<b>(18.41)</b>
Cash and cash equivalents at the beginning of the year	192.27	210.68

## Standalone Statement of Cash Flows for the year ended March 31, 2020

₹ in Lakhs

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash and cash equivalents at the end of the year</b>	<b>125.88</b>	<b>192.27</b>
<b>Components of Cash and cash equivalents</b>		
Cash on hand (Refer Note - 10)	58.49	110.93
Balances with banks - in current account (Refer Note - 10)	67.39	81.34
<b>Total Cash and cash equivalents</b>	<b>125.88</b>	<b>192.27</b>
<b>Debt Reconciliation Statement as per Ind AS 7</b>		
<b>Current Borrowings</b>		
Opening balance	17,239.79	31,648.08
Proceeds/ (repayment) from current borrowings (Net)	(5,327.01)	(14,408.29)
<b>Closing Balance</b>	<b>11,912.78</b>	<b>17,239.79</b>
<b>Non-Current Borrowings and certain components of Financial Liabilities</b>		
Opening balance	849.47	1,261.56
Proceeds/ (repayment) from current borrowings (Net)	58.57	(412.09)
<b>Closing Balance</b>	<b>908.04</b>	<b>849.47</b>

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

ICAI Firm Registration No. 306033E

**Sandeep Agrawal**

Partner

Membership no. 058553

Place : Kolkata

Date : 29.06.2020

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Ashok Kumar Todi**

Chairman

(DIN - 00053599)

**Ajay Kumar Patodia**

Chief Financial Officer

(PAN - AFVPP9103P)

**Pradip Kumar Todi**

Managing Director

(DIN - 00246268)

**Smita Mishra**

Company Secretary

(Mem No - A26489)

## Notes to Standalone financial statements for the year ended March 31, 2020

### 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 (NSE) and Bombay Stock Exchange (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 and Tirupur, in the state of 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 June 29, 2020. 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 lakhs, 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 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.

## Notes to Standalone financial statements for the year ended March 31, 2020

### 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 40 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;

## Notes to Standalone financial statements for the year ended March 31, 2020

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 41.

### 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 noncurrent 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.

#### (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.

## Notes to Standalone financial statements for the year ended March 31, 2020

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

## Notes to Standalone financial statements for the year ended March 31, 2020

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. 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 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.



## Notes to Standalone financial statements for the year ended March 31, 2020

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.

## Notes to Standalone financial statements for the year ended March 31, 2020

### (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.

#### (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.

## Notes to Standalone financial statements for the year ended March 31, 2020

### (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) 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.

#### 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.

#### Rendering of Services

Revenue from services is recognized as the service performed based on agreements/ arrangements with the concerned parties.

#### Contract balances

##### 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).

##### 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.

## Notes to Standalone financial statements for the year ended March 31, 2020

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.

#### (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

## Notes to Standalone financial statements for the year ended March 31, 2020

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

## Notes to Standalone financial statements for the year ended March 31, 2020

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 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.

### (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 recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019. The impact of adoption of Ind AS 116 on the financial statements of the Company has been described under Note 44.

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

## Notes to Standalone financial statements for the year ended March 31, 2020

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.

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 4: PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, RIGHT OF USE ASSETS

₹ in Lakhs

Particulars	Gross Block				Depreciation/Amortization				Net Block		
	As at April 1, 2019	Addition for the year	Deduction/Adjustment for the year	As at March 31, 2020	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 March 31, 2019	
<b>Tangible Assets</b>											
Land	1,143.52	-	-	1,143.52	-	-	-	-	1,143.52	1,143.52	
Building	7,529.27	156.02	-	7,685.29	587.54	230.56	-	818.10	6,867.19	6,941.72	
Plant & Equipments	5,461.74	489.62	353.85	5,597.51	1,541.95	636.50	25.36	2,153.09	3,444.42	3,919.79	
Office Equipments	158.43	13.89	-	172.32	74.55	28.49	-	103.04	69.28	83.88	
Furniture & Fixture	589.96	36.15	-	626.11	155.39	71.00	-	226.39	399.72	434.57	
Vehicle	912.19	39.66	1.93	949.92	255.62	119.28	1.54	373.36	576.56	656.57	
	<b>15,795.10</b>	<b>735.35</b>	<b>355.78</b>	<b>16,174.68</b>	<b>2,615.06</b>	<b>1,085.83</b>	<b>26.90</b>	<b>3,673.98</b>	<b>12,500.69</b>	<b>13,180.05</b>	
Capital Work in Progress	40.83	76.46	40.83	76.46	-	-	-	-	76.46	40.83	
<b>Sub Total (A)</b>	<b>15,835.93</b>	<b>811.81</b>	<b>396.61</b>	<b>16,251.14</b>	<b>2,615.06</b>	<b>1,085.83</b>	<b>26.90</b>	<b>3,673.98</b>	<b>12,577.15</b>	<b>13,220.88</b>	
<b>Intangible Assets</b>											
Computer software	183.70	18.30	-	202.00	139.52	44.30	-	183.82	18.18	44.18	
<b>Sub Total (B)</b>	<b>183.70</b>	<b>18.30</b>	<b>-</b>	<b>202.00</b>	<b>139.52</b>	<b>44.30</b>	<b>-</b>	<b>183.82</b>	<b>18.18</b>	<b>44.18</b>	
<b>Right of use Assets</b>											
Building (Refer note 44)	-	1,189.48	-	1,189.48	-	109.09	-	109.09	1,080.39	-	
<b>Sub Total (C)</b>	<b>-</b>	<b>1,189.48</b>	<b>-</b>	<b>1,189.48</b>	<b>-</b>	<b>109.09</b>	<b>-</b>	<b>109.09</b>	<b>1,080.39</b>	<b>-</b>	
<b>Total (A+B+C)</b>	<b>16,019.63</b>	<b>2,019.60</b>	<b>396.61</b>	<b>17,642.62</b>	<b>2,754.58</b>	<b>1,239.22</b>	<b>26.90</b>	<b>3,966.90</b>	<b>13,675.72</b>	<b>13,265.06</b>	

Particulars	Gross Block				Depreciation/Amortization				Net Block		
	As at April 1, 2018	Addition for the year	Deduction/Adjustment for the year	As at March 31, 2019	As at April 1, 2018	Addition for the year	Deduction/Adjustment for the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	
<b>Tangible Assets</b>											
Land	894.64	248.88	-	1,143.52	-	-	-	-	1,143.52	894.64	
Building	6,953.11	576.16	-	7,529.27	366.30	221.24	-	587.54	6,941.72	6,586.80	
Plant & Equipments	4,648.62	832.07	18.95	5,461.74	919.00	624.38	1.43	1,541.95	3,919.79	3,729.62	
Office Equipments	138.58	19.85	-	158.43	46.10	28.45	-	74.55	83.88	92.48	
Furniture & Fixture	539.98	49.98	-	589.96	88.53	66.86	-	155.39	434.57	451.45	
Vehicle	910.25	1.94	-	912.19	136.87	118.75	-	255.62	656.57	773.38	
	<b>14,085.17</b>	<b>1,728.88</b>	<b>18.95</b>	<b>15,795.10</b>	<b>1,556.81</b>	<b>1,059.68</b>	<b>1.43</b>	<b>2,615.06</b>	<b>13,180.05</b>	<b>12,528.37</b>	
Capital Work in Progress	530.53	40.83	530.53	40.83	-	-	-	-	40.83	530.53	
<b>Sub Total (A)</b>	<b>14,615.70</b>	<b>1,769.71</b>	<b>549.48</b>	<b>15,835.93</b>	<b>1,556.81</b>	<b>1,059.68</b>	<b>1.43</b>	<b>2,615.06</b>	<b>13,220.88</b>	<b>13,058.90</b>	
<b>Intangible Assets</b>											
Computer software	181.95	1.75	-	183.70	75.65	63.87	-	139.52	44.18	106.30	
<b>Sub Total (B)</b>	<b>181.95</b>	<b>1.75</b>	<b>-</b>	<b>183.70</b>	<b>75.65</b>	<b>63.87</b>	<b>-</b>	<b>139.52</b>	<b>44.18</b>	<b>106.30</b>	
<b>Total (A+B)</b>	<b>14,797.65</b>	<b>1,771.46</b>	<b>549.48</b>	<b>16,019.63</b>	<b>1,632.46</b>	<b>1,123.55</b>	<b>1.43</b>	<b>2,754.58</b>	<b>13,265.06</b>	<b>13,165.20</b>	



## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 5: INVESTMENTS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>A. Non-Current Investments</b>		
Equity instruments carried at fair value through profit or loss (FVTPL)		
Unquoted - Fully paid-up		
J.M. Hosiery & Co. Limited	442.01	442.01
84,000 equity shares (FV - ₹10 each)		
West Bengal Hosiery Park Infrastructure Limited	0.05	0.05
500 equity shares (FV - ₹10 each)		
Investment carried at Cost (Unquoted)		
Investment in Equity Instrument in Subsidiaries		
Artimas Fashions Private Limited	18.62	10.40
102,000 equity shares (PY - 19,800) (FV - ₹10 each)		
Altai Industries Private Limited (Subsidiary till 13th May, 2019)	-	10.20
NIL (31st March, 2019 : 102,000) equity shares (FV - ₹10 each)		
<b>Total</b>	<b>460.68</b>	<b>462.66</b>
Aggregate amount of Unquoted investments	460.68	462.66
Amount in quoted investment		
Aggregate book value	-	-
Aggregate market value	-	-
Investments carried at costs	18.62	20.60
Investments carried at fair value through profit or loss (FVTPL)	442.06	442.06

### NOTE 6: OTHER FINANCIAL ASSETS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Other bank balance		
Bank fixed deposit more than 12 months maturity from Balance Sheet date (pledged)	157.85	243.96
Interest accrued on fixed deposit	8.43	40.64
Security deposit	134.29	41.23
	<b>300.57</b>	<b>325.83</b>
<b>Current</b>		
Security deposit	66.21	49.61
Loans and advances to employees	140.49	166.15
Other loans and advances	9.78	44.23
	<b>216.48</b>	<b>259.99</b>
<b>Total</b>	<b>517.05</b>	<b>585.82</b>

### NOTE 7: OTHER NON-CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Unsecured, considered good unless otherwise stated)</i>		
Capital advances	350.94	3.33
Others		
Prepaid expenses	9.55	2.31
<b>Total</b>	<b>360.49</b>	<b>5.64</b>

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 8: INVENTORIES

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Valued at lower of cost and net realisable value)</i>		
Raw materials	4,230.87	2,408.76
Work-in-progress	9,630.18	8,335.45
Finished goods	14,686.94	10,938.15
Stock-in-trade	152.92	372.87
Packing materials	3,401.79	3,042.02
<b>Total</b>	<b>32,102.70</b>	<b>25,097.25</b>

### NOTE 9: TRADE RECEIVABLES

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
Unsecured		
- Considered good	30,673.85	36,829.14
- Considered doubtful	164.03	152.53
Less: Loss for allowances		
- Provision for doubtful debt	(164.03)	(152.53)
	30,673.85	36,829.14
<b>Total</b>	<b>30,673.85</b>	<b>36,829.14</b>

### NOTE 10: CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
Current accounts	67.39	81.34
Cash on hand	58.49	110.93
<b>Total</b>	<b>125.88</b>	<b>192.27</b>

### NOTE 11: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
Unpaid dividend - earmarked balances with Bank	8.72	6.35
<b>Total</b>	<b>8.72</b>	<b>6.35</b>

### NOTE 12: LOANS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>Carried at amortized cost</i>		
Loans Receivables considered good - Unsecured		
- to subsidiary company (Refer note 33)	-	320.60
- to others	56.17	72.81
<b>Total</b>	<b>56.17</b>	<b>393.41</b>

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 13: OTHER CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances to supplier		
- Unsecured, considered good	525.17	596.09
- Unsecured, considered doubtful	44.82	44.82
	569.99	640.91
Less: Provision for doubtful advances	(44.82)	(44.82)
	525.17	596.09
Others		
Prepaid expenses	72.38	111.87
Balances with government authorities	3,459.73	2,383.19
Incentive / duty drawback receivable	619.76	414.14
<b>Total</b>	<b>4,677.04</b>	<b>3,505.29</b>

### NOTE 14: EQUITY SHARE CAPITAL

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Authorised:</b>		
4,50,00,000 Equity shares of ₹2/- each	900.00	900.00
(31.03.2019: 4,50,00,000 Equity shares of ₹2/- each)		
56,00,000 Preference shares of ₹100/- each	5,600.00	5,600.00
(31.03.2019: 56,00,000 Preference shares of ₹100/- each)		
<b>Issued and subscribed equity share capital</b>		
2,77,37,500 Equity shares of ₹2/- each	554.75	554.75
(31.03.2019: 2,77,37,500 Equity shares of ₹2/- each)		
<b>Paid up equity share capital</b>		
2,52,53,000 Equity shares of ₹2/- each	505.06	505.06
(31.03.2019: 2,52,53,000 Equity shares of ₹2/- each)		
<b>Forfeited equity share capital</b>		
Add: 24,84,500 Equity shares (Paid-up)	24.92	24.92
(31.03.2019: 24,84,500 Equity shares (Paid-up))		
<b>Total</b>	<b>529.98</b>	<b>529.98</b>

₹ in Lakhs

	Equity share capital	
	No. of shares	₹ in Lakhs
<b>Reconciliation of number of equity shares outstanding:</b>		
<b>As at April 1, 2018</b>	<b>2,52,53,000</b>	<b>529.98</b>
Increase during the year	-	-
<b>As at March 31, 2019</b>	<b>2,52,53,000</b>	<b>529.98</b>
Increase during the year	-	-
<b>As at March 31, 2020</b>	<b>2,52,53,000</b>	<b>529.98</b>

#### (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.

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 14: EQUITY SHARE CAPITAL (Contd.)

(ii) Details of shares held by each shareholder holding more than 5% shares:

₹ in Lakhs

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	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%	37,30,000	14.77%
Pradip Kumar Todi	42,26,500	16.74%	44,82,500	17.75%
Bimla Devi Todi	32,80,000	12.99%	35,05,000	13.88%
Shobha Devi Todi	25,27,500	10.01%	27,52,500	10.90%
Prabha Devi Todi	36,23,000	14.35%	37,23,000	14.74%

### NOTE 15: OTHER EQUITY

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Capital Redemption Reserve	5,600.00	5,600.00
Securities premium	653.58	653.58
General reserve	1,477.70	1,477.70
Retained earnings	41,633.53	33,142.15
Other Comprehensive Income Reserves	(25.69)	(10.98)
<b>Total</b>	<b>49,339.11</b>	<b>40,862.45</b>

### NOTE 16: FINANCIAL LIABILITIES - BORROWINGS

(a) Non-current borrowings

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
<b>Secured</b>		
Term Loans from Banks	908.04	849.47
Less: Current maturity of long term borrowings (refer note 20)	269.30	320.75
	638.74	528.72
<b>Total non-current borrowings</b>	<b>638.74</b>	<b>528.72</b>

(i) Repayment terms and nature of securities given for term loan as follows :

₹ in Lakhs

Name of the Bank/ instrument	March 31, 2020	March 31, 2019	Nature of security	Repayment terms
<b>Secured</b>				
Allahabad Bank	720.72	567.87	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities 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 directors.	Repayable in quarterly installment Interest @ MCLR is serviced on monthly basis as and when due.
State Bank of India	-	49.56	Exclusive Hypothecation charge over the factory land & building constructed at Mouza-Chirkand & Mollarbar JL No.81 & 82. P.S. Chanditala & Sreerampore measuring 4 acres 43 sataks and building constructed thereon, and hypothecation charge on 1st charge basis on Plant & Machinery and other fixed assets installed upon the premises through this Term Loan on exclusive basis. It is additionally secured by extension of charge over the stocks, book debts and the other current assets of the company, both present and future by the WC Lenders. It is additionally secured by personal guarantee of the Directors.	Repayable in quarterly installment Interest @ MCLR is serviced on monthly basis as and when due.

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 16: FINANCIAL LIABILITIES - BORROWINGS (Contd.)

₹ in Lakhs

Name of the Bank/ instrument	March 31, 2020	March 31, 2019	Nature of security	Repayment terms
HDFC Bank	193.33	236.65	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities 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 directors.	Repayable in quarterly instalments. Interest @ 9.5% is serviced on monthly basis.

#### (b) Current borrowings

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
<b>From Banks (Secured) (refer note a)</b>		
<b>i) Loan repayable on demand</b>		
Cash Credit Facilities	963.99	3,046.89
Working Capital Demand Loan (WC DL)	1,001.46	3,499.04
<b>ii) Packing credit</b>	9,563.28	8,730.51
<b>From Others (Unsecured)</b>		
From related parties (refer note 33)	384.05	1,060.33
From body corporates	-	903.02
<b>Total current borrowings</b>	<b>11,912.78</b>	<b>17,239.79</b>

- a) The loan is 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 Directors.

### NOTE 17: NON CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Lease obligation	967.03	-
<b>Total</b>	<b>967.03</b>	<b>-</b>

### NOTE 18: PROVISIONS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Provision for employee benefits (Refer note 36)</b>		
a) Non-Current	387.31	288.18
b) Current	68.15	57.59
<b>Total</b>	<b>455.46</b>	<b>345.77</b>

### NOTE 19: TRADE PAYABLES

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
MSMED [refer note (a) below]	338.96	508.96
Other trade payables	13,944.23	15,759.21
<b>Total</b>	<b>14,283.19</b>	<b>16,268.17</b>

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 19: TRADE PAYABLES (Contd.)

