



**Date: 06<sup>th</sup> September, 2023**

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

**Sub: Submission of Annual Report 2022-23 (including Notice of 28<sup>th</sup> Annual General Meeting) for the Financial Year ended 31<sup>st</sup> March 2023.**

In furtherance to our letter dated August 16, 2023 wherein it was informed that the Annual General Meeting of the Company (AGM) of the Company is scheduled to be held on Friday, September 29, 2023, at 11.00 a.m. (IST) and Pursuant to the Regulation 30 read with Part A (Para A) of Schedule III and Regulation 34 of the SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), please find enclosed the Notice of the 28<sup>th</sup> Annual General Meeting (AGM) of the Members of the Company, and the Annual Report of the Company for the Financial Year 2022-23. The same is also being sent to the shareholders electronically who have registered their email-ids with the Company or Depository Participant(s) and same can be also accessed at [www.luxinnerwear.com](http://www.luxinnerwear.com).

Thanking You  
Yours faithfully,  
**For LUX INDUSTRIES LIMITED**

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

Enclosed: as above

## **LUX INDUSTRIES LTD**

Lux Industries Limited  
Annual Report 2022-23



**LUX**

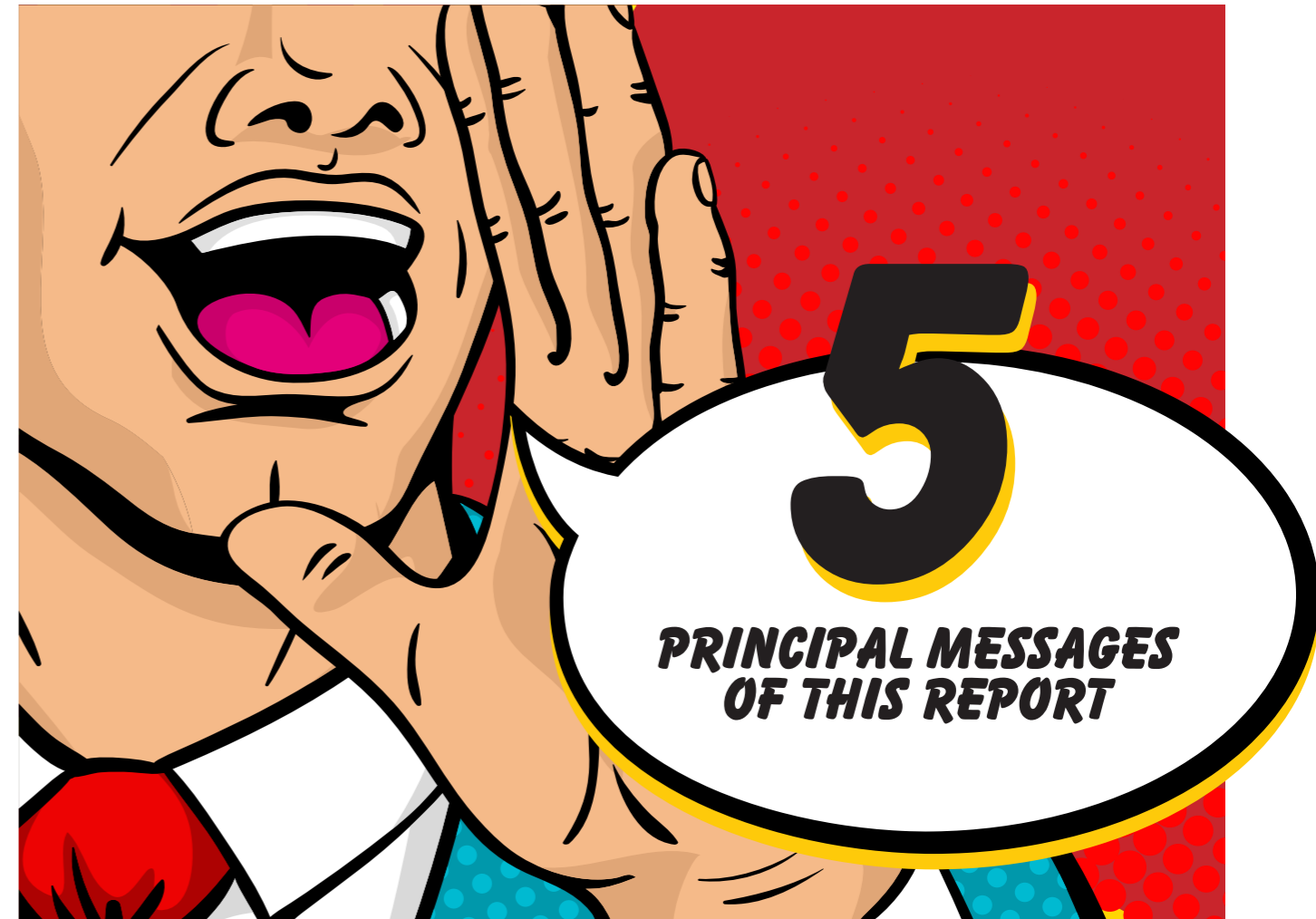
**2.0**

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## Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. The Annual Report has been prepared on the basis of consolidated numbers.