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
(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	338.96	508.96
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 Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
Current maturities of long-term borrowings (Refer note 16)	269.30	320.75
Current maturities of lease obligation	61.76	-
Deposits from Dealers/ agents	1,523.41	1,425.36
Unclaimed dividend	8.72	6.35
Interest accrued but not due on borrowings	6.01	4.61
Payable against share allotment to subsidiary company (Refer note 33)	-	10.20
Other payables	678.33	600.66
<i>(At Fair Value through Profit and Loss Account (FVTPL))</i>		
Forward contract payable (On Mark-to-Market)	185.38	-
<b>Total</b>	<b>2,732.91</b>	<b>2,367.93</b>

### NOTE 21: OTHER CURRENT LIABILITIES

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Statutory dues	211.01	143.60
Advance from customers	788.06	741.08
<b>Total</b>	<b>999.07</b>	<b>884.68</b>

### NOTE 22: CURRENT TAX LIABILITIES

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Income tax liabilities	261.08	557.71
<b>Total</b>	<b>261.08</b>	<b>557.71</b>

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 23: REVENUE FROM OPERATIONS

₹ in Lakhs

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Sale of products</b>	1,19,200.47	1,19,569.48
<b>Sale of Services</b>		
Job Work	221.28	224.39
<b>Other Operating Revenue</b>		
Export and other incentive	847.68	1,074.20
<b>Total Revenue from Operations</b>	<b>1,20,269.43</b>	<b>1,20,868.07</b>

### NOTE 24: OTHER INCOME

₹ in Lakhs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income from Financial Assets at amortized cost:		
i) On Fixed Deposit	12.80	24.33
ii) On loan given to Subsidiary Company (Refer note 33)	44.71	13.42
iii) On loans given to other entities	17.65	9.09
Rent income		46.84
Profit on Sale of Property, plant and equipment	1.80	1.05
Gain on Investment carried at Fair value through Profit or Loss	0.02	-
Foreign currency fluctuation gain (net)	-	367.55
Net gain on sale of current investments	257.78	328.58
Others	1.56	-
<b>Total</b>	<b>421.17</b>	<b>919.78</b>

### NOTE 25: COST OF RAW MATERIAL CONSUMED

₹ in Lakhs

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Yarn Consumed</b>		
Opening Stock	2,408.76	3,248.33
Add : Purchases during the year	42,299.10	35,535.41
	44,707.86	38,783.74
Less: Yarn Sale	827.64	1,088.00
Less: Closing Stock	4,230.87	2,408.76
	39,649.35	35,286.98
<b>Packing Materials Consumed</b>		
Opening Stock	3,042.02	3,517.38
Add: Purchases during the year	11,535.86	9,724.55
	14,577.88	13,241.93
Less: Closing Stock	3,401.79	3,042.02
	11,176.09	10,199.91
<b>Consumption of Fabrics</b>		
	582.08	1,043.05
<b>Total</b>	<b>51,407.52</b>	<b>46,529.94</b>
Purchase of Stock-in-Trade (Knitwear)	6,150.90	7,666.96
<b>Total</b>	<b>6,150.90</b>	<b>7,666.96</b>

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 25: COST OF RAW MATERIAL CONSUMED (Contd.)

₹ in Lakhs

	Year ended March 31, 2020		Year ended March 31, 2019	
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>				
<b>Finished Goods</b>				
Opening Stock	10,938.15		12,537.79	
Closing Stock	14,686.94	(3,748.79)	10,938.15	1,599.64
<b>Work-in-progress</b>				
Opening Stock	8,335.46		10,614.13	
Closing Stock	9,630.18	(1,294.72)	8,335.46	2,278.67
<b>Stock in trade</b>				
Opening Stock	372.87		-	
Closing Stock	152.92	219.95	372.87	(372.87)
<b>Total</b>		<b>(4,823.56)</b>		<b>3,505.44</b>

### NOTE 26: EMPLOYEE BENEFIT EXPENSE

₹ in Lakhs

	Year ended March 31, 2020		Year ended March 31, 2019	
Salaries, Wages & Bonus	4,271.84		3,955.85	
Provision for Employment benefit	120.16	4,392.00	102.40	4,058.25
Contribution to Provident & Other Funds		131.55		130.10
Staff Welfare Expenses		157.49		160.87
<b>Total</b>		<b>4,681.04</b>		<b>4,349.22</b>

### NOTE 27: FINANCE COST

₹ in Lakhs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest on borrowings	1,027.56	2,189.95
Interest on lease obligation	69.14	-
Bank Charges	219.38	170.49
<b>Total</b>	<b>1,316.08</b>	<b>2,360.44</b>

### NOTE 28: DEPRECIATION & AMORTIZATION EXPENSE

₹ in Lakhs

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant and Equipment	1,085.86	1,059.68
Amortization of Intangible Assets	44.30	63.87
Depreciation on Lease Assets	109.09	-
<b>Total</b>	<b>1,239.25</b>	<b>1,123.55</b>

### NOTE 29: OTHER EXPENSES

₹ in Lakhs

	Year ended March 31, 2020		Year ended March 31, 2019	
Consumption of stores & spare parts		216.51		240.61
Power & Fuel		588.55		482.14
Rent		199.48		196.79
Repairs				
Repairs to buildings		114.51		83.67
Repairs to machinery		35.18		11.76
Repairs to other		26.03		75.67
Insurance		82.57		64.55
Rates & Taxes		16.20		25.47
Selling Expenses		1,004.66		1,310.09
Royalty		5.00		5.00
Advertisement & Publicity		8,918.21		9,089.45



## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 29: OTHER EXPENSES (Contd.)

₹ in Lakhs

	Year ended March 31, 2020		Year ended March 31, 2019	
Commission		899.30		942.95
Freight & Other Handling Charges		2,593.30		2,451.74
Bad Debts	111.25		39.24	
Less: Provision for Doubtful Debts	-	111.25	(31.46)	7.78
Provision for Doubtful Debts/ Advance		11.50		38.58
Processing expense		27,490.15		24,059.03
Prior Period Items		(33.70)		5.53
Loss on Sale of Property, plant and equipment		49.51		0.83
Miscellaneous Expenses (Refer note 29.1)		1,677.30		1,686.52
Payment to auditors :				
- Statutory audit fees		17.00		10.00
<b>Total</b>		<b>44,022.51</b>		<b>40,788.16</b>

#### NOTE 29.1:

Miscellaneous expenses includes donation given to political parties amounting to NIL (PY: ₹1 Lakh)

### NOTE 30: INCOME TAX

#### A. Amount recognized in profit or loss

₹ in Lakhs

	March 31, 2020	March 31, 2019
<b>Current Tax</b>		
Current year	4,300.00	5,179.00
Changes in respect of current income tax of previous years	9.36	20.03
	(a) 4,309.36	5,199.03
<b>Deferred Tax</b>		
Attributable to -		
Origination and reversal of temporary differences	(213.80)	133.71
	(b) (213.80)	133.71
<b>Tax expenses reported in the Standalone Statement of Profit and Loss (a+b)</b>	<b>4,095.56</b>	<b>5,332.74</b>

#### B. Income tax recognized in Other Comprehensive Income

₹ in Lakhs

	March 31, 2020	March 31, 2019
Deferred tax relating to items recognized in other comprehensive income during the year	4.95	(4.15)
<b>Income tax expense charged to Other Comprehensive Income</b>	<b>4.95</b>	<b>(4.15)</b>

#### C. Reconciliation of tax expense and the accounting profit for March 31, 2020 and March 31, 2019:

₹ in Lakhs

	March 31, 2020	March 31, 2019
Accounting profit before income tax	16,696.86	15,464.14
Tax at the applicable India tax rate of 26.168% (34.944%)	4,202.27	5,403.79
<b>Tax impact on amounts that are adjusted in determining taxable profit:</b>		
Difference between depreciation as per IT Act and depreciation as per books	2.22	(159.21)
Other adjustments	(108.92)	88.16
	<b>4,095.56</b>	<b>5,332.74</b>

#### D. Reconciliation of applicable tax rate and effective tax rate:

₹ in Lakhs

	March 31, 2020	March 31, 2019
Applicable tax rate	25.17%	34.94%
Tax effect of difference between depreciation as per IT Act and depreciation as per books	0.01%	-1.03%
Tax effect of other adjustments	-0.65%	0.57%
<b>Effective tax rate</b>	<b>24.53%</b>	<b>34.48%</b>

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 30: INCOME TAX (Contd.)

#### E. Recognized deferred tax assets and liabilities:

₹ in Lakhs

	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	(791.16)	187.20	-	(603.96)
Right of use assets	-	(271.91)	-	(271.91)
Trade receivables	53.30	(12.02)	-	41.28
Other assets	(140.66)	62.75	-	(77.91)
Provisions	120.83	(11.15)	4.95	114.63
Other liabilities	-	258.93	-	258.93
<b>Total</b>	<b>(757.69)</b>	<b>213.80</b>	<b>4.95</b>	<b>(538.95)</b>

₹ in Lakhs

	Balance as on April 01, 2018	(Charged)/ credited to profit or loss	(Charged)/ credited to OCI	Balance as on March 31, 2019
Property, plant and equipment	(612.31)	(178.85)	-	(791.16)
Trade receivables	63.67	(10.37)	-	53.30
Other assets	22.13	(162.79)	-	(140.66)
Borrowings	2.18	(2.18)	-	-
Provisions	(95.50)	220.48	(4.15)	120.83
<b>Total</b>	<b>(619.83)</b>	<b>(133.71)</b>	<b>(4.15)</b>	<b>(757.69)</b>

#### F. Deferred tax reflected in the Balance Sheet as follows:

₹ in Lakhs

	March 31, 2020	March 31, 2019
Deferred tax assets	414.84	(87.36)
Deferred tax liabilities	(953.78)	(670.33)
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(538.95)</b>	<b>(757.69)</b>

The company has opted to apply concessional rate of taxation as per the provisions of Section 115BAA of the Income Tax Act, 1961 made effective for financial year 2019-20 pursuant to Taxation Laws (Amendment) Ordinance, 2019 dated September 2019. Accordingly, the provision for Income tax and Deferred tax balances have been recorded/ re-measured using the new tax rates and the resultant impact is recognized in the statement of Profit and loss for the year ended 31st March 2020.

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 31: EARNINGS PER SHARE (EPS) (IND AS 33)

₹ in Lakhs

Sj. No	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Profit for the year	12,601.30	10,131.40
2	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS	252.53	252.53
3	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	252.53	252.53
4	Nominal Value per share (₹)	2/-	2/-
5	Earning per shares		
	Basic	49.90	40.12
	Diluted	49.90	40.12

### NOTE 32: PARTICULARS OF CONTINGENT LIABILITIES AND COMMITMENTS

#### I. Contingent Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Claims against the Company not acknowledged as liabilities in respect of:</b>		
Sales Tax Matters	61.72	61.72
Customs and Excise matters	346.27	346.27
Service tax matters	136.22	136.22
Provident Fund matters	972.83	972.83
Guarantee Given	897.03	120.52

The Company is contesting the demand and the management including its legal advisors believes that its position is likely to be upheld.

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.

#### I. Commitments:

- Estimated amount of contracts to be executed on capital account (Net of Advances) ₹550 Lakhs (Previous year NIL). 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.
- 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:

₹ in Lakhs

Name of the subsidiary	Country of incorporation	Percentage of holding As at March 31, 2020	Percentage of holding As at March 31, 2019
Artimas Fashions Private Limited	India	50.97%	100%
Altai Industries Private Limited (Till 13th May, 2019)	India	NIL	50.87%

## Notes to the standalone financial statements for the year ended March 31, 2020

### 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  
 Mrs Smita Mishra – Company Secretary

#### C. Other directors:

Mr 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  
 Ms Priyanka Todi  
 Ms Neha Todi  
 Ms Shilpa Agrawal

#### E. Entities where key management personnel and their relative have significant influence:

Biswanath Hosiery Mills Limited  
 Biswanath Real Estate Private Limited  
 J. M. Hosiery & Co. Limited  
 Rotex Intertrade Private Limited  
 Chitragupta Sale & Services Private Limited  
 Hollyfield Traders Private Limited  
 Ebell Fashions Private Limited  
 P. G. Buildtech Private Limited  
 P. G. Infometric Private Limited  
 Todi Industries  
 Lux Foundation  
 Jaytee Exports  
 S. D. International

#### F. The following transactions were carried out with the related parties in the ordinary course of business:

₹ In Lakhs			
Sl. No	Name of related party	Year ended March 31, 2020	Year ended March 31, 2019
1	<b>Sale of goods</b>		
	Ebell Fashions Private Limited	384.62	675.20
	J. M. Hosiery & Co Ltd	1,421.43	1,189.02
	Artimas Fashions Private Limited	257.75	163.30
	Todi Industries	6.27	3.69
2	<b>Purchase of goods</b>		
	J. M. Hosiery & Co. Limited	5,558.75	5,993.73
	Jaytee Exports	505.57	304.64
	Ebell Fashions Private Limited	276.25	460.31
	Artimas Fashions Private Limited	1.77	1.73

Notes to the standalone financial statements for the year ended March 31, 2020

NOTE 33: RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

₹ in Lakhs

Sl. No	Name of related party	Year ended March 31, 2020	Year ended March 31, 2019
<b>3</b>	<b>Sitting Fees</b>		
	Mr Nandanandan Mishra	0.60	0.90
	Mr Kamal Kishore Agrawal	0.80	1.10
	Mr Snehasish Ganguly	0.30	0.80
	Mrs Rusha Mitra	0.25	
<b>4</b>	<b>CSR Expenditure</b>		
	Lux Foundation	1.00	27.00
<b>5</b>	<b>Rent payment</b>		
	Hollyfield Traders Private Limited	1.80	1.80
	P. G. Infometric Private Limited	38.40	19.20
<b>6</b>	<b>Other services payment</b>		
	P. G. Infometric Private Limited - Data processing charges	48.00	24.00
	Biswanath Hosiery Mills Ltd - Royalty	5.00	5.00
	Todi Industries – Knitting Charges	125.72	205.32
<b>7</b>	<b>Received towards services</b>		
	Ebell Fashions Private Limited – (Knitting services)	199.64	215.52
	Artimas Fashions Private Limited - Rent	1.80	1.05
	Todi Industries – (Knitting services)	-	1.98
	S. D. International – (Knitting services)	2.39	1.76
	J. M. Hosiery & Co Limited – (Knitting Charges)	6.10	-
	Artimas Fashions Private Limited – (Knitting Charges)	2.40	-
<b>8</b>	<b>Reimbursement of taxes (Payment by Lux Industries Ltd)</b>		
	Biswanath Real Estate Pvt.Ltd.	-	7.16
<b>9</b>	<b>Reimbursement of taxes (Receipt)</b>		
	Biswanath Real Estate Private Limited	-	7.16
<b>10</b>	<b>Dividend payment</b>		
	Mr Ashok Kumar Todi	477.33	74.60
	Mr Pradip Kumar Todi	580.14	89.65
	Mrs Prabha Devi Todi	492.61	74.46
	Mrs Bimla Devi Todi	450.68	70.10
	Mrs Shobha Devi Todi	349.09	55.05
	Mr Saket Todi	18.36	2.72
	Mr Udit Todi	25.11	3.72
	Ms Shilpa Agrawal	6.75	1.00
	Ms Neha Todi	6.75	1.00
<b>11</b>	<b>Directors Remuneration</b>		
	Mr Ashok Kumar Todi	300.00	300.00
	Mr Pradip Kumar Todi	300.00	300.00
<b>12</b>	<b>Investment in equity shares</b>		
	Artimas Fashions Private Limited	8.22	-
<b>13</b>	<b>Payment of Security Deposit</b>		
	P. G. Infometric Pvt.Ltd.	171.00	-
<b>14</b>	<b>Sale of equity shares</b>		
	Investment in Altai Industries Private limited	10.20	-
<b>15</b>	<b>Salary</b>		
	Mr Saket Todi	111.55	30.00
	Mr Udit Todi	111.55	30.00
	Ms Priyanka Todi	-	30.00
	Mr Ajay Kumar Patodia (CFO)	61.98	39.18
	Mrs Smita Mishra (CS)	11.56	11.56

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 33: RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

₹ in Lakhs

Sl. No	Name of related party	Year ended March 31, 2020	Year ended March 31, 2019
<b>16</b>	<b>Interest received</b>		
	Artimas Fashions Private Limited	44.71	13.42
<b>17</b>	<b>Interest paid</b>		
	Chitragupta Sales & Services Private Limited	35.47	21.64
	Rotex Intertrade Private Limited	28.81	40.85
	Hollyfield Traders Private Limited	8.43	63.02
	Biswanath Hosiery Mills Ltd	-	0.31
<b>18</b>	<b>Reimbursement of Expenses</b>		
	Mr Nandanandan Mishra	1.46	-
	Mr Kamal Kishore Agrawal	0.14	-
	Altai Industries Private Limited	-	0.83
<b>19</b>	<b>Advance given</b>		
	P. G. Buildtech Private Limited	-	20.00
<b>20</b>	<b>Advances received back</b>		
	P. G. Buildtech Private Limited	-	20.00
<b>21</b>	<b>Loan taken</b>		
	Chitragupta Sales & Services Private Limited	1,467.00	830.00
	Rotex Intertrade Private Limited	623.00	1,595.00
	Hollyfield Traders Private Limited	1,183.95	1,125.00
	Biswanath Hosiery Mills Ltd	-	15.00
	Mr Ashok Kumar Todi	228.35	140.05
	Mr Pradip Kumar Todi	157.28	125.05
	Mrs Prabha Devi Todi	622.30	90.00
<b>22</b>	<b>Loan repayment</b>		
	Chitragupta Sales & Services Private Limited	1,866.97	492.27
	Rotex Intertrade Private Limited	958.04	3,387.01
	Hollyfield Traders Private Limited	1,354.31	3,689.92
	Biswanath Hosiery Mills Ltd	-	32.45
	Mr Ashok Kumar Todi	228.35	482.32
	Mr Pradip Kumar Todi	193.14	94.12
	Mrs Prabha Devi Todi	430.00	-
<b>23</b>	<b>Loan given</b>		
	Artimas Fashions Private Limited	439.59	308.57
<b>24</b>	<b>Refund of Loan given</b>		
	Artimas Fashions Private Limited	804.90	0.05