- 1 The world is at the cusp of a digitalisation inflection point
- 2 Lux is embracing cutting-edge digital technologies to transform its business
- 3 Lux intends to enhance market outcomes through accelerated relaunches, revitalised branding and new brand ambassadors.
- 4 Lux is transitioning to third generation management leaders to catalyse its business.
- 5 Lux is emerging nimbler, which is expected to translate into revenue, profit and margins growth

# Lux Industries Limited.

A leader in India's mid-market hosiery segment, comprising innerwear and outerwear.

Graduated India's most visible brand to the international markets.

Demonstrating the courage to create products and price points.

Leveraging 60 years of a rich legacy to reinvent itself around a modern digitalised mindset.

Creating the leadership foundation for the next round of profitable, sustainable and responsible growth.

**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 Indian hosiery company globally and to drive the industry towards sustainable growth and development

**Values**

- To ensure complete satisfaction and utmost comfort for every consumer by creating top-notch quality products
- To constantly bring about change in our methods of production through sustained innovation and stringent quality control practices
- Creating new businesses along with customer satisfaction represents the driving force behind our economic engine. Lux Industries Limited strives to adhere to the highest ethical standards and transparency in all its dealings and transactions. The Company ensures the highest level of corporate governance.

**Our manufacturing potential**

The Company possesses one of the largest manufacturing capacities for hosiery products in India - 12 lakhs garments a day across eight state-of-the-art plants. The Company's manufacturing units are located in Dankuni, Sankrail Industrial Park (West Bengal), Tiruppur and Avinashi (Tamil Nadu), Ludhiana (Punjab) and Ghaziabad (UP).

**Market leader**

Lux accounts for approximately 15% of India's organised innerwear market complemented by an order fulfilment rate of 95% (industry average 80%), translating into superior customer satisfaction.

**Our leadership team**

Promoters Mr. Ashok Kumar Todi and Mr. Pradip Kumar Todi, Chairman and Managing Director respectively, possess more than 50 years of aggregate industry experience across the sales, marketing, brand and product development functions. The Company's management is undergoing a generational shift, with the third generation of the promoter family (Mr. Navin Kumar Todi, Mr. Rahul Kumar Todi, Mr. Saket Todi and Mr. Udit Todi) having assumed active leadership positions.

**Our team**

Lux comprises over 3000 dedicated and skilled employees, contributing expertise and passion.

The average employee age was 35-40 years as on March 31, 2023.

**Credit rating**

The long-term rating of 'ACUITE AA+ (Stable),' and the short-term rating of 'ACUITE A1+ with a stable outlook' validate a strong business model.

**Brands**

The Company comprises an impressive portfolio of 10 prominent brands, with its Power Brands standing out for their reputation in comfort, innovation and superior price-value proposition. Offering a diverse selection of over 100 products for men, women, and children, the Company caters to various age groups, regions, and seasonal needs.

**Certifications**

The Company's commitment to manufacturing quality products is endorsed by its ISO 9001:2015 certification, ensuring a consistent standard of excellence. The Government of India recognised the Company's achievements by awarding it the status of a Two Star Export House.

**Presence**

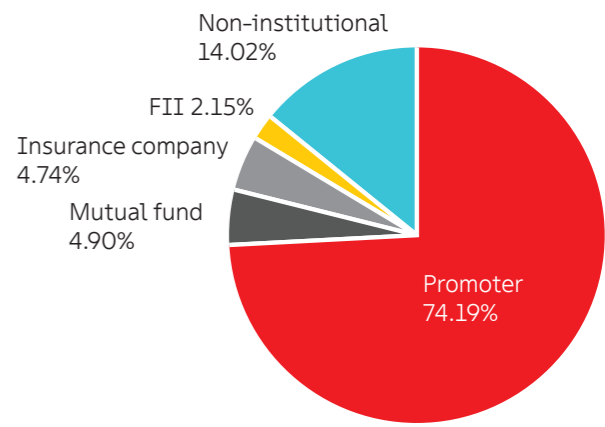
The Company offers a diverse range of over 5,000 Stock Keeping Units (SKUs) across a 1170+ dealer network leading to a presence comprising more than 200,000 outlets. The Company's products are marketed in 47 countries.



Categories	Brand	Revenue mix, FY 2022-23
Premium	ONN, Lux Premiums, ONE8	₹350 crores
Semi-premium	Lux Cozi, Lyra, GenX, Lux Inferno	₹1224 crores
Economy	Lux Venus, Lux Karishma, Lux Cott's wool	₹787 crores



Our shareholding pattern as of March 31, 2023



# 1957

Mr. Girdhari Lal Todi founded Biswanath Hosiery Mills with a vision to make everyday innerwear comfort accessible to Indians.

# 1970

The second generation of entrepreneurs from within the Todi family took over the Company's management control.

# 1992

The Company launched its first television advertisement, 'Ye Andar Ki Baat Hai,' featuring Sunny Deol.

# 1993

Lux began exporting products to the Middle East, Africa, and Europe. The Company launched Lux Venus, its economy category product.

# 1994

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

# 1995

Lux Industries Limited was incorporated as a Public Limited Company, becoming the flagship Company of the group

# 1998

Lux expanded its pan-India presence and established its New Delhi office.

# 2000

The Company introduced GenX, a youth-centric and economical innerwear for men across metros, semi-metros, and suburban areas.

# 2001

The flagship brand, Lux Cozi, was launched.

# 2003

The Lux IPO was launched and oversubscribed four times.

# 2005

Lux Cott's Wool was introduced under the thermal category.

# 2007

Lux Inferno was launched under the mid-premium segment.

# 2010

The premium brand ONN was conceived with Shahrukh Khan as its brand ambassador.

# 2012

Lux launched the women's leggings brand Lyra; this differentiated bottom wear brand gradually emerged among the Company's most visible successes.

# 2013

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

# 2014

Lux Cozi became the title sponsor at the Zee Cine Awards, one of the world's biggest Viewer's Choice Awards

# 2015

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

# 2016

Sushant Singh Rajput became the brand ambassador for Lux Cozi. Lux commenced Eastern India's largest hosiery product manufacturing unit in Dankuni, West Bengal, and became one of the primary sponsors of Kolkata Knight Riders.

# 2017

Varun Dhawan was signed as the brand ambassador for Lux Cozi. Lux launched its women's innerwear range - Lux Cozi Her.

# 2018

The Company organised the largest-ever distributors' conference in the hosiery textiles industry. Amitabh Bachchan was onboarded as the brand ambassador for Lux Venus and Lux Inferno. Lux Classic was re-launched as Lux Venus Classic. Lux also launched Lyra lingerie.

# 2019

Lux launched India's first scented vest under the brand Lux Cozi. The Company introduced One8, a premium category brand. Kartik Aaryan and Tapasee Pannu were onboarded as brand ambassadors for Lux Inferno and Lyra, respectively. Lux also launched Lux Nitro, a casual wear product line.

# 2020

Lux launched CozyWorld, a retail venture.

# 2021

J. M. Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (Ebell) were merged with Lux Industries Limited, the appointed date being April 01, 2020. Lux launched a successful campaign 'Ikkis khoobiyon wali baniyaan' for Lux Cozi vests.

# 2022

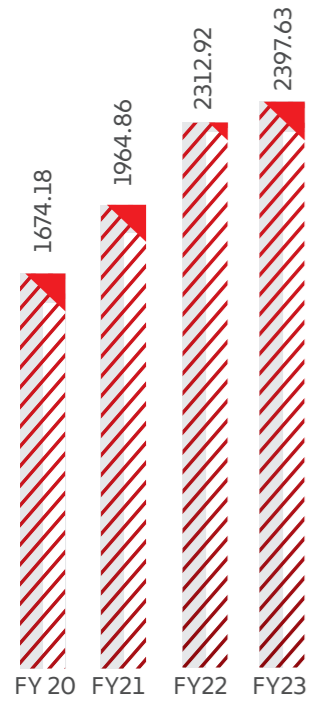
Lux is setting up a new manufacturing facility in Kolkata's Hosiery Park. It relaunched Lux Venus with Salman Khan as brand ambassador, onboarded Sourav Ganguly to endorse Lux Cozi, and signed Boman Irani and Satish Kaushik as faces for the Lux Inferno and Lux Cott's wool brands.

# 2023

The Company appointed Jacqueline Fernandez and Vijay Deverakonda as brand ambassadors for Lux Cozi and also roped in Janhvi Kapoor as the face of the Lyra brand

Our multi-decade  
**JOURNEY**

# Our performance over the years



Revenues (₹ crores)

## Why this is measured

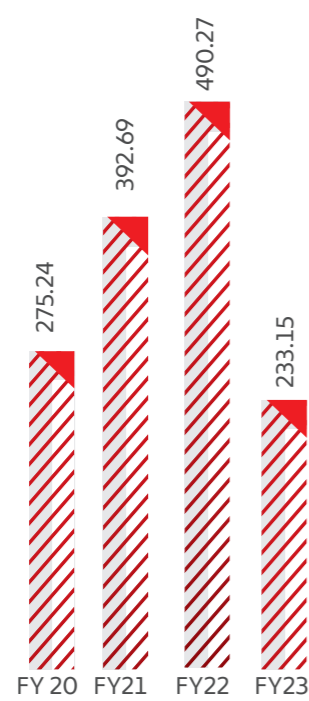
It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the Company's performance can be compared with sectoral peers.

## What this means

Aggregate sales increased ₹ 84.71 crores during the year under review on account of a wider marketing footprint.