### G. Outstanding balances:

₹ In Lakhs

Sl. No	Name of related party	Year ended March 31, 2020	Year ended March 31, 2019
<b>1</b>	<b>Trade Payables</b>		
	J. M. Hosiery & Co. Limited	1,687.51	2,546.93
	Jaytee Exports	235.82	357.32
	Biswanath Hosiery Mills Limited	10.80	5.40
	Hollyfield Traders Private Limited	1.35	4.50
	Artimas Fashions Private Limited	-	2.02
	Todi Industries	-	4.72
	P. G. Infometric Private Limited	9.51	-
<b>2</b>	<b>Unsecured Loans</b>		
	Chitragupta Sales & Services Private Limited	-	364.49
	Rotex Intertrade Private Limited	-	306.22
	Hollyfield Traders Private Limited	-	161.93

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 33: RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

₹ in Lakhs

Sl. No	Name of related party	Year ended March 31, 2020	Year ended March 31, 2019
	Mr Ashok Kumar Todi	-	0.08
	Mr Pradip Kumar Todi	-	35.86
	Mrs Prabha Devi Todi	384.05	191.75
<b>3</b>	<b>Advances recoverable in cash or value</b>		
	Ebell Fashions Private Limited	37.07	-
	P. G. Infometric Private Limited	-	146.80
	Artimas Fashions Private Limited	5.16	-
	Todi Industries	4.75	5.92
	S D International	-	1.81
<b>4</b>	<b>Trade Receivables</b>		
	Artimas Fashions Private Limited	-	173.23
<b>5</b>	<b>Advance from Customer</b>		
	J. M. Hosiery & Co. Limited	-	29.78
	Ebell Fashions Private Limited	-	178.64
<b>6</b>	<b>Loans &amp; Advances</b>		
	Artimas Fashions Private Limited	-	320.60
<b>7</b>	<b>Payable against Share Allotment</b>		
	Altai Industries Private Limited	-	10.20
<b>8</b>	<b>Other Advances</b>		
	Altai Industries Private Limited	-	0.83
<b>9</b>	<b>Security deposit</b>		
	P. G. Infometric Private Limited	196.00	25.00
<b>10</b>	<b>Investment in equity shares</b>		
	J. M. Hosiery & Co Ltd (at fair value)	442.01	442.01
	Artimas Fashions Private Limited	18.62	10.40
	Altai Industries Private Limited	-	10.20

### 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 Lakhs

Sl. No	Particulars	2019-20	2018-19
	Gross amount required to be spent by the Company during the year	242.80	195.52
	Amount spent as below		
	- Education and Skill development	38.72	71.06
	- Health Care	2.11	2.18
	- Others	150.36	128.53
	<b>Total</b>	<b>191.19</b>	<b>201.77</b>

## Notes to the standalone financial statements for the year ended March 31, 2020

### 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 Lakhs	
Sl. No.	Particulars	2019-20	2018-19
1	Contribution to Provident/ Pension funds	81.18	66.05
	<b>Total</b>	<b>81.18</b>	<b>66.05</b>

#### 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 Lakhs			
Particulars	Gratuity		Leave Encashment		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	
Present Value of Obligation at the beginning of the year	327.99	275.93	17.77	-	
Current Service Cost	74.25	64.18	18.87	17.77	
Interest Cost	25.25	20.45	1.37	-	
Actuarial Losses / (Gain) recognized in other comprehensive income	16.73	(11.87)	2.93	-	
Benefit Paid	(28.13)	(20.70)	(1.59)	-	
<b>Present Value of Obligation at the end of the year</b>	<b>416.09</b>	<b>327.99</b>	<b>39.35</b>	<b>17.77</b>	

- (b) Expense recognized in Statement of Profit or Loss

		₹ In Lakhs			
Particulars	Gratuity		Leave Encashment		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	
Current service cost	74.25	64.18	18.86	17.77	
Interest cost	25.25	20.45	1.36	-	
<b>Total</b>	<b>99.51</b>	<b>84.63</b>	<b>20.22</b>	<b>17.77</b>	



## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 36: EMPLOYEE BENEFITS (Contd.)

(c) Remeasurements recognized in Standalone Other Comprehensive Income:

₹ In Lakhs

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Actuarial loss/(gain) arising on defined benefit obligation from				
- financial assumptions	32.74	8.45	2.47	-
- experience adjustments	(16.01)	(20.32)	0.45	-
<b>Total</b>	<b>16.73</b>	<b>(11.87)</b>	<b>2.92</b>	<b>-</b>

(d) Principle assumptions used in the determining gratuity obligation for the Company's are shown below:

₹ In Lakhs

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Discount Rate	7%	7.70%	7%	7.70%
Rate of increase in Salaries	6%	6%	6%	6%
Expected average remaining working lives of employees (years)	24.52	24.69	25.08	21.48
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 Lakhs

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Under Base scenario	416.10	275.93	39.35	17.77
Salary Escalation (Up by 1%)	456.15	301.34	43.59	19.65
Salary Escalation (Down by 1%)	381.82	253.93	35.67	16.15
Withdrawal Rates (Up by 1%)	419.02	279.11	39.66	18.02
Withdrawal Rates (Down by 1%)	412.43	272.05	38.99	17.49
Discount Rates (Up by 1%)	380.18	253.03	35.84	16.25
Discount Rates (Down by 1%)	458.58	360.01	43.44	19.56

(f) Expected Cash flow for following years

₹ In Lakhs

Expected cash flows over the next (valued on undiscounted basis):	2019-20	2018-19
1 Year	63.35	55.47
2 to 5 Years	116.59	46.12
6 to 10 Years	137.90	94.86
More than 10 Years	12855.48	11417.75

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 37: DISTRIBUTION OF DIVIDEND

₹ in Lakhs

Particulars	2019-2020	2018-2019
<b>Dividend on equity shares declared and paid:</b>		
Final dividend for the year ended 31.03.2019 :- ₹3.50 per share (31.03.2018 :- ₹2.00 per share)	883.86	505.06
Dividend Distribution Tax (DDT) on final dividend	181.68	103.82
1st Interim dividend for the year ended 31.03.2020 :- ₹10.00 per share (31.03.2019 :- ₹ Nil per share)	2,525.30	-
DDT on Interim dividend	519.08	-
<b>Proposed dividend on Equity Shares:</b>		
(Final dividend for the year ended) (31.03.2020 :- ₹2.50 per share) (Total dividend ₹12.50 per share) (31.03.2019 :- ₹3.50 per share)	631.32	883.86
DDT on proposed dividend	-	181.68

### 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 Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a) Loans and advances in the nature of loan to others</b>		
i) Loan to Jalan and Sons		
Balance at the year end	0.23	16.93
Maximum amount outstanding at any time during the year	16.93	32.37
It carries rate of interest of 8%.		
ii) Loan to Manamaa Garments		
Balance at the year end		
Maximum amount outstanding at any time during the year	59.96	55.93
It carries rate of interest of 8%.	59.96	55.93
iii) Loan to Artimas Fashions Private Limited		
Balance at the year end	-	320.60
Maximum amount outstanding at any time during the year	691.63	320.60
It carries rate of interest of 9%.		

Note: Such loan was utilized for working capital requirements.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>b) Investment by the Company in the shares of another Company</b>		
i) Artimas Fashions Private Limited		
Balance at the year end	18.62	10.40
Maximum amount outstanding at any time during the year	18.62	10.40
ii) Altai Industries Private Limited – Subsidiary		
Balance at the year end	-	10.20
Maximum amount outstanding at any time during the year	10.20	10.20

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>c) Corporate Guarantee given by the Company in respect of loans</b>		
Artimas Fashions Private Limited	774.00	-

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 39: EVENT OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors has recommended final equity dividend of ₹2.5 per share (P.Y ₹3.5 per Share) for the financial year 2019-20. The company has declared dividend to the shareholders after the balance sheet date but before the financial statements approved for issue, therefore dividend has not been recognized as a liability at the Balance Sheet date.

### NOTE 40: 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, 2020 are as follows:

₹ In Lakhs

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
<b>Financial assets:</b>				
Investment in equity instruments (Unquoted)	18.62	442.06	460.68	460.68
Trade Receivables	30,673.85	-	30,673.85	30,673.85
Cash and cash equivalents	125.88	-	125.88	125.88
Other bank balances	8.72	-	8.72	8.72
Loans	56.17	-	56.17	56.17
Other financial assets	517.05	-	517.05	517.05
<b>Financial liabilities:</b>				
Long Term Borrowings	638.74	-	638.74	638.74
Other Long Term Financial Liability	967.03	-	967.03	967.03
Short Term Borrowings	11,912.78	-	11,912.78	11,912.78
Trade Payables	14,283.19	-	14,283.19	14,283.19
Other Short Term Financial Liability	2,732.91	-	2,732.91	2,732.91

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet as at March 31, 2019 are as follows:

₹ In Lakhs

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
<b>Financial assets:</b>				
Investment in equity instruments (unquoted)	20.60	442.06	462.66	462.66
Trade Receivables	36,829.14	-	36,829.14	36,829.14
Cash and cash equivalents	192.27	-	192.27	192.27
Other bank balances	6.35	-	6.35	6.35
Loans	393.41	-	393.41	393.41
Other financial assets	585.82	-	585.82	585.82
<b>Financial liabilities:</b>				
Long Term Borrowings	528.77	-	528.77	528.77
Short Term Borrowings	17,239.79	-	17,239.79	17,239.79
Trade Payables	16,268.17	-	16,268.17	16,268.17
Other Short Term Financial Liability	2,367.93	-	2,367.93	2,367.93

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 41: 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 Lakhs

As at March 31, 2020	Level 1	Level 2	Level 3
<b>Financial Assets:</b>			
Investment in equity instruments (Unquoted)	-	185.38	-
<b>Total</b>	-	185.38	-

₹ In Lakhs

As at March 31, 2019	Level 1	Level 2	Level 3
<b>Financial Assets:</b>			
Investment in equity instruments (Unquoted)	-	-	442.01
<b>Total</b>	-	-	442.01

#### Notes:

- 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.
- Investments in unquoted equity shares is stated at fair value using observable inputs for Level 3. The valuation of J. M. Hosiery & Co. Limited has been done in previous year by a professional valuer using Comparable Companies' Price (CCP) method, wherein multiples derived from valuations of comparable companies are used adjusted for differences between the circumstances. In our case, Enterprise value to Earnings before interest, tax, depreciation and amortization (EV/EBIDTA) multiple of comparable listed companies have been used. There has been no significant changes in the fair value of the investment.

₹ In Lakhs

Particulars	EV/EBIDTA multiple	Value per share	Total no. of shares	Amount
Under Base scenario	23.70	526.20	84,000	442.01
Change in EV/EBIDTA multiple by +10%	26.07	593.50	84,000	498.54
Change in EV/EBIDTA multiple by -10%	21.33	459.60	84,000	386.06

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 42: 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 counter party,
- iii. Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations,
- iv. Significant increase in credit risk on other financial instruments of the same counter party,
- v. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

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 ₹30,673.85 Lakhs (PY – ₹36,829.14 Lakhs) and advance to suppliers stood at ₹525.17 Lakhs (PY – ₹596.09 Lakhs)

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Company are as under:

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	197.35	183.99
Add: Provisions made	11.50	44.82
Less: Provisions reversed	-	(31.46)
<b>Closing provisions</b>	<b>208.85</b>	<b>197.35</b>

#### 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.

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 42: FINANCIAL RISK MANAGEMENT (Contd.)

₹ In Lakhs

March 31, 2020	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	11,912.78	638.74	-	12,551.52
Trade payables	14,283.90	-	-	14,283.90
Other financial liabilities	2,732.91	967.03	-	3,699.94

₹ In Lakhs

March 31, 2019	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	17,239.79	528.72	-	17,768.51
Trade payables	16,268.17	-	-	16,268.17
Other financial liabilities	2,367.93	-	-	2,367.93

### 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 Dollars is not material.

#### Particulars of unhedged foreign currency exposure as at the balance sheet date

₹ In Lakhs

Particulars		As at March 31, 2020	As at March 31, 2019
Amount receivable in Foreign currency on account of	US\$	48.19	60.53
Trade receivables	INR	3,631.63	4,193.58
Amount payables in Foreign currency on account of	US\$	2.43	2.32
Trade payables	INR	182.77	160.38

₹ In Lakhs

Particulars	Change in USD rate	Effect on profit before tax	Effect on post tax equity
March 31, 2020	+ 10%	344.89	258.08
	- 10%	(344.89)	(258.08)
March 31, 2019	+ 10%	403.32	262.38
	- 10%	(403.32)	(262.38)

#### 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.

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 42: FINANCIAL RISK MANAGEMENT (Contd.)

#### 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 43: 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 Lakhs

Particulars	March 31, 2020	March 31, 2019
Total debt (Bank and Other Borrowings)	12,820.82	18,089.26
Equity	49,869.09	41,392.43

### NOTE 44: LEASES

#### Company as a Lessee

The company has applied IND AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in the Note 3 (t) of Accounting Policies.

#### Impact on Balance Sheet (Increase/Decrease)

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>		
Right of Use Assets (Refer Note No. 4(c))	1,080.39	-
<b>Liabilities</b>		
Lease Liabilities (Refer Note No. 17 and 20)	1,028.79	-

#### Impact on Statement of Profit and Loss

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation and Amortisation	109.09	-
Other Expenses	(124.64)	-
Finance Cost	69.14	-
Income Tax Expenses (Deferred Taxes)	-	-
<b>Loss for the period (Increase)</b>	<b>53.59</b>	-

#### Impact on Statement of Cash Flows

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Payment of principal portion of lease liabilities	55.50	-
Payment of Interest portion of lease liabilities	69.14	-
<b>Net Cash flows used in financial activities</b>	<b>124.64</b>	-

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.

## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 44: LEASES (Contd.)

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

₹ In Lakhs

Particulars	Amount
On adoption of Ind AS 116	297.30
Addition during the year	892.19
Depreciation Expense	(109.09)
<b>As at 31st March 2020</b>	<b>1080.40</b>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

₹ In Lakhs

Particulars	Amount
On adoption of Ind AS 116	207.75
Addition during the year	876.53
Accretion of interest	69.14
Payments	(124.64)
<b>As at 31st March 2020</b>	<b>1028.79</b>
<b>Current</b>	<b>61.76</b>
<b>Non-Current</b>	<b>967.03</b>
The effective interest rate for lease liabilities is 10.49%.	

The following are the amounts recognised in statement of Profit and Loss:

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation expense of right-of used assets	109.09	-
Interest expenses on lease liabilities	69.14	-
Expense relating to other leases (included in other expenses)	(124.64)	-
<b>Total amount recognised in Statement of Profit and Loss</b>	<b>53.60</b>	<b>-</b>

Maturity analysis of lease liabilities are as follows:

₹ In Lakhs

Particulars	Amount
1 year	61.76
2-5 years	574.96
5 years and above	392.07

### NOTE 45: AMALGAMATION

A Scheme of Amalgamation for Merger with J. M. Hosiery & Co. Limited and Ebell Fashions Private Limited has been approved on June 26th 2018, by the Board of Directors of the respective companies and has been filed with the National Company Law Tribunal after receiving approvals from stock exchanges. Pending the regulatory approvals, no effect of the proposed merger has been considered in this statement.



## Notes to the standalone financial statements for the year ended March 31, 2020

### NOTE 46:

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 47:

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 48:

Previous year figures have been recast/ regrouped whenever necessary to conform to the current Year's presentation.

**The accompanying notes are an integral parts of the Financial Statements.**

As per out report of even date attached

**For S K AGRAWAL AND CO**

Chartered Accountants

ICAI Firm Registration No. 306033E

**Sandeep Agrawal**

Partner

Membership No. 058553

Place: Kolkata

Date: June 29, 2020

**For and on behalf of the Board**

**Ashok Kumar Todi**

Chairman

(DIN - 00053599)

**Ajay Kumar Patodia**

Chief Financial Officer

(PAN - AFVPP9103P)

**Pradip Kumar Todi**

Managing Director

(DIN - 00246268)

**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, 2020, 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, 2020, 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 47 to the Consolidated financial statement, which describes the uncertainties and potential impact of the Covid-19 pandemic of 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 31 March 2020. 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
<p>Revenue from Sale of Goods</p> <p>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.</p> <p>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.</p>	<p>Our audit procedure includes the following:</p> <ul style="list-style-type: none"> <li>• Considered the adequacy of the Group's revenue recognition policy and its compliance in terms of Ind AS 115 "Revenue from contracts with customers"</li> <li>• Assessed the design and tested the operating effectiveness of the internal financial controls related to revenue recognition.</li> <li>• 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.</li> <li>• 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.</li> <li>• Selected Samples of rebates and discounts during the year, compared them with the supporting documents and perform recalculation of those variable considerations as per scheme documents. Assessed the relevant disclosure made in the consolidated Ind AS financial statement.</li> </ul>

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 Company's Board of Directors is responsible for the other information. The other information comprises the information included Other Section of Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 charge 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 are 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.

### 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 31st March, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2020 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  
Firm Registration No.-306033E

**Sandeep Agrawal**  
(Partner)

Place: Kolkata  
Dated: 29th June, 2020.