## Value impact

The volume offtake remained creditable in an otherwise challenging year for the textiles economy



Operating EBITDA (₹ crores)

## Why this is measured

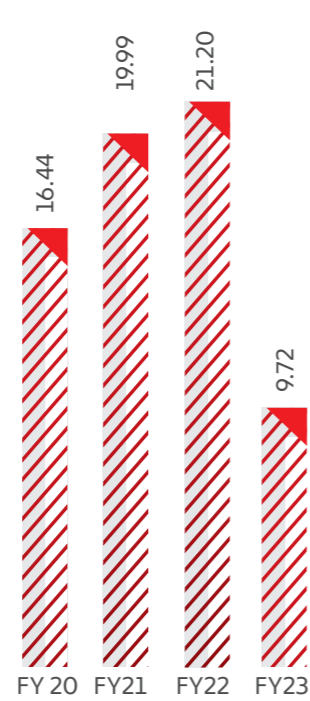
It is an index that showcases the Company's ability to generate a surplus after operating costs, creating a base for comparison with sectoral peers.

## What this means

Helps create a robust surplus-generating engine that facilitates reinvestment.

## Value impact

The Company reported a ₹257.12 crores de-growth in EBITDA in FY 2022-23 due to higher resource costs.



EBITDA margin (%)

## Why this is measured

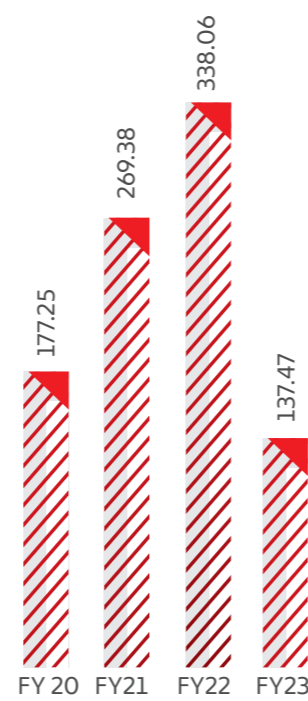
EBITDA Margin is a valuable indicator of a company's operating efficiency and profitability without accounting for financing costs, tax expenses, and non-cash items like depreciation and amortisation.

## What this means

A higher EBITDA margin signifies that the Company's core operations are generating substantial profits, which can be reinvested into the business or used to repay debts.

## Value impact

The Company reported a 1148 bps decrease in EBITDA margin in FY 2022-23 due to higher resource costs.



Net profit (₹ crores)

## Why this is measured

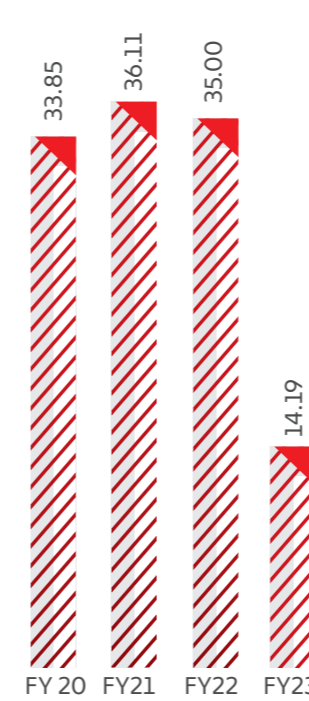
It serves as a critical metric to evaluate the Company's overall profitability and financial performance.

## What this means

A positive net profit indicates that the Company is generating surplus income after covering all costs, contributing to its financial stability and growth potential.

## Value impact

Net profit in FY 2022-23 declined by ₹ 200.59 crores on account of higher resource costs



Return of capital employed (ROCE) (%)

## Why this is measured

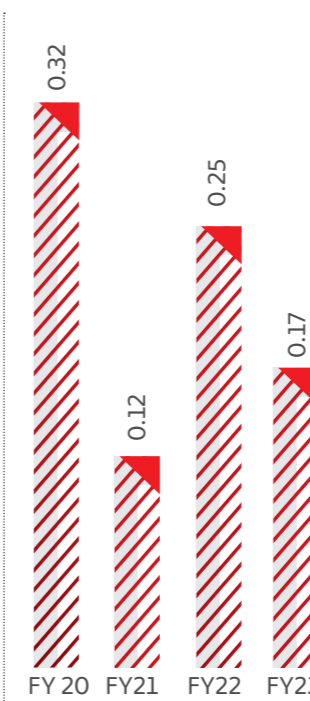
ROCE is an insightful metric to compare profitability across companies based on their capital efficiency.

## What this means

Enhanced ROCE can potentially drive valuations and market perception.

## Value impact

The Company reported a 2081 bps decrease in ROCE in FY 2022-23 on account of higher resource and inventory costs



Debt-equity ratio (x)

## Why this is measured

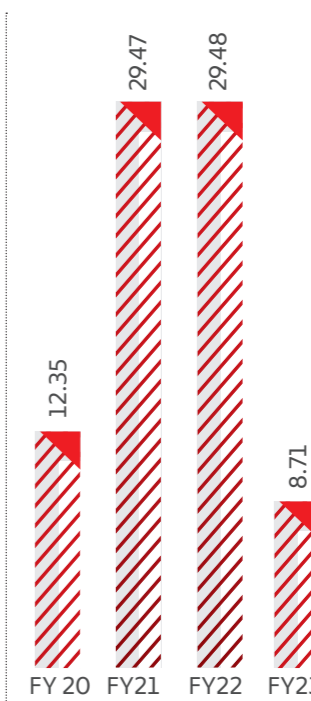
The Debt-Equity Ratio helps assess the Company's financial risk and its reliance on debt for funding its activities. It provides insights into the Company's capital structure and solvency.