Membership No. 058553  
UDIN:20058553AAAABB3074

# 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 31 March 2020, we have audited the internal financial controls over financial reporting of Lux Industries Limited ("the Holding Company") and its subsidiaries 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 companies, 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 internal financial controls system over financial reporting of the Holding Company and subsidiary companies, 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 authorizations of management and directors of the company;

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the 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 31 March 2020, 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  
Firm Registration No.-306033E

**Sandeep Agrawal**  
(Partner)

Place: Kolkata  
Dated: 29th June, 2020.

Membership No. 058553  
UDIN:20058553AAAABB3074

## Consolidated Balance Sheet as at March 31, 2020

₹ in Lakhs

	Notes	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>			
<b>A. Non-current assets</b>			
Property, plant and equipment	4	12,701.96	13,194.11
Capital work-in-progress	4	76.46	40.83
Other intangible assets	4	21.24	44.17
Right of use assets	4	1,379.85	-
Financial assets			
Investments	5	442.06	451.01
Other financial assets	6	307.76	325.86
Other non-current assets	7	360.49	5.64
<b>Total non-current assets</b>		<b>15,289.82</b>	<b>14,061.62</b>
<b>B. Current assets</b>			
Inventories	8	33,165.83	25,342.22
Financial assets			
Trade receivables	9	31,032.16	36,659.95
Cash and cash equivalents	10	130.97	193.62
Bank balance other than above	11	8.72	6.35
Loans	12	56.17	72.81
Other financial assets	6	218.55	269.21
Current tax assets	21	-	-
Other current assets	13	4,882.80	3,556.93
<b>Total Current assets</b>		<b>69,495.20</b>	<b>66,101.09</b>
<b>Total Assets</b>		<b>84,785.02</b>	<b>80,162.71</b>
<b>Equity and liabilities</b>			
<b>C. Equity</b>			
Equity share capital	14	529.98	529.98
Other equity	15	49,020.96	40,611.10
Non-controlling interest		(276.31)	9.42
<b>Total Equity</b>		<b>49,274.63</b>	<b>41,150.50</b>
<b>D. Non-current liabilities</b>			
Financial liabilities			
Borrowings	16	690.39	528.72
Other financial liabilities	17	1,236.67	-
Deferred tax liabilities (Net)	30	538.95	756.79
Provisions	18	391.76	289.05
<b>Total Non-current liabilities</b>		<b>2,857.77</b>	<b>1,574.56</b>
<b>E. Current liabilities</b>			
Financial liabilities			
Borrowings	17	13,548.93	17,239.79
Trade payables			
A. Total outstanding dues of micro enterprises and small enterprises; and	19	346.95	508.96
B. Total outstanding dues of creditors other than micro enterprises and small enterprises	19	14,466.82	15,820.15
Other financial liabilities	20	2,952.65	2,365.28
Other current liabilities	21	1,008.13	888.14
Provisions	18	68.22	57.61
Current tax liabilities (Net)	22	260.92	557.72
<b>Total current liabilities</b>		<b>32,652.62</b>	<b>37,437.65</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>84,785.02</b>	<b>80,162.71</b>
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  
ICAI Firm Registration No. 306033E

Sandeep Agrawal

Partner  
Membership no. 058553

Place : Kolkata

Date : 29th June, 2020

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Ashok Kumar Todi

Chairman  
(DIN - 00053599)

Ajay Kumar Patodia

Chief Financial Officer  
(PAN - AFVPP9103P)

Pradip Kumar Todi

Managing Director  
(DIN - 00246268)

Smita Mishra

Company Secretary  
(Mem No - A26489)



## Consolidated Statement of Profit and Loss for the year ended March 31, 2020

₹ in Lakhs

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
I. Revenue from operations	23	1,20,612.80	1,20,704.77
II. Other Income	24	377.13	904.26
<b>III. Total income (I+II)</b>		<b>1,20,989.93</b>	<b>1,21,609.03</b>
<b>IV. Expenses</b>			
Cost of raw materials consumed	25	51,697.11	46,567.61
Purchases of Stock-in-trade	25	6,431.26	7,666.96
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	25	(5,450.43)	3,295.92
Employee benefit expense	26	4,930.83	4,392.17
Finance costs	27	1,381.85	2,360.52
Depreciation and amortisation expense	28	1,271.51	1,124.51
Other expenses	29	44,383.08	40,990.09
<b>Total expenses (IV)</b>		<b>1,04,645.21</b>	<b>1,06,397.78</b>
<b>V. Profit Before Tax (III - IV)</b>		<b>16,344.72</b>	<b>15,211.25</b>
<b>VI. Tax expense</b>			
(i) Current tax	30	4,300.00	5,179.00
(ii) Deferred tax	30	(212.91)	132.81
(iii) Income tax for earlier years		9.36	20.03
<b>Income tax expense (i+ii)</b>		<b>4,096.45</b>	<b>5,331.84</b>
<b>VII. Profit before Minority Interest and Other Comprehensive Income (V-VI)</b>		<b>12,248.28</b>	<b>9,879.41</b>
<b>VIII. Other comprehensive income</b>			
A. (i) Items that will not be reclassified subsequently to profit and loss			
(a) Remeasurements of the defined benefit liabilities/(asset)		(19.55)	11.87
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.92	(4.15)
<b>Other comprehensive income for the year (net of tax) (i-ii)</b>		<b>(14.63)</b>	<b>7.72</b>
<b>Total comprehensive income for the year, net of income tax (VII + VIII)</b>		<b>12,233.64</b>	<b>9,887.13</b>
<b>Profit for the year</b>		<b>12,248.28</b>	<b>9,879.41</b>
<b>Attributable to:</b>			
(i) Shareholders of the Company		12,288.66	9,879.84
(ii) Non controlling interest		(40.38)	(0.43)
<b>Total comprehensive income for the year, net of income tax</b>			
<b>Attributable to:</b>			
(i) Shareholders of the Company		12,274.03	9,887.56
(ii) Non controlling interest		(40.38)	(0.43)
<b>Earnings per equity share [nominal value of share ₹ 2 (March 31, 2019 ₹ 2)]</b>			
Basic in ₹ per share	31	48.66	39.12
Diluted in ₹ per share	31	48.66	39.12
<b>Summary of significant accounting policies</b>	<b>3</b>		

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  
ICAI Firm Registration No. 306033E

Sandeep Agrawal  
Partner  
Membership no. 058553

Place : Kolkata  
Date : 29th June, 2020

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Ashok Kumar Todi  
Chairman  
(DIN - 00053599)

Ajay Kumar Patodia  
Chief Financial Officer  
(PAN - AFVPP9103P)

Pradip Kumar Todi  
Managing Director  
(DIN - 00246268)

Smita Mishra  
Company Secretary  
(Mem No - A26489)

## Consolidated Statement of changes in equity for the year ended March 31, 2020

### a. Equity share capital

₹ in Lakhs

	No. of shares	₹ in Lakhs
Equity shares of ₹2 each issued, subscribed and fully paid		
As at April 1, 2018	2,52,53,000	529.98
Changes in equity share capital during the year	-	-
As at March 31, 2019	2,52,53,000	529.98
Changes in equity share capital during the year	-	-
As at March 31, 2020	2,52,53,000	529.98

### b. Other Equity

₹ in Lakhs

	Capital Redemption Reserve on consolidation	Securities premium	Capital Reserve	General reserve	Retained earnings	Other Comprehensive Income	Total
As at April 1, 2018	5,600.00	653.58	0.12	1,477.70	23,619.72	(18.69)	31,332.41
Add: Profit for the year	-	-	-	-	9,879.84	-	9,879.84
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	7.72	7.72
Less: Dividend	-	-	-	-	505.06	-	505.06
Less: Dividend tax	-	-	-	-	103.82	-	103.82
<b>Balance as at March 31, 2019</b>	<b>5,600.00</b>	<b>653.58</b>	<b>0.12</b>	<b>1,477.70</b>	<b>32,890.68</b>	<b>(10.98)</b>	<b>40,611.11</b>
Add: Profit for the year	-	-	-	-	12,288.66	-	12,288.66
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	(14.63)	(14.63)
Less: Transferred to minority	-	-	-	-	(245.76)	-	(245.76)
Less: Dividend distribution tax	-	-	-	-	3,409.16	-	3,409.16
Less: Dividend distribution tax	-	-	-	-	700.76	-	700.76
<b>Balance as at March 31, 2020</b>	<b>5,600.00</b>	<b>653.58</b>	<b>0.12</b>	<b>1,477.70</b>	<b>41,315.18</b>	<b>(25.61)</b>	<b>49,020.97</b>

## Consolidated Statement of changes in equity for the year ended March 31, 2020

### 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) **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.
- (D) **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.
- (E) **Other comprehensive Income Reserves:** This reserve represents effect remeasurements of defined benefit plans that will not be reclassified to Statement of Profit & Loss.
- (F) **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

ICAI Firm Registration No. 306033E

**Sandeep Agrawal**

Partner

Membership no. 058553

Place : Kolkata

Date : 29th June, 2020

FOR AND ON BEHALF OF BOARD OF DIRECTORS

**Ashok Kumar Todi**

Chairman

(DIN - 00053599)

**Ajay Kumar Patodia**

Chief Financial Officer

(PAN - AFVPP9103P)

**Pradip Kumar Todi**

Managing Director

(DIN - 00246268)

**Smita Mishra**

Company Secretary

(Mem No - A26489)

## Consolidated Statement of Cash Flows for the year ended March 31, 2020

₹ in Lakhs

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	16,344.72	15,211.25
<b>Adjustment to reconcile profit/(loss) before tax to net cash flows:</b>		
Depreciation and amortisation expense	1,271.51	1,124.51
Interest on lease liability	92.33	-
Finance costs - others	1,289.52	2,360.52
Profit on sale of property, plant and equipment	(0.02)	-
Loss on sale of property, plant and equipment	49.51	0.83
Finance income	(32.48)	(33.42)
Bad Debt (net)	111.25	7.78
Provision for doubtful debts and advances (net)	11.50	38.58
Gain on Investment carried at Fair value through Profit or Loss	-	(366.50)
<b>Operating profit before working capital changes</b>	<b>19,137.84</b>	<b>18,343.55</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in trade and other receivables	5,516.54	2,242.18
(Increase)/decrease in inventories	(7,823.61)	4,575.42
(Increase)/decrease in other assets	(1,833.01)	686.71
Increase/(decrease) in trade and other payables	(1,515.34)	(2,529.97)
Increase/(decrease) in other liabilities	734.23	358.58
<b>Cash generated from/(used in) operations</b>	<b>14,216.64</b>	<b>23,676.47</b>
Direct taxes paid (Net of refunds)	(4,606.16)	(4,687.78)
<b>Net cash flow from/(used in) operating activities</b>	<b>9,610.48</b>	<b>18,988.69</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, intangible assets and capital advance	(991.35)	(1,255.94)
Proceeds from sale of property, plant and equipment and intangible assets	278.49	16.69
Sale of equity shares	8.95	-
Decrease in loan given	16.64	11.74
Decrease/(Increase) in term deposit	83.52	(0.01)
Finance income	64.59	11.27
<b>Net cash flow from/(used in) investing activities</b>	<b>(539.16)</b>	<b>(1,216.24)</b>
<b>Cash flows from financing activities</b>		
Proceeds/ (repayment) of non-current borrowings	119.22	(412.08)
Proceeds/ (repayment) from current borrowings	(3,690.86)	(14,408.58)
Finance costs - others	(1,287.58)	(2,360.52)
Dividend Paid	(3,409.16)	(505.06)
Dividend tax paid	(700.76)	(103.82)
Payment of lease liability - principal	(72.51)	-
Payment of lease liability - interest	(92.33)	-
<b>Net cash flow from/(used in) in financing activities</b>	<b>(9,133.98)</b>	<b>(17,790.06)</b>

## Consolidated Statement of Cash Flows for the year ended March 31, 2020

₹ in Lakhs

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(62.65)</b>	<b>(17.62)</b>
Cash and cash equivalents at the beginning of the year	193.62	211.24
Cash and cash equivalents on acquisition of subsidiary	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>130.97</b>	<b>193.62</b>
<b>Components of Cash and cash equivalents</b>		
Cash on hand (Refer Note - 10)	62.00	112.15
Balances with banks - in current account (Refer Note - 10)	68.97	81.47
<b>Total Cash and cash equivalents</b>	<b>130.97</b>	<b>193.62</b>
<b>Debt Reconciliation Statement as per Ind AS 7</b>		
<b>Current Borrowings</b>		
Opening balance	17,239.79	31,648.37
Proceeds/ (repayment) from current borrowings (Net)	(3,690.86)	(14,408.58)
<b>Closing Balance</b>	<b>13,548.93</b>	<b>17,239.79</b>
<b>Non-Current Borrowings and certain components of Financial Liabilities</b>		
Opening balance	849.47	1,261.55
Proceeds/ (repayment) from current borrowings (Net)	119.22	(412.08)
<b>Closing Balance</b>	<b>968.69</b>	<b>849.47</b>

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

ICAI Firm Registration No. 306033E

**Sandeep Agrawal**

Partner

Membership no. 058553

Place : Kolkata

Date : 29th June, 2020

FOR AND ON BEHALF OF BOARD OF DIRECTORS

**Ashok Kumar Todi**

Chairman

(DIN - 00053599)

**Ajay Kumar Patodia**

Chief Financial Officer

(PAN - AFVPP9103P)

**Pradip Kumar Todi**

Managing Director

(DIN - 00246268)

**Smita Mishra**

Company Secretary

(Mem No - A26489)

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 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 (NSE) and Bombay Stock Exchange (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 and Tirupur, in the state of 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 June 29, 2020. 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 lakhs, 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 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.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 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 40 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;

## Notes to Consolidated financial statements for the year ended March 31, 2020

**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 41.

### (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, 2020	As at March 31, 2019
Artimas Fashions Private Limited	India	50.97%	100%
Altai Industries Limited (ceased w.e.f 14 May 2019)	India	NIL	50.87%

#### (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. 31 March 2020.

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



## Notes to Consolidated financial statements for the year ended March 31, 2020

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 noncurrent 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 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.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### (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.

##### 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.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### (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 working-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.

## Notes to Consolidated financial statements for the year ended March 31, 2020

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.

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.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### (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.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### (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) 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.

#### 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.

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.

#### Rendering of Services

Revenue from services is recognized as the service performed based on agreements/ arrangements with the concerned parties.

#### Contract balances

##### 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).

##### 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.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### (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.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### (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.

### (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



## Notes to Consolidated financial statements for the year ended March 31, 2020

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.

### (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 has adopted Ind AS 116 using the modified retrospective method on the date of initial application. Pursuant to adoption of Ind AS 116, the Group 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 Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019. The impact of adoption of Ind AS 116 on the financial statements of the Group has been described under Note 45.

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-

## Notes to Consolidated financial statements for the year ended March 31, 2020

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 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.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 4: PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, RIGHT OF USE ASSETS

₹ in Lakhs

Particulars	Gross Block				Depreciation/ Amortization				Net Block		
	As at April 1, 2019	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2020	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 March 31, 2019	
<b>Tangible Assets</b>											
Land	1,143.52	-	-	1,143.52	-	-	-	-	1,143.52	1,143.52	
Building	7,529.26	156.02	-	7,685.28	587.54	230.56	-	818.10	6,867.18	6,941.72	
Plant & Equipments	5,473.70	629.46	353.85	5,749.31	1,542.75	644.39	25.36	2,161.78	3,587.53	3,930.95	
Office Equipments	158.51	16.91	-	175.42	74.56	28.63	-	103.19	72.23	83.95	
Furniture & Fixture	592.95	91.99	-	684.94	155.53	74.46	-	229.99	454.95	437.42	
Vehicle	912.17	39.66	1.93	949.90	255.62	119.28	1.54	373.36	576.54	656.55	
	<b>15,810.11</b>	<b>934.04</b>	<b>355.78</b>	<b>16,388.38</b>	<b>2,616.00</b>	<b>1,097.32</b>	<b>26.90</b>	<b>3,686.42</b>	<b>12,701.96</b>	<b>13,194.11</b>	
Capital Work-in-Progress	40.83	76.46	40.83	76.46	-	-	-	-	76.46	40.83	
<b>Sub Total (A)</b>	<b>15,850.94</b>	<b>1,010.50</b>	<b>396.61</b>	<b>16,464.84</b>	<b>2,616.00</b>	<b>1,097.32</b>	<b>26.90</b>	<b>3,686.42</b>	<b>12,778.42</b>	<b>13,234.94</b>	
<b>Intangible Assets</b>											
Computer software	183.68	20.67	-	204.35	139.52	44.60	-	184.12	20.24	44.17	
Brand	-	1.00	-	1.00	-	-	-	-	1.00	-	
<b>Sub Total (B)</b>	<b>183.68</b>	<b>21.67</b>	<b>-</b>	<b>205.35</b>	<b>139.52</b>	<b>44.60</b>	<b>-</b>	<b>184.12</b>	<b>21.24</b>	<b>44.17</b>	
<b>Right of use Assets</b>											
Building (Refer note 45)	-	1,509.41	-	1,509.41	-	129.56	-	129.56	1,379.85	-	
<b>Sub Total (C)</b>	<b>-</b>	<b>1,509.41</b>	<b>-</b>	<b>1,509.41</b>	<b>-</b>	<b>129.56</b>	<b>-</b>	<b>129.56</b>	<b>1,379.85</b>	<b>-</b>	
<b>Total (A+B)</b>	<b>16,034.63</b>	<b>2,541.58</b>	<b>396.61</b>	<b>18,179.60</b>	<b>2,755.51</b>	<b>1,271.48</b>	<b>26.90</b>	<b>4,000.09</b>	<b>14,179.51</b>	<b>13,279.11</b>	

₹ in Lakhs

Particulars	Gross Block				Depreciation/Amortization				Net Block		
	As at April 1, 2018	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2019	As at April 1, 2018	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	
<b>Tangible Assets</b>											
Land	894.64	248.88	-	1,143.52	-	-	-	-	1,143.52	894.64	
Building	6,953.10	576.16	-	7,529.26	366.30	221.24	-	587.54	6,941.72	6,586.80	
Plant & Equipments	4,648.62	844.02	18.94	5,473.70	919.00	625.18	1.43	1,542.75	3,930.95	3,729.62	
Office Equipments	138.58	19.93	-	158.51	46.10	28.46	-	74.56	83.95	92.48	
Furniture & Fixture	539.98	52.97	-	592.95	88.53	67.00	-	155.53	437.42	451.45	
Vehicle	910.23	1.94	-	912.17	136.87	118.75	-	255.62	656.55	773.36	
	<b>14,085.15</b>	<b>1,743.90</b>	<b>18.94</b>	<b>15,810.11</b>	<b>1,556.80</b>	<b>1,060.63</b>	<b>1.43</b>	<b>2,616.00</b>	<b>13,194.11</b>	<b>12,528.35</b>	
Capital Work-in-Progress	530.53	40.83	530.53	40.83	-	-	-	-	40.83	530.53	
<b>Sub Total (A)</b>	<b>14,615.68</b>	<b>1,784.73</b>	<b>549.47</b>	<b>15,850.94</b>	<b>1,556.80</b>	<b>1,060.63</b>	<b>1.43</b>	<b>2,616.00</b>	<b>13,234.94</b>	<b>13,058.88</b>	
<b>Intangible Assets</b>											
Computer software	181.94	1.74	-	183.68	75.65	63.87	-	139.52	44.17	106.30	
<b>Sub Total (B)</b>	<b>181.94</b>	<b>1.74</b>	<b>-</b>	<b>183.68</b>	<b>75.65</b>	<b>63.87</b>	<b>-</b>	<b>139.52</b>	<b>44.17</b>	<b>106.30</b>	
<b>Total (A+B)</b>	<b>14,797.62</b>	<b>1,786.47</b>	<b>549.47</b>	<b>16,034.63</b>	<b>1,632.44</b>	<b>1,124.50</b>	<b>1.43</b>	<b>2,755.51</b>	<b>13,279.11</b>	<b>13,165.18</b>	

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 5: INVESTMENTS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>A. Non-Current Investments</b>		
Equity instruments carried at fair value through profit or loss (FVTPL)		
Unquoted		
J.M. Hosiery & Company Limited	442.01	442.01
84,000 equity shares (FV - ₹10 each)		
West Bengal Hosiery Park Infrastructure Limited	0.05	0.05
500 equity shares (FV - ₹10 each)		
Hollyfield Traders Private Limited	-	8.95
12,500 shares (FV - ₹10 each)		
<b>Total</b>	<b>442.06</b>	<b>451.01</b>
Aggregate amount of Unquoted investments	442.06	451.01
Investment in quoted investment		
Aggregate book value	-	-
Aggregate market value	-	-
Investments carried at costs	-	-
Investments carried at fair value through profit or loss (FVTPL)	442.06	451.01

### NOTE 6: OTHER FINANCIAL ASSETS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
<b>Non-current</b>		
Other bank balance		
Bank deposit more than 12 months maturity from Balance Sheet date (pledged)	160.44	243.96
Interest accrued on fixed deposit	8.53	40.64
Security deposit	138.79	41.26
	<b>307.76</b>	<b>325.86</b>
<b>Current</b>		
Security deposit	66.21	49.61
Loans and advances to employees	142.26	166.35
Other loans and advances	10.08	44.23
Other receivables	-	9.02
	<b>218.55</b>	<b>269.21</b>
<b>Total</b>	<b>526.31</b>	<b>595.07</b>

### NOTE 7: OTHER NON-CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Unsecured, considered good unless otherwise stated)</i>		
Capital advances	350.94	3.33
Others		
Prepaid expenses	9.55	2.31
<b>Total</b>	<b>360.49</b>	<b>5.64</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 8: INVENTORIES

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Valued at lower of cost and net realisable value)</i>		
Raw Materials	4,240.56	2,408.76
Work-in-progress	10,133.88	8,544.98
Finished goods	14,901.36	10,938.15
Stock-in-trade	271.20	372.87
Packing materials	3,611.08	3,077.45
Stock in transit	7.75	-
<b>Total</b>	<b>33,165.83</b>	<b>25,342.22</b>

### NOTE 9: TRADE RECEIVABLES

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
Unsecured		
- Considered good	31,032.16	36,659.95
- Considered doubtful	164.03	152.53
<b>Less: Loss for allowances</b>		
- Provision for doubtful debt	(164.03)	(152.53)
<b>Total</b>	<b>31,032.16</b>	<b>36,659.95</b>

### NOTE 10: CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
Current accounts	68.97	81.47
Cash on hand	62.00	112.15
<b>Total</b>	<b>130.97</b>	<b>193.62</b>

### NOTE 11: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
Unpaid dividend - earmarked balances with Bank	8.72	6.35
<b>Total</b>	<b>8.72</b>	<b>6.35</b>

### NOTE 12: LOANS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>Carried at amortized cost</i>		
Loans Receivables considered good - Unsecured		
- to related parties (Refer note 33)	-	-
- to others	56.17	72.81
<b>Total</b>	<b>56.17</b>	<b>72.81</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 13: OTHER CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Unsecured considered good unless otherwise stated)</i>		
<b>Advances to supplier</b>		
- Unsecured, considered good	576.34	596.09
- Unsecured, considered doubtful	44.82	44.82
	621.16	640.91
Less: Provision for doubtful advances	(44.82)	(44.82)
	<b>576.34</b>	<b>596.09</b>
<b>Others</b>		
Prepaid expenses	73.13	112.24
Balances with government authorities	3,613.57	2,434.46
Incentive/duty drawback receivable	619.76	414.14
<b>Total</b>	<b>4,882.80</b>	<b>3,556.93</b>

### NOTE 14: EQUITY SHARE CAPITAL

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Authorised:</b>		
4,50,00,000 Equity shares of ₹2/- each	900.00	900.00
(31.03.2019: 45,000,000 Equity shares of ₹2/- each)		
56,00,000 Preference shares of ₹100/- each	5,600.00	5,600.00
(31.03.2019: 56,00,000 Preference shares of ₹100/- each)		
<b>Issued and subscribed equity share capital</b>		
2,77,37,500 Equity shares of ₹2/- each	554.75	554.75
(31.03.2019: 2,77,37,500 Equity shares of ₹2/- each)		
<b>Paid up equity share capital</b>		
2,52,53,000 Equity shares of ₹2/- each	505.06	505.06
(31.03.2019: 2,52,53,000 Equity shares of ₹2/- each)		
<b>Forfeited equity share capital</b>		
Add: 24,84,500 equity shares (Paid-up)	24.92	24.92
(31.03.2019: 24,84,500 Equity shares (Paid-up))		
<b>Total</b>	<b>529.98</b>	<b>529.98</b>

₹ in Lakhs

	Equity share capital	
	No. of shares	₹ in Lakhs
Reconciliation of number of equity shares outstanding:		
As at April 1, 2018	2,52,53,000	529.98
Increase during the year	-	-
As at March 31, 2019	2,52,53,000	529.98
Increase during the year	-	-
As at March 31, 2020	2,52,53,000	529.98

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 14: EQUITY SHARE CAPITAL (Contd.)

#### (i) Terms/rights attached to Equity shares & Preference 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:

₹ in Lakhs

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	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%	37,30,000	14.77%
Mr Pradip Kumar Todi	42,26,500	16.74%	44,82,500	17.75%
Mrs Bimla Devi Todi	32,80,000	12.99%	35,05,000	13.88%
Mrs Shobha Devi Todi	25,27,500	10.01%	27,52,500	10.90%
Mrs Prabha Devi Todi	36,23,000	14.35%	37,23,000	14.74%

### NOTE 15: OTHER EQUITY

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Capital Redemption Reserve	5,600.00	5,600.00
Securities premium	653.58	653.58
Capital reserve	0.12	0.12
General reserve	1,477.70	1,477.70
Retained earnings	41,315.18	32,890.68
Other Comprehensive Income Reserves	(25.61)	(10.98)
<b>Total</b>	<b>49,020.96</b>	<b>40,611.10</b>

### NOTE 16: FINANCIAL LIABILITIES - BORROWINGS

#### (a) Non-current borrowings

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
<b>Secured</b>		
Term Loans from Banks	968.69	849.47
Less: Current maturity of long term debts (refer note 20)	278.30	320.75
	690.39	528.72
<b>Total non-current borrowings</b>	<b>690.39</b>	<b>528.72</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 16: FINANCIAL LIABILITIES - BORROWINGS (Contd.)

(i) Repayment terms and nature of securities given for term loan as follows :

₹ in Lakhs

Name of the Bank/ instrument	March 31, 2020	March 31, 2019	Nature of security	Repayment terms
<b>Secured</b>				
Allahabad Bank	720.72	567.87	Exclusive hypothecation charge over the machinery/equipments acquired under facilities 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 directors.	Repayable in quarterly installment Interest @ MCLR is serviced on monthly basis as and when due.
State Bank of India	-	49.56	Exclusive Hypothecation charge over the factory land & building constructed at Mouza-Chirkand & Mollarbar JL No.81 &82. P.S. Chanditala & Sreerampore measuring 4 acres 43 sataks and building constructed thereon, and hypothecation charge on 1st charge basis on Plant & Machinery and other fixed assets installed upon the premises through this Term Loan on exclusive basis. It is additionally secured by extension of charge over the stocks, book debts and the other current assets of the company, both present and future by the WC Lenders. It is additionally secured by personal guarantee of the Directors.	Repayable in quarterly installment Interest @ MCLR is serviced on monthly basis as and when due.
State Bank of India	61.19	-	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 of the directors & Lux Industries Limited.	Repayable in quarterly instalments. Interest @ EBLR +2.70 is serviced on monthly basis as and when due.
HDFC Bank	193.33	236.65	Exclusive hypothecation charge over the machinery/equipments acquired under facilities 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 directors.	Repayable in quarterly instalments. Interest @ 9.5% is serviced on monthly basis.

(b) Current borrowings

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
<b>From Banks (Secured)</b>		
<b>i) Loan repayable on demand</b>		
Cash Credit Facilities	1,193.62	3,046.89
Working Capital Demand Loan (WC DL)	1,001.46	3,499.04
<b>ii) Packing credit</b>	9,563.28	8,730.51
<b>From Others (Unsecured)</b>		
From related parties (refer note 33)	1,790.57	1,060.33
From body corporates	-	903.0200
<b>Total current borrowings</b>	<b>13,548.93</b>	<b>17,239.79</b>

a) Cash Credit loan is 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 Directors.



## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 17: NON CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Lease obligation	1,236.67	
<b>Total</b>	<b>1,236.67</b>	<b>-</b>

### NOTE 18: PROVISIONS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for employee benefits (Refer note 36)		
a) Non-Current	391.76	289.05
b) Current	68.22	57.61
<b>Total</b>	<b>459.98</b>	<b>346.66</b>

### NOTE 19: TRADE PAYABLES

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
MSMED [refer note (a) below]	346.95	508.96
Other trade payables	14,466.82	15,820.15
<b>Total</b>	<b>14,813.77</b>	<b>16,329.11</b>

(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	346.95	508.96
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.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 20: CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
Current maturities of long-term borrowings (Refer note 16)	278.30	320.75
Current maturities of lease obligation	93.54	
Deposits from Dealers/ agents	1,655.92	1,425.36
Unclaimed dividend	8.72	6.35
Interest accrued but not due	6.55	4.61
Payable against share allotment	-	-
Other payables	724.24	608.21
<i>(At Fair Value through Profit and Loss Account (FVTPL))</i>		
Forward contract payable (On Mark-to-Market)	185.38	-
<b>Total</b>	<b>2,952.65</b>	<b>2,365.28</b>

### NOTE 21: OTHER CURRENT LIABILITIES

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Statutory dues	220.00	147.06
Advance from customers	788.13	741.08
<b>Total</b>	<b>1,008.13</b>	<b>888.14</b>

### NOTE 22: CURRENT TAX LIABILITIES

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Income tax liabilities	260.92	557.72
<b>Total</b>	<b>260.92</b>	<b>557.72</b>

### NOTE 23: REVENUE FROM OPERATIONS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Sale of products</b>	119,546.24	119,406.18
<b>Sale of Services</b>		
Job Work	218.88	224.39
<b>Other Operating Revenue</b>		
Export and other incentive	847.68	1,074.20
<b>Total Revenue from Operations</b>	<b>120,612.80</b>	<b>120,704.77</b>

### NOTE 24: OTHER INCOME

₹ in Lakhs

	Year ended March 31, 2020		Year ended March 31, 2019	
Interest Income from Financial Assets at amortized cost:				
i) On Fixed Deposit	14.58		24.33	
ii) On loans given to other entities	17.90	32.48	9.09	33.42
Rent received		-		-
Profit on Sale of Property, plant and equipment		0.02		-
Gain on Investment carried at Fair value through Profit or Loss		-		366.50
Foreign currency fluctuation gain (net)		257.78		328.58
Net gain on sale of current investments		1.56		-
Profit on sale of subsidiary		0.44		-
Others		84.85		175.76
<b>Total</b>		<b>377.13</b>		<b>904.26</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 25: COST OF RAW MATERIAL CONSUMED

₹ in Lakhs

	Year ended March 31, 2020		Year ended March 31, 2019	
<b>Yarn Consumed</b>				
Opening Stock	2,408.76		3,248.33	
Add : Purchases during the year	42,372.54		35,535.41	
	44,781.30		38,783.74	
Less: Yarn Sale	827.64		1,088.00	
Less: Closing Stock	4,240.56	39,713.10	2,408.76	35,286.98
<b>Packing Materials Consumed</b>				
Opening Stock	3,077.45		3,517.38	
Add: Purchases during the year	11,758.10		9,782.18	
	14,835.55		13,299.56	
Less: Closing Stock	3,611.08	11,224.47	3,077.45	10,222.11
<b>Consumption of Fabrics</b>		759.55		1,058.52
<b>Total</b>		<b>51,697.11</b>		<b>46,567.61</b>
Purchase of Stock-in-Trade (Knitwear)		6,431.26		7,666.96
<b>Total</b>		<b>6,431.26</b>		<b>7,666.96</b>
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>				
<b>Finished Goods</b>				
Opening Stock	10,938.15		12,537.79	
Closing Stock	14,901.36	(3,963.21)	10,938.15	1,599.64
<b>Work-in-progress</b>				
Opening Stock	8,544.98		10,614.13	
Closing Stock	10,133.88	(1,588.89)	8,544.98	2,069.14
<b>Stock in trade</b>				
Opening Stock	372.87		-	
Closing Stock	271.20	101.67	372.87	(372.87)
<b>Total</b>		<b>(5,450.43)</b>		<b>3,295.92</b>

### NOTE 26: EMPLOYEE BENEFIT EXPENSE

₹ in Lakhs

	Year ended March 31, 2020		Year ended March 31, 2019	
Salaries, Wages & Bonus	4,511.19		3,996.80	
Provision for Employment benefit	123.90	4,635.09	103.29	4,100.09
Contribution to Provident & Other Funds		136.46		131.21
Staff Welfare Expenses		159.28		160.87
<b>Total</b>		<b>4,930.83</b>		<b>4,392.17</b>

### NOTE 27: FINANCE COST

₹ in Lakhs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense	1,063.40	2,189.95
Interest on lease obligation	92.33	-
Bank Charges	226.12	170.57
<b>Total</b>	<b>1,381.85</b>	<b>2,360.52</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 28: DEPRECIATION & AMORTIZATION EXPENSE

₹ in Lakhs

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant and Equipment	1,097.35	1,060.64
Amortization of Intangible Assets	44.60	63.87
Depreciation on Lease Assets	129.56	-
<b>Total</b>	<b>1,271.51</b>	<b>1,124.51</b>

### NOTE 29: OTHER EXPENSES

₹ in Lakhs

	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores & spare parts	221.08	243.50
Power & Fuel	595.91	482.14
Rent	201.67	197.61
Repairs		
Repairs to buildings	114.84	88.03
Repairs to machinery	40.68	11.76
Repairs to other	26.03	75.67
Insurance	82.81	64.58
Rates & Taxes	16.30	25.86
Selling Expenses	1,023.61	1,310.54
Royalty	5.00	5.00
Advertisement & Publicity	8,991.84	9,257.16
Commission	914.14	942.95
Freight & Other Handling Charges	2,617.28	2,451.85
Bad Debts	111.25	39.24
Less: Provision for Doubtful Debts/Advance	-	(31.46)
Provision for Doubtful Debts/Advance	11.50	38.58
Processing expense	27,598.71	24,068.17
Prior Period Items	(33.57)	5.53
Loss on Sale of Property, plant and equipment	49.51	0.83
Miscellaneous Expenses (Refer note 29.1)	1,776.97	1,702.47
Payment to auditors :		
- Statutory audit fees	17.52	10.08
<b>Total</b>	<b>44,383.08</b>	<b>40,990.09</b>

#### NOTE 29.1:

Miscellaneous expenses includes donation given to political parties amounting to NIL (PY: ₹1 Lakh)

### NOTE 30: INCOME TAX

₹ in Lakhs

	March 31, 2020	March 31, 2019
<b>A. Amount recognized in profit or loss</b>		
<b>Current Tax</b>		
Current year	4,300.00	5,179.00
Changes in respect of current income tax of previous years	9.36	20.03
	(a) 4,309.36	5,199.03
<b>Deferred Tax</b>		
Attributable to -		
Origination and reversal of temporary differences	(212.91)	132.81
	(b) (212.91)	132.81
<b>Tax expenses reported in the Consolidated Statement of Profit and Loss (a+b)</b>	<b>4,096.45</b>	<b>5,331.84</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 30: INCOME TAX (Contd.)