## What this means

A lower Debt-Equity Ratio implies a more conservative financing approach, with less reliance on debt and a stronger financial position. On the other hand, a higher ratio may indicate higher financial risk and potential difficulties in debt repayment.

## Value impact

The Company's debt-equity ratio improved to 0.17x in FY 2022-23, signifying a favourable financial structure and enhanced financial stability.



Interest cover (x)

## Why this is measured

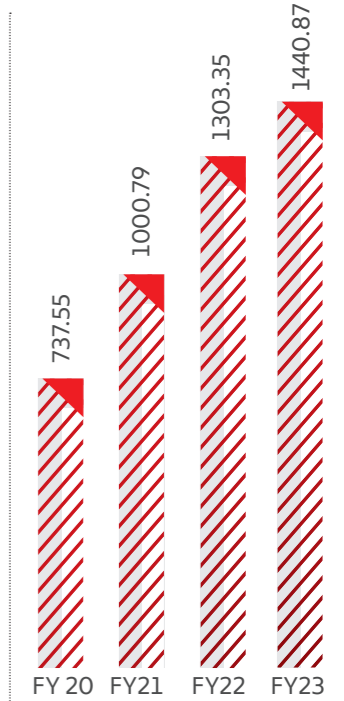
The Interest Cover is crucial in evaluating the Company's ability to handle its interest payments, indicating its financial health and risk management.

## What this means

A higher Interest Cover signifies that the Company generates sufficient operating profit to comfortably cover its interest expenses, indicating a lower risk of defaulting on debt payments.

## Value impact

The Company reported a substantial decline in interest cover in FY 2022-23 on account of lower profits.



Net worth (₹ crores)

## Why this is measured

Net Worth is a critical indicator of the Company's financial health, providing insights into its overall value and financial stability.

## What this means

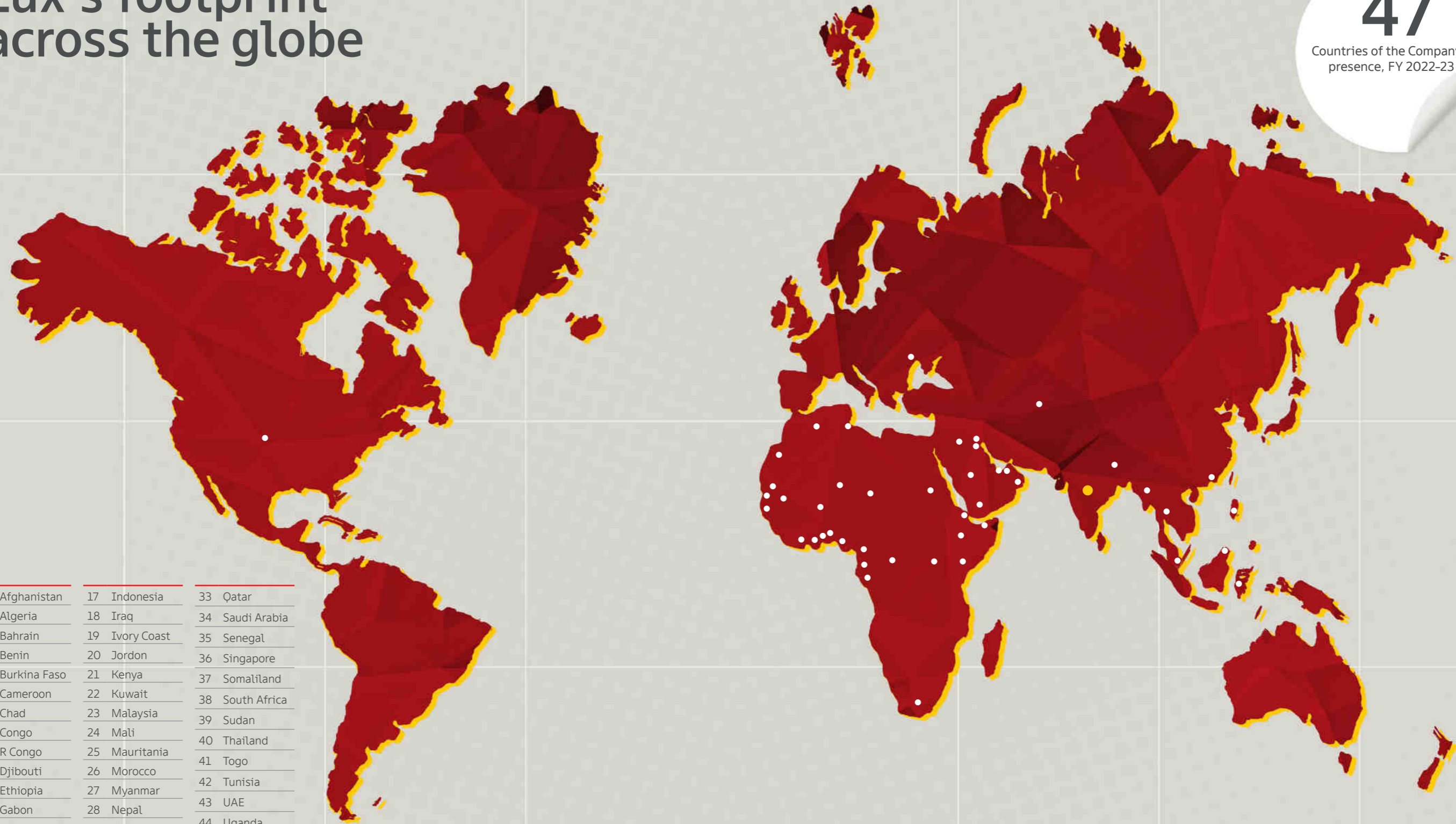
A higher Net Worth indicates a stronger financial position and a greater ability to withstand economic downturns or financial challenges.

## Value impact

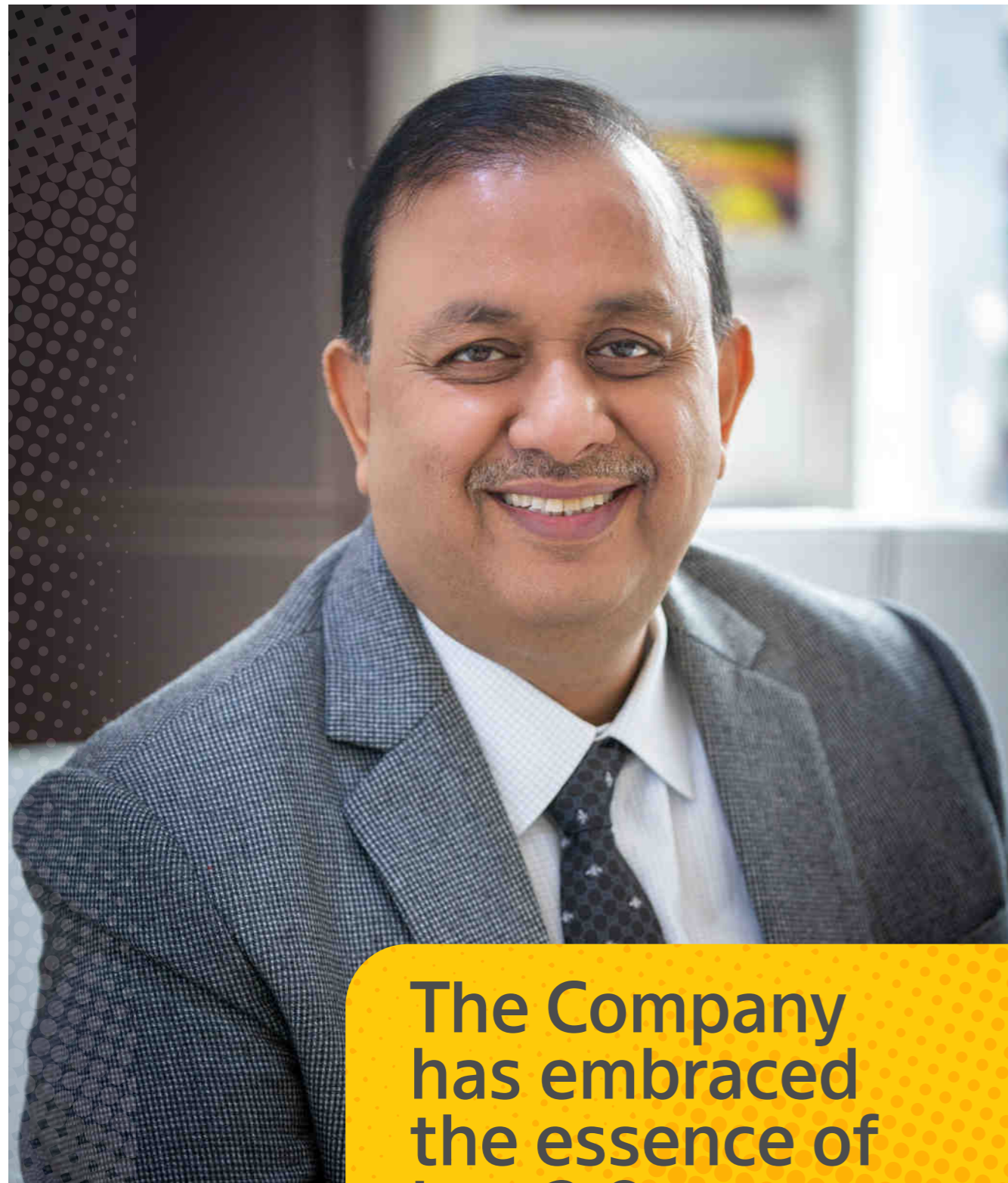
The Company reported an ₹137.52 crores increase in net worth in FY 2022-23, showcasing its consistent growth and improved financial strength. This increase reflects the Company's ability to generate value for shareholders and build a resilient financial foundation.