₹ in Lakhs

	March 31, 2020	March 31, 2019
<b>B. Income tax recognized in Other Comprehensive Income</b>		
Deferred tax relating to items recognized in other comprehensive income during the year	4.92	(4.15)
<b>Income tax expense charged to Other Comprehensive Income</b>	<b>4.92</b>	<b>(4.15)</b>

### C. Reconciliation of tax expense and the accounting profit for March 31, 2020 and March 31, 2019:

₹ in Lakhs

	March 31, 2020	March 31, 2019
Accounting profit before income tax	16,344.72	15,211.25
Tax at the applicable India tax rate	4,202.27	5,315.42
<b>Tax impact on amounts that are adjusted in determining taxable profit:</b>		
Difference between depreciation as per IT Act and depreciation as per books	13.11	(159.21)
Other adjustments	(118.92)	175.63
	<b>4,096.45</b>	<b>5,331.84</b>

### D. Reconciliation of applicable tax rate and effective tax rate:

₹ in Lakhs

	March 31, 2020	March 31, 2019
Applicable tax rate	25.17%	34.61%
Tax effect of difference between depreciation as per IT Act and depreciation as per books	0.08%	-1.05%
Tax effect of other adjustments	-0.73%	1.15%
<b>Effective tax rate</b>	<b>24.52%</b>	<b>34.72%</b>

### E. Recognized deferred tax assets and liabilities:

₹ in Lakhs

	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	(792.02)	176.55	-	(615.47)
Right of use assets	-	(357.55)	-	(357.55)
Trade receivables	53.30	(12.02)	-	41.28
Other assets	(138.90)	60.91	-	(77.99)
Provisions	120.83	(9.83)	4.92	115.92
Other liabilities	-	345.14	-	345.14
Unused tax losses to the extent of deferred tax liabilities	-	9.72	-	9.72
<b>Total</b>	<b>(756.79)</b>	<b>212.92</b>	<b>4.92</b>	<b>(538.95)</b>

₹ in Lakhs

	Balance as on April 1, 2018	(Charged)/ credited to profit or loss	(Charged)/ credited to OCI	Balance as on March 31, 2019
Property, plant and equipment	(612.31)	(179.71)	-	(792.02)
Trade receivables	63.67	(10.37)	-	53.30
Other assets	22.13	(161.03)	-	(138.90)
Borrowings	2.18	(2.18)	-	-
Provisions	(95.50)	220.48	(4.15)	120.83
<b>Total</b>	<b>(619.83)</b>	<b>(132.81)</b>	<b>(4.15)</b>	<b>(756.79)</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 30: INCOME TAX (Contd.)

#### F. Deferred tax reflected in the Balance Sheet as follows:

₹ in Lakhs

	March 31, 2020	March 31, 2019
Deferred tax assets	512.06	(85.60)
Deferred tax liabilities	(1,051.01)	(671.19)
<b>Deferred tax assets/(liabilities) (net)</b>	<b>(538.95)</b>	<b>(756.79)</b>

### NOTE 31: EARNINGS PER SHARE (EPS) (IND AS 33)

₹ in Lakhs

Sl. No	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Profit for the year	12,288.66	9,879.84
2	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS	252.53	252.53
3	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	252.53	252.53
4	Nominal Value per share (Rs.)	2/-	2/-
5	Earning per shares		
	Basic	48.66	39.12
	Diluted	48.66	39.12

### NOTE 32: PARTICULARS OF CONTINGENT LIABILITIES AND COMMITMENTS

#### I. Contingent Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Claims against the Company not acknowledged as liabilities in respect of:</b>		
Sales Tax Matters	61.72	61.72
Customs and Excise matters	346.27	346.27
Service tax matters	136.22	136.22
Provident Fund matters	972.83	972.83
Guarantee Given	123.03	120.52

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:

- Estimated amount of contracts to be executed on capital account (Net of Advances) ₹550 Lakhs (Previous year NIL). 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.
- The company did not have any long term commitments/ contracts including derivative contracts for which there will be any material foreseeable losses.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 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  
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

#### C. Relatives of Key management personnel:

Mrs Bimla Devi Todi  
Mrs Shobha Devi Todi  
Mr Saket Todi  
Mr Udit Todi  
Ms Priyanka Todi  
Ms Neha Todi  
Ms Shilpa Agrawal

#### D. Entities where Key management personnel and their relative have significant influence:

Biswanath Hosiery Mills Limited  
Biswanath Real Estate Private Limited  
J. M. Hosiery & Co. Limited  
Rotex Intertrade Private Limited  
Chitragupta Sale & Services Private Limited  
Hollyfield Traders Private Limited  
Ebell Fashions Private Limited  
P. G. Buildtech Private Limited  
P. G. Infometric Private Limited  
Todi Industries  
Lux Foundation  
Jaytee Exports  
S D International

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 33: RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

E. The following transactions were carried out with the related parties in the ordinary course of business:

₹ In Lakhs

Sl. No	Name of related party	Year ended March 31, 2020	Year ended March 31, 2019
<b>1</b>	<b>Sale of goods</b>		
	Ebell Fashions Private Limited	384.62	675.20
	J. M. Hosiery & Co. Limited	1,421.43	1,189.02
	Todi Industries	6.27	3.69
<b>2</b>	<b>Purchase of goods</b>		
	J. M. Hosiery & Co. Limited	5,558.75	5,993.73
	Jaytee Exports	505.57	304.64
	Ebell Fashions Private Limited	276.25	460.31
<b>3</b>	<b>Sitting Fees</b>		
	Mr Nandanandan Mishra	0.60	0.90
	Mr Kamal Kishore Agrawal	0.80	1.10
	Mr Snehasish Ganguly	0.30	0.80
	Mrs Rusha Mitra	0.25	-
<b>4</b>	<b>CSR Expenditure</b>		
	Lux Foundation	1.00	27.00
<b>5</b>	<b>Rent payment</b>		
	Hollyfield Traders Private Limited	1.80	1.80
	P. G. Infometric Private Limited	38.40	19.20
<b>6</b>	<b>Other services payment</b>		
	P. G. Infometric Private Limited - Data processing charges	48	24
	Biswanath Hosiery Mills Limited - Royalty	5	5
	Todi Industries – Knitting Charges	125.72	205.32
<b>7</b>	<b>Received towards services</b>		
	Ebell Fashions Private Limited - Knitting services	199.64	215.52
	Todi Industries – Knitting services	-	1.98
	S D International - Knitting services	6.1	1.76
	J. M. Hosiery & Co Limited..(Knitting Charges)	2.39	-
	S D International (Knitting Charges)	-	-
<b>8</b>	<b>Reimbursement of taxes (Payment by Lux Industries Ltd)</b>		
	Biswanath Real Estate Private Limited	-	7.16
<b>9</b>	<b>Reimbursement of taxes (Receipt)</b>		
	Biswanath Real Estate Private Limited	-	7.16
<b>10</b>	<b>Dividend payment</b>		
	Mr Ashok Kumar Todi	477.33	74.6
	Mr Pradip Kumar Todi	580.14	89.65
	Mrs Prabha Devi Todi	492.61	74.46
	Mrs Bimla Devi Todi	450.68	70.1
	Mrs Shobha Devi Todi	349.09	55.05
	Mr Saket Todi	18.36	2.72
	Mr Udit Todi	25.11	3.72
	Ms Shilpa Agrawal	6.75	1
	Ms Neha Todi	6.75	1



## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 33: RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

₹ in Lakhs

Sl. No	Name of related party	Year ended March 31, 2020	Year ended March 31, 2019
<b>11</b>	<b>Sale of Investment</b>		
	Investment in Altai Industries Private limited	10.2	-
<b>12</b>	<b>Remuneration</b>		
	Mr Ashok Kumar Todi	300	300
	Mr Pradip Kumar Todi	300	300
<b>13</b>	<b>Salary</b>		
	Mr Saket Todi	111.55	30
	Mr Udit Todi	111.55	30
	Ms Priyanka Todi	-	30
	Mr Ajay Kumar Patodia (CFO)	61.98	39.18
	Mrs Smita Mishra (CS)	11.56	11.56
<b>14</b>	<b>Interest paid</b>		
	Chitragupta Sales & Services Private Limited	37.54	21.64
	Rotex Intertrade Private Limited	33.99	40.85
	Holly Field Traders Private Limited	8.43	63.02
	Biswanath Hosiery Mills Limited	-	0.31
<b>15</b>	<b>Reimbursement of Expenses</b>		
	Mr Nandanandan Mishra	1.46	-
	Mr Kamal Kishore Agrawal	0.14	-
<b>16</b>	<b>Advance given against land</b>		
	P. G. Buildtech Private Limited	-	20
<b>17</b>	<b>Advances received back</b>		
	P. G. Buildtech Private Limited	-	20
<b>18</b>	<b>Loan received</b>		
	Chitragupta Sales & Services Private Limited	1,867.00	830
	Rotex Intertrade Private Limited	1,623.00	1,595.00
	Hollyfield Traders Private Limited	1,183.95	1,125.00
	Biswanath Hosiery Mills Limited	-	15
	Mr Ashok Kumar Todi	228.35	140.05
	Mr Pradip Kumar Todi	157.28	125.05
	Mrs Prabha Devi Todi	622.3	90
<b>19</b>	<b>Loan repayment</b>		
	Chitragupta Sales & Services Private Limited	1,866.97	492.27
	Rotex Intertrade Private Limited	958.04	3,387.01
	Hollyfield Traders Private Limited	1,354.31	3,689.92
	Biswanath Hosiery Mills Limited	-	32.45
	Mr Ashok Kumar Todi	228.35	482.32
	Mr Pradip Kumar Todi	193.14	94.12
	Mrs Prabha Devi Todi	430	-
<b>20</b>	<b>Sale of Investment</b>		
	Rotex Intertrade Private Limited	4.48	-
	Chitragupta Sales & Service Private Limited	4.48	-
<b>21</b>	<b>Payment of Security Deposit</b>		
	P. G. Infometric Pvt. Ltd.	171	-

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 33: RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

#### F. Outstanding balances:

₹ In Lakhs

Sl. No	Name of related party	Year ended March 31, 2020	Year ended March 31, 2019
<b>1</b>	<b>Trade Payables</b>		
	J. M. Hosiery & Co. Limited	1,687.51	2,546.93
	Jaytee Exports	235.82	357.32
	P. G. Infometric Private Limited	9.51	-
	Biswanath Hosiery Mills Limited	10.80	5.40
	Hollyfield Traders Private Limited	1.35	4.50
	Todi Industries	-	4.72
<b>2</b>	<b>Unsecured Loans</b>		
	Chitragupta Sales & Services Private Limited	401.86	364.49
	Rotex Intertrade Private Limited	1,004.66	306.22
	Hollyfield Traders Private Limited	-	161.93
	Mr Ashok Kumar Todi	-	0.08
	Mr Pradip Kumar Todi	-	35.86
	Mrs Prabha Devi Todi	384.05	191.75
<b>3</b>	<b>Advances recoverable in cash or value</b>		
	P. G. Infometric Private Limited	-	146.80
	Ebell Fashions Pvt.Ltd.	37.07	-
	Todi Industries	4.75	5.92
	S D International	-	1.81
<b>4</b>	<b>Advance from Customer</b>		
	J. M. Hosiery & Co. Limited	-	29.78
	Ebell Fashions Private Limited	-	178.64
<b>5</b>	<b>Security deposit</b>		
	P. G. Infometric Private Limited	196.00	25.00
<b>6</b>	<b>Investment in shares</b>		
	J. M. Hosiery & Co. Limited	442.01	442.01

### 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 Lakhs

Sl. No.	Particulars	2019-20	2018-19
<b>1</b>	<b>Segment Revenue</b>		
	-Within India	1,07,291.62	1,07,059.97
	-Outside India *	13,321.18	13,644.80
	<b>Total</b>	<b>1,20,612.80</b>	<b>1,20,704.77</b>
<b>2</b>	<b>Segment Assets</b>		
	-Within India	80,889.94	75,709.42
	-Outside India *	3,895.08	4,453.22
	<b>Total</b>	<b>84,785.02</b>	<b>80,162.64</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 34: SEGMENT REPORTING (Contd.)

₹ In Lakhs

Sl. No.	Particulars	2019-20	2018-19
3	<b>Capital Expenditure</b>		
	-Within India	991.34	1,255.94
	-Outside India *	-	-
	<b>Total</b>	<b>991.34</b>	<b>1,225.94</b>

\* Revenue and carrying amount of assets from no individual country is material.

The Group is not dependent 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 Lakhs

Sl. No	Particulars	2019-20	2018-19
	Gross amount required to be spent by the Company during the year	242.80	195.52
	Amount spent as below		
	- Education and Skill development	38.72	71.06
	- Health Care	2.11	2.18
	- Others	150.36	128.53
	<b>Total</b>	<b>191.19</b>	<b>201.77</b>

### 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 Lakhs

Sl. No.	Particulars	2019-20	2018-19
1	Contribution to Provident/Pension funds	84.17	67.14
	<b>Total</b>	<b>84.17</b>	<b>67.14</b>

#### 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.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 36: EMPLOYEE BENEFITS (Contd.)

- (a) The following table 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 Lakhs

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Present Value of Obligation at the beginning of the year	328.62	275.93	18.03	0
Current Service Cost	77.28	64.81	19.51	18.03
Interest Cost	25.30	20.45	1.39	0
Actuarial Losses/(Gain) recognized in other comprehensive income	16.58	(11.87)	2.97	0
Benefit Paid	(28.13)	(20.70)	(1.59)	0
<b>Present Value of Obligation at the end of the year</b>	<b>419.65</b>	<b>328.62</b>	<b>40.31</b>	<b>18.03</b>

- (b) Expense recognized in Statement of Profit or Loss

₹ In Lakhs

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Current Service Cost	77.28	64.81	19.50	18.03
Interest Cost	25.30	20.45	1.38	0
<b>Total</b>	<b>102.58</b>	<b>85.26</b>	<b>20.88</b>	<b>18.03</b>

- (c) Remeasurements recognized in Consolidated Other Comprehensive Income:

₹ In Lakhs

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Actuarial loss/(gain) arising on defined benefit obligation from				
- financial assumptions	35.07	8.45	2.51	-
- experience adjustments	(18.49)	(20.32)	0.45	-
<b>Total</b>	<b>16.58</b>	<b>(11.87)</b>	<b>2.96</b>	<b>-</b>

- (d) Principle assumptions used in the determining gratuity obligation for the Company's are shown below:

₹ In Lakhs

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Discount Rate	7%	7.70%	7%	7.7%
Rate of increase in Salaries	6%	6%	6%	6%
Expected average remaining working lives of employees (years)	24.52	24.69	25.08	21.48
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.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 36: EMPLOYEE BENEFITS (Contd.)

(e) Sensitivity analysis – Revised defined benefit obligation due to change in assumptions ₹ In Lakhs

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Under Base Scenario	419.66	328.63	40.31	18.03
Salary Escalation (Up by 1%)	460.23	359.14	44.67	19.94
Salary Escalation (Down by 1%)	384.94	302.26	36.52	16.38
Withdrawal Rates (Up by 1%)	422.47	332.14	40.63	18.28
Withdrawal Rates (Down by 1%)	416.10	324.28	39.94	17.74
Discount Rates (Up by 1%)	383.32	301.38	36.70	16.48
Discount Rates (Down by 1%)	462.64	360.73	44.52	19.85

(f) Expected Cash flow for following years ₹ In Lakhs

Expected cash flows over the next (valued on undiscounted basis):	2019-20	2018-19
1 Year	63.36	55.47
2 to 5 Years	119.86	46.12
6 to 10 Years	147.20	94.86
More than 10 Years	14087.42	11550.28

### NOTE 37: DISTRIBUTION OF DIVIDEND

₹ In Lakhs

Particulars	2019-20	2018-19
<b>Dividend on equity shares declared and paid :</b>		
Final dividend for the year ended 31.03.2019 :- ₹3.50 per share (31.03.2018 :- ₹2.00 per share)	883.86	505.06
Dividend Distribution Tax (DDT) on final dividend	181.68	103.82
1st Interim dividend for the year ended 31.03.2020 :- ₹10.00 per share (31.03.2019 :- ₹ Nil per share)	2,525.30	-
DDT on interim dividend	519.08	-
<b>Proposed dividends on Equity Shares</b>		
Final dividend for the year ended 31.03.2020 :- ₹2.5 per share (Total dividend ₹12.50 per share) (31.03.2019 :- ₹3.50 per share)	631.32	883.86
DDT on Proposed dividend	-	181.68

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 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 Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a) Loans and advances in the nature of loan to others</b>		
i) Loan to Jalan and Sons		
Balance at the year end	0.23	16.93
Maximum amount outstanding at any time during the year	16.93	32.37
It carries rate of interest of 8%.		
ii) Loan to Manamaa Garments		
Balance at the year end	59.96	55.93
Maximum amount outstanding at any time during the year	59.96	55.93
It carries rate of interest of 8%.		

Note: Such loan was utilized for working capital requirements.

### NOTE 39: EVENT OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors has recommended final equity dividend of ₹2.5 per share (P.Y ₹3.5 per Share) for the financial year 2019-20. The company has declared dividend to the shareholders after the balance sheet date but before the financial statements approved for issue, therefore dividend has not been recognized as a liability at the balance sheet date.