# Lux's footprint across the globe

**47**  
Countries of the Company's presence, FY 2022-23



1 Afghanistan	17 Indonesia	33 Qatar
2 Algeria	18 Iraq	34 Saudi Arabia
3 Bahrain	19 Ivory Coast	35 Senegal
4 Benin	20 Jordan	36 Singapore
5 Burkina Faso	21 Kenya	37 Somaliland
6 Cameroon	22 Kuwait	38 South Africa
7 Chad	23 Malaysia	39 Sudan
8 Congo	24 Mali	40 Thailand
9 R Congo	25 Mauritania	41 Togo
10 Djibouti	26 Morocco	42 Tunisia
11 Ethiopia	27 Myanmar	43 UAE
12 Gabon	28 Nepal	44 Uganda
13 Gambia	29 Niger	45 Ukraine
14 Ghana	30 Nigeria	46 USA
15 Hong Kong	31 Oman	47 Yemen
16 India	32 Philippines	



The Company has embraced the essence of Lux 2.0

ASHOK KUMAR TODI  
Chairman

At Lux, our competence represents the sum of all our achievements, which we seek to transform into a platform for robust sustainable growth.

Lux has been in business for over six decades. The Company began with two goals in mind: to supply quality products and market products for the masses. The Company focused on creating a virtuous cycle by widening its presence to generate superior economies and generate a surplus that could be reinvested so sustain the growth momentum.

A few decades ago, the term 'sustainability' was not spoken of. However, Lux was driven by sustainability principles with the objective of leading these to enhanced brand visibility, revenues and surplus. The promoters of the Company may not have been business school graduates but their thorough market understanding and hands-on engagement translated into outperformance.

The promoters brought to the business more than just an alignment with market conditions; they brought a distinctive '**boldness**' as well. This intangible personality represented our backbone and continues to be so. Contrary to people's opinions about the Indian hosiery sector, the Company championed a distinctive style of working, prioritising customer interests of quality, affordability, availability and accessibility.

#### Remaining bold to do bold

Lux dared to extend beyond the obvious through measured risk taking. Did we succeed? Yes, even though few initiatives did not turn out as expected on account of a timing mismatch. We were generally ahead of the curve, never far from it and the experience derived out of mismatches made us think, function and deliver disproportionately positive outcomes thereafter.

What were our bold moves? We expanded our sourcing network. We launched products and features,

A few decades ago, the term 'sustainability' was not spoken of. However, Lux was driven by sustainability principles with the objective of leading these to enhanced brand visibility, revenues and surplus.

strengthened distinctive promotional methods, introduced new pricing strategies and migrated from the mass segment to the premium. We implemented steps that widened the market and accounted for a larger market share.

During the financial year under review, the Company deepened its digital presence. Investments in digitalisation became the base for incremental improvements across the supply chain; retailers now enjoy a direct access to Lux, resulting in a real-time trend understanding; the Company responded with stronger online marketing, informed decision-making, moderated costs and accelerated workflows. Going ahead, digitalisation is expected to strengthen systems, workflows and stability.

The Company addresses a positive future on account of its responsiveness and boldness. The Company continues to reinvest without altering its strategic direction.

The Company embraces the essence of **Lux 2.0**, derived from a complement of decades of experiences and the enthusiasm of our youthfulness, which are likely to transpire into sustained outperformance.



# The Company will graduate from its conventional structure to a young professionally-driven personality



70% talent retention, largely on account of an invigorating workplace, skill enhancement and work-life balance.

Your Company enhanced community value through deeper CSR engagements and higher spending by 48% to ₹ 6.80 crores in FY 2022-23 over FY 2021-22. As an extension, your Company upheld the highest standards of governance and compliance, underlining its responsibility.

Your Company was temporarily affected on account of a sharp rise in raw material costs that needed to be absorbed without affecting the customer value proposition. Your Company reported a 52% decline in EBITDA and 59% decline in profit after tax, even as it reinvested with the objective to arrest the decline and post an attractive recovery once the effect of higher raw material costs moderated.

#### Industry challenges

India's hosiery sector is a showcase of the robust national consumption story.

During the last decade, the Indian consumer has evolved from traditional innerwear to personality-enhancing options; besides, there has been a change in preference from conventional designs (colour, fabric and style) to contemporary alternatives. While the sector has grown consistently year on year, there have been years when the profitability of the sector has

been affected by an unforeseen increase in raw material costs.

The hosiery sector encountered a sharp increase in cotton yarn costs during the last financial year. In a business when the cost of yarn as a proportion of production costs remained high, an increase of this nature temporarily affected profitability and virtually every single hosiery company reported a decline in surplus and margins.

The performance of the sector was also affected by a high inventory with the distribution channel and lower offtake due to a delayed and subdued winter; this caused realisations to decline coupled with trade cum corporate losses. The high inflation during the course of the year affected consumer disposable incomes, affecting overall demand.

#### Strategic response

At Lux, we were affected by the weakness in India's hosiery sector during the year under review. However, your Company moved with speed, helping arrest the decline.