### NOTE 40: 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 Lakhs

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
<b>Financial assets:</b>				
Investment in equity instruments (Unquoted)	-	442.06	442.06	442.06
Trade Receivables	31,032.16	-	31,037.32	31,037.32
Cash and cash equivalents	130.97	-	130.97	130.97
Other bank balances	8.72	-	8.72	8.72
Loans	56.17	-	56.17	56.17
Other financial assets	526.31	-	526.31	526.31
<b>Financial liabilities:</b>				
Long Term Borrowings	690.39	-	690.39	690.39
Other Long Term Financial Liability	1,236.67	-	1,236.67	1,236.67
Short Term Borrowings	13,548.94	-	13,548.94	13,548.94
Trade Payables	14,813.77	-	14,813.77	14,813.77
Other Short Term Financial Liability	2,952.64	-	2,952.64	2,952.64

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 40: ACCOUNTING CLASSIFICATION AND FAIR VALUES (Contd.)

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Consolidated Balance Sheet as at March 31, 2019 are as follows:

₹ In Lakhs

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
<b>Financial assets:</b>				
Investment in equity instruments (Unquoted)	-	451.01	451.01	451.01
Trade Receivables	36,659.95	-	36,659.95	36,659.95
Cash and cash equivalents	193.61	-	193.61	193.61
Other bank balances	6.35	-	6.35	6.35
Loans	72.81	-	72.81	72.81
Other financial assets	595.07	-	595.07	595.07
<b>Financial liabilities:</b>				
Long Term Borrowings	528.77	-	528.77	528.77
Other Long Term Financial Liability	-	-	-	-
Short Term Borrowings	17,239.79	-	17,239.79	17,239.79
Trade Payables	16,329.11	-	16,329.11	16,329.11
Other Short Term Financial Liability	2,365.28	-	2,365.28	2,365.28

### NOTE 41: 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 Lakhs

As at March 31, 2020	Level 1	Level 2	Level 3
<b>Financial Assets:</b>			
Investment in equity instruments (Unquoted)	-	185.38	-
<b>Total</b>	-	<b>185.38</b>	-

₹ In Lakhs

As at March 31, 2019	Level 1	Level 2	Level 3
<b>Financial Assets:</b>			
Investment in equity instruments (Unquoted)	-	-	450.96
<b>Total</b>	-	-	<b>450.96</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 41: FAIR VALUE MEASUREMENT (Contd.)

#### 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 unquoted equity shares is stated at fair value using observable inputs for Level 3. The valuation of J.M. Hosiery & Co. Limited has been done previous year by a professional valuer using Comparable Companies' Price (CCP) method, wherein multiples derived from valuations of comparable companies are used adjusted for differences between the circumstances. In our case, Enterprise value to Earnings before interest, tax, depreciation and amortization (EV/EBIDTA) multiple of comparable listed companies have been used. There has been no significant changes in the fair value of the investment.

₹ In Lakhs

Particulars	EV/EBIDTA multiple	Value per share	Total no. of shares	Amount
Under Base scenario	23.70	526.2	84,000	442.01
Change in EV/EBIDTA multiple by +10%	26.07	593.5	84,000	498.54
Change in EV/EBIDTA multiple by -10%	21.33	459.6	84,000	386.06

### NOTE 42: 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.

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



## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 42: FINANCIAL RISK MANAGEMENT (Contd.)

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 ₹36,659.95 Lakhs (PY – ₹38,909.92 Lakhs).

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Company are as under:

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	197.35	183.99
Add: Provisions made	11.50	44.82
Less: Provisions reversed	-	(31.46)
<b>Closing provisions</b>	<b>208.85</b>	<b>197.35</b>

#### 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 Lakhs

March 31, 2020	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	13,548.93	690.39	-	14,239.32
Trade payables	14,813.77	-	-	14,813.77
Other financial liabilities	2,952.65	1,236.67	-	4,189.32

₹ In Lakhs

March 31, 2019	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	17,239.79	528.72	-	17,768.51
Trade payables	16,329.11	-	-	16,329.11
Other financial liabilities	2,365.28	-	-	2,365.28

#### 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. Refer Note 36 for details of exposure to foreign currency as on the reporting date.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 42: FINANCIAL RISK MANAGEMENT (Contd.)

#### 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 Dollars is not material.

#### Particulars of unhedged foreign currency exposure as at the balance sheet date

₹ In Lakhs

Particulars		As at March 31, 2020	As at March 31, 2019
Amount receivable in Foreign currency on account of	US\$	48.19	60.53
Trade receivables	INR	3,631.63	4,193.58
Amount payables in Foreign currency on account of	US\$	2.43	2.32
Trade payables	INR	182.77	160.38

₹ In Lakhs

Particulars	Change in USD rate	Effect on profit before tax	Effect on post tax equity
March 31, 19	+ 10%	344.89	258.08
	- 10%	(344.89)	(258.08)
March 31, 18	+ 10%	403.32	262.38
	- 10%	(403.32)	(262.38)

#### 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.

#### 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 43: 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 Lakhs

Particulars	March 31, 2020	March 31, 2019
Total debt (Bank and Other Borrowings)	14,517.00	18,093.87
Equity	49,274.00	41,150.49

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 44:

On 14th May 2020, the Company ceases to hold shares in Altai Industries Private Limited. The details of financial information are provided below:

₹ In Lakhs

Particulars	March 31, 2020	March 31, 2019
Investment in Altai Industries Private Limited (1,02,000 shares of Face Value ₹10/-)	-	10.20

### NOTE 45: LEASES

#### Company as a Lessee

The company has applied IND AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in the Note 3 (t) of Accounting Policies.

#### Impact on Balance Sheet (Increase/Decrease)

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>		
Right of Use Assets (Refer Note No. 4(c))	1,379.84	-
<b>Liabilities</b>		
Lease Liabilities (Refer Note No. 17 and 20)	1,330.21	-

#### Impact on Statement of Profit and Loss

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation and Amortisation	129.56	-
Other Expenses	(164.84)	-
Finance Cost	92.33	-
Income Tax Expenses (Deferred Taxes)	-	-
<b>Loss for the period (Increase)</b>	<b>57.05</b>	-

#### Impact on Statement of Cash Flows

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Payment of principal portion of lease liabilities	72.52	-
Payment of Interest portion of lease liabilities	92.33	-
<b>Net Cash flows used in financial activities</b>	<b>164.85</b>	-

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

The Group has lease contracts for Warehouse and office spaces used in its operations. These generally have lease terms between 1 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

₹ In Lakhs

Particulars	Amount
On adoption of Ind AS 116	297.30
Addition during the year	1,212.11
Depreciation Expense	(129.56)
<b>As at 31st March 2020</b>	<b>1,379.85</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

### NOTE 45: LEASES (Contd.)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

₹ In Lakhs

Particulars	Amount
On adoption of Ind AS 116	207.75
Addition during the year	1,194.97
Accretion of interest	92.33
Payments	(164.84)
<b>As at 31st March 2020</b>	<b>1,330.21</b>
<b>Current</b>	<b>93.54</b>
<b>Non-Current</b>	<b>1,236.67</b>

The following are the amounts recognised in statement of Profit and Loss:

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation expense of right-of used assets	129.56	-
Interest expenses on lease liabilities	92.33	-
Expense relating to other leases (included in other expenses)	(164.84)	-
<b>Total amount recognised in Statement of Profit and Loss</b>	<b>57.05</b>	<b>-</b>

Maturity analysis of lease liabilities are as follows:

₹ In Lakhs

Particulars	Amount
1 year	93.54
2-5 years	679.58
5 years and above	557.09

### NOTE 46: SCHEME OF AMALGAMATION

A Scheme of Amalgamation for Merger with J. M. Hosier & Co. Limited and Ebell Fashions Private Limited has been approved on June 26th 2018, by the Board of Directors of the respective companies and has been filed with the National Company Law Tribunal after receiving approvals from stock exchanges. Pending the regulatory approvals, no effect of the proposed merger has been considered in this statement.

### NOTE 47:

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, 2020

### NOTE 48:

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 49:

Previous year figures have been recast/ regrouped whenever necessary to conform to the current Year's presentation.

**The accompanying notes are an integral parts of the Financial Statements.**

As per out report of even date attached

For S K AGRAWAL AND CO

Chartered Accountants

ICAI Firm Registration No. 306033E

**Sandeep Agrawal**

Partner

Membership No. 058553

Place: Kolkata

Date: June 29, 2020

For and on behalf of the Board

**Ashok Kumar Todi**

Chairman

(DIN - 00053599)

**Ajay Kumar Patodia**

Chief Financial Officer

(PAN - AFVPP9103P)

**Pradip Kumar Todi**

Managing Director

(DIN - 00246268)

**Smita Mishra**

Company Secretary

(Mem No - A26489)





## LUX INDUSTRIES LIMITED

CIN: L17309WB1995PLC073053

Regd. Office: 39 Kali Krishna Tagore Street, Kolkata – 700 007

### NOTICE

Notice is hereby given that the **Twenty Fifth Annual General Meeting (AGM)** of the members of **Lux Industries Limited** will be held on **Thursday, 24th September 2020 at 11:00 a.m.** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

#### Ordinary Business

- To consider and adopt:
  - The Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020 and the Reports of Board of Directors and the Auditors thereon, and;
  - The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 and the Reports of the Auditors thereon.
- To declare a final Dividend of ₹2.50 per Equity Shares, for the financial year ended 31st March, 2020.
- To appoint Mrs Prabha Devi Todi (DIN 00246219), who retires by

rotation and being eligible, offers herself for re-appointment as a Director.

**By order of the Board of Directors  
For Lux Industries Limited**

Registered Office:  
39, Kali Krishna Tagore Street  
Kolkata-700007

Date: August 17, 2020  
Place: Kolkata

**Sd/-  
Smita Mishra**  
Company Secretary &  
Compliance Officer  
M.No. - ACS 26489

#### Notes :

- In view of continuing COVID-19 pandemic and the restrictions imposed on the movement of people, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020 read with Circulars dated April 8, 2020 and April 13, 2020 and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as "Applicable Circulars") have permitted the holding of the AGM through VC/OAVM Facility. In compliance with the provisions of the Companies Act, 2013("Act"), SEBI (Listing Regulations") and MCA/SEBI circulars, the AGM of the Company is being held through VC/OAVM. The venue of the AGM shall be deemed to be the Registered Office of the Company.
- 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 and Attendance Slip are not annexed with the Notice of AGM.
- 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."
- Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, there is no Special Business to be transacted at this AGM, so Explanatory Statement Not Applicable.
- 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").
- Details of Directors retiring by rotation/seeking appointment /re-appointment at the ensuing meeting are provided in the

- "Annexure" to the notice pursuant to the: (i) Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment thereto or modification thereof and (ii) Secretarial Standard on General meetings ("SS -2"), issued by the Institute of Companies Secretaries India or any amendment thereto or modification thereof.
7. The Register of Members and the Share Transfer book of the Company will remain closed from 18th September, 2020 to 24th September, 2020 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for 2020.
  8. The final dividend of ₹2.50/- per share (i.e. 125%) has been recommended by the Board of Directors for the year ended 31st March, 2020. Subject to the approval of the shareholders at the ensuing Annual General Meeting, it is proposed to be paid on or after 24th September, 2020 and the record date for dividend entitlement is 17th September, 2020.
  9. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
  10. 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.
  11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the 25th 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 2019-20 will also be available on the Company's website [www.luxinnerwear.com](http://www.luxinnerwear.com), website of the Stock Exchanges [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and on the website of Registrar and Transfer Agent of the Company, KFin Technologies Private Limited (KFin) <https://evoting.karvy.com>.
  12. 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 20th April, 2018, the Company has already sent the reminders to the respective shareholders through letter dated 28th May, 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.
  13. As per Regulation 40 of SEBI Listing Regulations, as amended, 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 or browse through the website of National Securities Depository Limited ([www.nsdl.co.in](http://www.nsdl.co.in)) (<https://nsdl.co.in/services/demat.php>) and Central Depository Services Limited ([www.cdslindia.com](http://www.cdslindia.com)) (<https://www.cdslindia.com/downloads/forms/Annexure-4.1-Dematerialisation%20Request%20Form.docx>) for further clarification in this regard. Shareholders are requested to contact the Company's Registrar & Share Transfer Agents, 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; e-mail: [cs@luxinnerwear.com](mailto:cs@luxinnerwear.com)).
  14. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated May 12, 2020, The Company has also published a public notice by way of an advertisement made dated August 20, 2020 in leading newspaper Business Standard and in Regional language newspaper Ei Samay, both having a wide circulation, inter alia, advising the members whose e-mail IDs are not registered with the Company its Registrar and Share



Transfer Agent or Depository Participant(s), as the case may be, to registered their e-mail IDs with them.

15. 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](http://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 Agents in case the shares are held in physical form.
16. 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 there under 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 24, 2020. Members can inspect the same by sending an email to [investors@luxinnerwear.com](mailto:investors@luxinnerwear.com).
17. 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](mailto: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.
18. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid PAN	7.5%
Members not having PAN/valid PAN	20%

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed ₹5,000 and also in cases where members provide Form 15G/Form15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower/Nil

withholding tax. Registered

members may also submit any other document as prescribed under the IT Act to claim a lower/Nil withholding tax.

PAN is mandatory for members providing Form 15G/15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Self-Attested copy of Indian Tax Identification number (PAN).
- Self-Attested copy of the Tax Residency Certificate (TRC) applicable for the period April 2020 to March 2021 obtained from the tax authorities of the country of which the shareholder is a resident.
- Self-declaration in Form 10F.
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty.
- Self-declaration of beneficial ownership by the non-resident shareholder.
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

In case of Foreign Institutional Investors/Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess)

The aforesaid documents, as applicable, are required to be uploaded online with KFin Technologies Private Limited, the Registrar and Transfer Agent ("KFin") at <https://ris.kfintech.com/form15>. Company has already sent email to shareholders on 31st July, 2020 in this regard requesting to submit documents/declaration. Members are requested to update the details of their residential status, PAN & category as per Income Tax Act, 1961 at <https://ris.kfintech.com/form15> or mail to RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) with a copy to the Company at [investors@luxinnerwear.com](mailto:investors@luxinnerwear.com).

1. 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.

2. In compliance with 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 will be transacted by electronic voting system and the Company has provided facility to the members to exercise their right to vote at the 25th 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 28th August, 2020.

3. Transfer to Investor Education and Protection Fund:

(a) 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 31st March, 2013 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 ₹1,94,203/- for financial year 2011-12 to the Investor Education and Protection Fund (IEPF) of the Central Government of India.

(b) 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 16 October 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).

(c) Claim from IEPF Authority

The shareholders who have not claimed/encashed the

dividend in the last 7 consecutive years from financial year 2012-13 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](http://www.iepf.gov.in)) along with the fee prescribed to the IEPF authority with a copy to the Company.

4. In compliance with the Circulars, the Annual Report 2019-20, the Notice of the 25th AGM, and instructions fore-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company/ depository participant(s).

5. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

6. Instructions for e- voting:

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

Members of the Company holding shares either in physical or in dematerialized form as on the aforesaid **cut-off date i.e., 17th September, 2020** and not casting their vote electronically may cast their vote at the Meeting. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

Any person, who acquires shares of the Company and becomes a member of the company after dispatch of the Notice of the AGM and holding shares, as of the cut-off date, i.e., 17th September, 2020 may obtain the login ID and password by sending request at [evoting@kfintech.com](mailto:evoting@kfintech.com)/cs@luxinnerwear.

com. However, if you are already registered with KFin for remote e-voting then you can use your existing User ID and password for casting your vote.

The company has entered into an arrangement with KFin Technologies Pvt. Ltd., the Share Transfer Agent of the company for facilitating e-voting, through their e-voting platform <https://evoting.karvy.com>.

For your login credentials i.e. User Id and password for casting the vote please refer e-mail sent for AGM.

The Board of Directors has appointed Mr Mohan Ram Goenka, Practicing Company Secretary, as the Scrutinizer, for conducting the voting process in a fair and transparent manner.

### Steps for e-voting

- a) Use the following URL for e-voting: <https://evoting.karvy.com>
- b) Enter the login credentials i.e., user id and password mentioned in your email. Forwarding the notice of AGM. Your Folio No/ DP ID/Client ID will be your user id. However, if you are already registered with KFin for e-voting, you can use your existing user id and password for casting your votes.
- c) After entering the details appropriately, click on "LOGIN".
- d) You will reach the 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.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- e) You need to login again with the new credentials.
- f) On successful login, the system will prompt you to select the E-Voting Event Number for Lux Industries Limited.
- g) On the voting page, the number of shares (which represents the number of votes) as held by the member as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, then enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- h) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- i) Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During

the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

- j) Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the scrutinizer on the email id [goenkamohan@gmail.com](mailto:goenkamohan@gmail.com). They 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."
  - k) **The Portal will remain open for voting from: Sunday 20th September, 2020 (9:00 a.m.) till Wednesday 23rd September, 2020 (5:00 p.m.)**
  - l) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the "Downloads" section of <https://evoting.karvy.com>. or contact KFin on 1-800 -34-54-001 (toll free) or for any specific grievances connected to the remote e-voting, please contact Mr Ravuri Vijay, Deputy Manager at KFin Technologies Private Limited at e-mail id [einwardris@kfintech.com](mailto:einwardris@kfintech.com), contact no.-040-6716-2222.
  - m) The Results shall be declared by the chairman of the Company (within 48 hrs from the conclusion of AGM). The result declared along with the Scrutinizer's Report will be available on the Company's website at [www.luxinnerwear.com](http://www.luxinnerwear.com) and on the website of KFin Technologies Private Limited ([www.evoting.karvy.com](http://www.evoting.karvy.com)) and will also be forwarded to the Stock Exchange(s) where the Company's shares are listed.
- Please keep your most updated email id registered with the company/your DP, to receive timely communications.
7. Attending the AGM through VC/OAVM:
- The Company will be providing VC/OAVM facility to enable the members to attend the AGM, the Company is providing VC platform by M/s KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com> by using the remote e-voting credentials.
- a) Members are requested to follow the procedure given below:
    - i) Launch internet browser (chrome/firefox/safari) 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 the "video conference" option
    - iv) Then click on camera icon appearing against AGM event of lux Industries Limited, to attend the meeting.

- b) 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 mentioned in the notice.
- c) Members are advised to use the stable Wi-Fi or LAN connection to ensure smooth participation at the AGM. Participants may experience audio/video loss due to fluctuation in their respective networks.
- d) Members who would like to express their views/ask questions during the AGM may register themselves by logging into <https://emeetings.kfintech.com/> and clicking on the "Speaker Registration" option available on the screen after log in. The speaker registration will be available from 19th September, 2020 (9:00 A.M) to 20th September, 2020 (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.
- e) The Members can join the AGM fifteen minutes before and after the scheduled time of commencement of the Meeting by following the procedure mentioned in the Notice.
  - i) Up to 1000 members will be allowed to attend the AGM through VC/OAVM on first come/first served basis.
  - ii) No restriction on account of first come first served basis entry into AGM will be applicable to large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, The Chairperson of Audit Committee, Nomination and remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
  - iii) Members under category of Institutional Investors are encouraged to attend and Vote at the AGM.
  - iv) Members who need assistance before or during the AGM, can contact KFin on 040-6716 2222 or call on toll free 1-800-34-54-001. Kindly quote your name, DP ID/Client ID/ Folio no. and E-voting Event Number in all your communications.
- f) Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under section 103 of the Companies Act, 2013.

8. 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 on the cut-off date of 17th September, 2020 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.

9. 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 17th September, 2020.
10. 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.
11. The Scrutinizer's decision on the validity of the vote shall be final and binding.
12. The result declared along with the Scrutinizer's report shall be placed on the website of the Company ([www.luxinnerwear.com](http://www.luxinnerwear.com)) and on KFin's website (<https://evoting.karvy.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.
13. The recorded transcript of the AGM shall be maintained by the Company and also be made available on the website [www.luxinnerwear.com](http://www.luxinnerwear.com).
14. 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: August 17, 2020

Place: Kolkata

### Annexure to the Notice Dated August 17, 2020

Details of Directors retiring by rotation seeking appointment/re-appointment at the forthcoming Annual General Meeting, [Pursuant to Regulation 36(3) of the SEBI (LODR), Regulations, 2015 and Secretarial Standard].

<b>Name of the Director</b>	Mrs Prabha Devi Todi
<b>Date of Birth</b>	16.07.1962
<b>Age (in years)</b>	58
<b>Date of appointment</b>	11.02.2015
<b>Qualification</b>	Higher Secondary
<b>No. of equity shares held in the Company</b>	36,23,000
<b>Expertise in functional area</b>	<p>Mrs Prabha Devi Todi (00246219) is an executive, Non-independent Director on the board of Lux Industries Limited.</p> <p>She joined on 11th February, 2015 as Women Director in Board.</p> <p>She is also on the board of Biswanath Hosiery Mills Limited &amp; J. M. Hosiery &amp; Co Limited beside Lux Industries Limited, and has been associated with hosiery industry for the last 25 Years.</p> <p>She represents women empowerment in the Board.</p>
<b>Directorship in other Indian Public Limited Companies as on 31.03.2020</b>	<p>Biswanath Hosiery Mills Limited</p> <p>J. M. Hosiery &amp; Co Limited.</p>
<b>Chairmanship/Membership of Committee in other Indian Public Limited Companies as on 31.03.2019</b> (C= Chairman) (M= Member)	NIL
<b>Membership/Chairmanship in the Committee of the Board of Directors of the Company</b>	NIL
<b>Relationship with other Directors</b>	Wife of elder brother of Mr Ashok Kumar Todi and Mr Pradip Kumar Todi
<b>Number of Board meetings attended during the year</b>	4



## LUX INDUSTRIES LIMITED

CIN: L17309WB1995PLC073053

Regd. Office: 39 Kali Krishna Tagore Street, Kolkata – 700 007

### NOTICE

Notice is hereby given that the **Twenty Fifth Annual General Meeting (AGM)** of the members of **Lux Industries Limited** will be held on **Thursday, 24th September 2020 at 11:00 a.m.** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

#### Ordinary Business

- To consider and adopt:
  - The Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020 and the Reports of Board of Directors and the Auditors thereon, and;
  - The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 and the Reports of the Auditors thereon.
- To declare a final Dividend of ₹2.50 per Equity Shares, for the financial year ended 31st March, 2020.
- To appoint Mrs Prabha Devi Todi (DIN 00246219), who retires by

rotation and being eligible, offers herself for re-appointment as a Director.

**By order of the Board of Directors  
For Lux Industries Limited**

Registered Office:  
39, Kali Krishna Tagore Street  
Kolkata-700007

Date: August 17, 2020  
Place: Kolkata

**Sd/-  
Smita Mishra**  
Company Secretary &  
Compliance Officer  
M.No. - ACS 26489

#### Notes :

- In view of continuing COVID-19 pandemic and the restrictions imposed on the movement of people, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020 read with Circulars dated April 8, 2020 and April 13, 2020 and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as "Applicable Circulars") have permitted the holding of the AGM through VC/OAVM Facility. In compliance with the provisions of the Companies Act, 2013("Act"), SEBI (Listing Regulations") and MCA/SEBI circulars, the AGM of the Company is being held through VC/OAVM. The venue of the AGM shall be deemed to be the Registered Office of the Company.
- 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 and Attendance Slip are not annexed with the Notice of AGM.
- 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."
- Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, there is no Special Business to be transacted at this AGM, so Explanatory Statement Not Applicable.
- 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").
- Details of Directors retiring by rotation/seeking appointment /re-appointment at the ensuing meeting are provided in the

- "Annexure" to the notice pursuant to the: (i) Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment thereto or modification thereof and (ii) Secretarial Standard on General meetings ("SS -2"), issued by the Institute of Companies Secretaries India or any amendment thereto or modification thereof.
7. The Register of Members and the Share Transfer book of the Company will remain closed from 18th September, 2020 to 24th September, 2020 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for 2020.
  8. The final dividend of ₹2.50/- per share (i.e. 125%) has been recommended by the Board of Directors for the year ended 31st March, 2020. Subject to the approval of the shareholders at the ensuing Annual General Meeting, it is proposed to be paid on or after 24th September, 2020 and the record date for dividend entitlement is 17th September, 2020.
  9. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
  10. 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.
  11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the 25th 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 Participant(s) for communication purposes. Members may note that Notice and Annual Report 2019-20 will also be available on the Company's website [www.luxinnerwear.com](http://www.luxinnerwear.com), website of the Stock Exchanges [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and on the website of Registrar and Transfer Agent of the Company, KFin Technologies Private Limited (KFin) <https://evoting.karvy.com>.
  12. 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 20th April, 2018, the Company has already sent the reminders to the respective shareholders through letter dated 28th May, 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.
13. As per Regulation 40 of SEBI Listing Regulations, as amended, 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 or browse through the website of National Securities Depository Limited ([www.nsd.co.in](http://www.nsd.co.in)) (<https://nsdl.co.in/services/demat.php>) and Central Depository Services Limited ([http://www.spasecurities.com/KYC\\_Information/Dematerialization\\_Rematerialization/CDS%20-%202015%20-%20V%20-%20201.00%20-%20DRF%20-%20CDSL.pdf](http://www.spasecurities.com/KYC_Information/Dematerialization_Rematerialization/CDS%20-%202015%20-%20V%20-%20201.00%20-%20DRF%20-%20CDSL.pdf)) for further clarification in this regard. Shareholders are requested to contact the Company's Registrar & Share Transfer Agents, 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; e-mail: [cs@luxinnerwear.com](mailto:cs@luxinnerwear.com)).
14. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated May 12, 2020, The Company has also published a public notice by way of an advertisement made dated August 20, 2020 in leading newspaper Business Standard and in Regional language newspaper Ei Samay, both having a wide circulation, inter alia, advising the members whose e-mail IDs are not registered with the Company its Registrar and Share Transfer Agent or Depository Participant(s), as the case may be,

to registered their e-mail IDs with them.

15. 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](http://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 Agents in case the shares are held in physical form.
16. 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 there under 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 24, 2020. Members can inspect the same by sending an email to [investors@luxinnerwear.com](mailto:investors@luxinnerwear.com).
17. 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](mailto: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.
18. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid PAN	7.5%
Members not having PAN/valid PAN	20%

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed ₹5,000 and also in cases where members provide Form 15G/Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower/Nil withholding tax. Registered

members may also submit any other document as prescribed under the IT Act to claim a lower/Nil withholding tax.

PAN is mandatory for members providing Form 15G/15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Self-Attested copy of Indian Tax Identification number (PAN).
- Self-Attested copy of the Tax Residency Certificate (TRC) applicable for the period April 2020 to March 2021 obtained from the tax authorities of the country of which the shareholder is a resident.
- Self-declaration in Form 10F.
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty.
- Self-declaration of beneficial ownership by the non-resident shareholder.
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

In case of Foreign Institutional Investors/Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess)

The aforesaid documents, as applicable, are required to be uploaded online with KFin Technologies Private Limited, the Registrar and Transfer Agent ("KFin") at <https://ris.kfintech.com/form15>. Company has already sent email to shareholders on 31st July, 2020 in this regard requesting to submit documents/declaration. Members are requested to update the details of their residential status, PAN & category as per Income Tax Act, 1961 at <https://ris.kfintech.com/form15> or mail to RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) with a copy to the Company at [investors@luxinnerwear.com](mailto:investors@luxinnerwear.com).

1. 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.
2. In compliance with 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 will be transacted by electronic voting system and the Company has provided facility to the members to exercise their right to vote at the 25th 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 28th August, 2020.

3. Transfer to Investor Education and Protection Fund:

(a) 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 31st March, 2013 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 ₹1,94,203/- for financial year 2011-12 to the Investor Education and Protection Fund (IEPF) of the Central Government of India.

(b) 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 16 October 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).

(c) Claim from IEPF Authority

The shareholders who have not claimed/encashed the dividend in the last 7 consecutive years from financial year 2012-13 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](http://www.iepf.gov.in)) along with the fee prescribed to the IEPF authority with a copy to the Company.

4. In compliance with the Circulars, the Annual Report 2019-20, the Notice of the 25th AGM, and instructions fore-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company/depository participant(s).

5. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

6. Instructions for e- voting:

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

Members of the Company holding shares either in physical or in dematerialized form as on the aforesaid **cut-off date i.e., 17th September, 2020** and not casting their vote electronically may cast their vote at the Meeting. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

Any person, who acquires shares of the Company and becomes a member of the company after dispatch of the Notice of the AGM and holding shares, as of the cut-off date, i.e., 17th September, 2020 may obtain the login ID and password by sending request at [evoting@kfintech.com](mailto:evoting@kfintech.com)/cs@luxinnerwear.com. However, if you are already registered with KFin for remote e-voting then you can use your existing User ID and password

for casting your vote.

The company has entered into an arrangement with KFin Technologies Pvt. Ltd., the Share Transfer Agent of the company for facilitating e-voting, through their e-voting platform <https://evoting.karvy.com>.

For your login credentials i.e. User Id and password for casting the vote please refer e-mail sent for AGM.

The Board of Directors has appointed Mr Mohan Ram Goenka, Practicing Company Secretary, as the Scrutinizer, for conducting the voting process in a fair and transparent manner.

### Steps for e-voting

- a) Use the following URL for e-voting: <https://evoting.karvy.com>
  - b) Enter the login credentials i.e., user id and password mentioned in your email. Forwarding the notice of AGM. Your Folio No/ DP ID/Client ID will be your user id. However, if you are already registered with KFin for e-voting, you can use your existing user id and password for casting your votes.
  - c) After entering the details appropriately, click on "LOGIN".
  - d) You will reach the 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.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - e) You need to login again with the new credentials.
  - f) On successful login, the system will prompt you to select the E-Voting Event Number for Lux Industries Limited.
  - g) On the voting page, the number of shares (which represents the number of votes) as held by the member as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, then enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
  - h) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
  - i) Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
  - j) Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the scrutinizer on the email id [goenkamohan@gmail.com](mailto:goenkamohan@gmail.com). They 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."
  - k) **The Portal will remain open for voting from: Sunday 20th September, 2020 (9:00 a.m.) till Wednesday 23rd September, 2020 (5:00 p.m.)**
  - l) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the "Downloads" section of <https://evoting.karvy.com>. or contact KFin on 1-800 -34-54-001 (toll free) or for any specific grievances connected to the remote e-voting, please contact Mr Ravuri Vijay, Deputy Manager at KFin Technologies Private Limited at e-mail id [einwardris@kfintech.com](mailto:einwardris@kfintech.com), contact no.-040-6716-2222.
  - m) The Results shall be declared by the chairman of the Company (within 48 hrs from the conclusion of AGM). The result declared along with the Scrutinizer's Report will be available on the Company's website at [www.luxinnerwear.com](http://www.luxinnerwear.com) and on the website of KFin Technologies Private Limited ([www.evoting.karvy.com](http://www.evoting.karvy.com)) and will also be forwarded to the Stock Exchange(s) where the Company's shares are listed.  
  
Please keep your most updated email id registered with the company/your DP, to receive timely communications.
7. Attending the AGM through VC/OAVM:
- The Company will be providing VC/OAVM facility to enable the members to attend the AGM, the Company is providing VC platform by M/s KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com> by using the remote e-voting credentials.
- a) Members are requested to follow the procedure given below:
    - i) Launch internet browser (chrome/firefox/safari) 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 the "video conference" option
    - iv) Then click on camera icon appearing against AGM event of lux Industries Limited, to attend the meeting.
  - b) 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 mentioned in the notice.

- c) Members are advised to use the stable Wi-Fi or LAN connection to ensure smooth participation at the AGM. Participants may experience audio/video loss due to fluctuation in their respective networks.
- d) Members who would like to express their views/ask questions during the AGM may register themselves by logging into <https://emeetings.kfintech.com/> and clicking on the "Speaker Registration" option available on the screen after log in. The speaker registration will be available from 19th September, 2020 (9:00 A.M) to 20th September, 2020 (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.
- e) The Members can join the AGM fifteen minutes before and after the scheduled time of commencement of the Meeting by following the procedure mentioned in the Notice.
  - i) Up to 1000 members will be allowed to attend the AGM through VC/OAVM on first come/first served basis.
  - ii) No restriction on account of first come first served basis entry into AGM will be applicable to large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, The Chairperson of Audit Committee, Nomination and remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
  - iii) Members under category of Institutional Investors are encouraged to attend and Vote at the AGM.
  - iv) Members who need assistance before or during the AGM, can contact KFin on 040-6716 2222 or call on toll free 1-800-34-54-001. Kindly quote your name, DP ID/Client ID/ Folio no. and E-voting Event Number in all your communications.
- f) Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under section 103 of the Companies Act, 2013.

8. 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 on the cut-off date

of 17th September, 2020 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.

9. 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 17th September, 2020.
10. 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.
11. The Scrutinizer's decision on the validity of the vote shall be final and binding.
12. The result declared along with the Scrutinizer's report shall be placed on the website of the Company ([www.luxinnerwear.com](http://www.luxinnerwear.com)) and on KFin's website (<https://evoting.karvy.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.
13. The recorded transcript of the AGM shall be maintained by the Company and also be made available on the website [www.luxinnerwear.com](http://www.luxinnerwear.com).
14. 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.

Date: August 17, 2020  
Place: Kolkata

**Sd/-  
Smita Mishra**  
Company Secretary &  
Compliance Officer  
M.No. - ACS 26489

### Annexure to the Notice Dated August 17, 2020

Details of Directors retiring by rotation seeking appointment/re-appointment at the forthcoming Annual General Meeting, [Pursuant to Regulation 36(3) of the SEBI (LODR), Regulations, 2015 and Secretarial Standard].

<b>Name of the Director</b>	Mrs Prabha Devi Todi
<b>Date of Birth</b>	16.07.1962
<b>Age (in years)</b>	58
<b>Date of appointment</b>	11.02.2015
<b>Qualification</b>	Higher Secondary
<b>No. of equity shares held in the Company</b>	36,23,000
<b>Expertise in functional area</b>	<p>Mrs Prabha Devi Todi (00246219) is an executive, Non-independent Director on the board of Lux Industries Limited.</p> <p>She joined on 11th February, 2015 as Women Director in Board.</p> <p>She is also on the board of Biswanath Hosiery Mills Limited &amp; J. M. Hosiery &amp; Co Limited beside Lux Industries Limited, and has been associated with hosiery industry for the last 25 Years.</p> <p>She represents women empowerment in the Board.</p>
<b>Directorship in other Indian Public Limited Companies as on 31.03.2020</b>	<p>Biswanath Hosiery Mills Limited</p> <p>J. M. Hosiery &amp; Co Limited.</p>
<b>Chairmanship/Membership of Committee in other Indian Public Limited Companies as on 31.03.2019</b> <b>(C= Chairman)</b> <b>(M= Member)</b>	NIL
<b>Membership/Chairmanship in the Committee of the Board of Directors of the Company</b>	NIL
<b>Relationship with other Directors</b>	Wife of elder brother of Mr Ashok Kumar Todi and Mr Pradip Kumar Todi
<b>Number of Board meetings attended during the year</b>	4





**LUX INDUSTRIES LTD**

**Corporate office:** P.S. Srijan Tech Park, DN-52, Salt Lake City, Sector V, Kolkata, West Bengal 700091

**Phone:** +91 33 4040 2121 | **Fax:** +91 33 4040 2001

**Email:** [info@luxinnerwear.com](mailto:info@luxinnerwear.com)

**Website:** [luxinnerwear.com](http://luxinnerwear.com)