Your Company's principal counter-slowdown initiative was something that has always worked in good stead; during the year under review, your Company continued to invest in its brand. Your Company invested 8% of its revenues in brand spending, accounting for ₹185 crores in FY 2022-23, which was 21% higher than the previous financial year. This brand spending was supported by a complement of prominent national brand ambassadors (Salman Khan, Jacqueline Fernandez, Virat Kohli, Varun Dhawan, Sourav Ganguly, Vijay Deverakonda, Taapsee Pannu and Boman Irani).

#### Overview

**I am pleased to present the performance of your Company for FY 2022-23.**

Your Company succeeded in presenting a reasonable performance during the year under review in a challenging year faced by the textiles industry.

Your Company delivered superior customer value through a wider variety of contemporary products across the outerwear and innerwear hosiery categories, which resulted in a 3.6% growth in revenues during the last financial year. The Company maintained its momentum as per the percentage growth reported by the Indian hosiery and textile sectors in FY 2022-23.

Your Company continued to be a prime talent recruiter within the country's hosiery sector, marked by average 43% growth in employee remuneration (other than managerial personnel) and

**PRADIP KUMAR TODI**  
Managing Director

During the last decade, the Indian consumer has evolved from traditional innerwear to personality-enhancing options; besides, there has been a change in preference from conventional designs (colour, fabric and style) to contemporary alternatives.

## MANAGING DIRECTOR'S BUSINESS OVERVIEW

The volume of brand spending was corresponded by the quality of the spending. In FY 2022-23, the Company appointed Salman Khan as the brand ambassador for Lux Venus, enhancing visibility in the domestic and international markets. The appointment also validated that the Company would make a decisive counter-response in its brand approach that would not just address a specific financial year but represent a consistent direction across the foreseeable future.

The Company counter-balanced this growing brand spending and visibility with a wider products portfolio. The Company continued to expand its product range of women's wear (innerwear and outerwear) and men's outerwear with a focus on addressing evolving preferences, periodically contemporising its portfolio, perpetually rejuvenating its brand, accelerating inventory turns and enhancing value-addition.

One of the most decisive initiatives

undertaken by Lux during the last financial year was to embed digitalisation deeper into its operating personality. The Company invested in digitalised technologies to enhance organisational responsiveness to market needs, strengthen workflows, and aggregate and analyse data to enhance informed clarity. The most effective extension of the digitalisation of the Company was an unprecedented initiative to connect the Company to the last mile of its distribution chain – to link the Company with retailers. This direct engagement – as opposed to engagements through the dealer – is helping the Company decode the evolving preference of consumers leading to informed product responsiveness and superior working capital management. We believe that this direct engagement with the marketplace will inspire focused incentive schemes and moderate incentive transmission leaks, resulting in a seamless extension of our corporate priority into offtake.

The Company is a global citizen of Indian origin. During the year under review, your Company's products were available in 47 countries. Exports accounted for 8% of the Company's revenues in FY 2022-23; exports increased 14.51% to ₹181.71 crores during the year under review. Exports will continue to be a growing proportion of your Company's sales, reducing the Company's excessive dependence on India and broad basing revenues across a larger number of global markets.

At Lux, we believe that the complement of these initiatives will continue to drive demand higher than the country's economic growth, textile sector expansion and the hosiery sector growth. This sustained growth in our market acceptability will need to be counter-balanced by enhanced manufacturing capacity. In view of this, the Company made sustained capital investments during the last few years, which should translate into business growth and sustainability across the coming years.



### Our priorities

At Lux, our strategic initiatives during the last financial year were aligned with our multi-year direction.

The Company seeks to be recognised the world over as the largest Indian hosiery company.

The Company intends to enhance value for all its stakeholders in a sustainable way.

The Company seeks to outperform by setting new benchmarks in style, quality and comfort.

The Company will graduate from its conventional structure to a young professionally-driven personality, underlining its commitment to adapt to the transforming character of markets.

# The new generation from the promoter's family is positioned to drive the Company into Lux 2.0



**NAVIN KUMAR TODDI**  
Executive Director,  
responsible for Product  
Diversification &  
Optimisation

Lux has consistently reinvented itself across the decades. In the last few years, the Company has embarked on a decisive transformation initiative. Ever since it went into existence more than six decades ago, the Company's promoters focused on the marketing of products addressing the mass consumption segment. This assured the Company of volumes, which assured economies of scale and the capacity to grow the market through competitive pricing on the one hand and aggressive promotion on the other.

If there has been one decisive transformation that has occurred in the last few years, it is that the Company has shifted from a singular focus on the mass segment to the mass cum class segments. This conscious and structured evolution is a result of a change in the market environment: Indians are spending more on living better; fashion stages are evolving; there is a propensity for quicker

wardrobe change than in the past; new activities have generated a demand for new lifestyle outerwear and innerwear products; woman's wear (inner and outer) is an enlarging opportunity in a rapidly transforming India.

At Lux, we feel that portfolio diversification into adjacent and contiguous product categories represents the platform for a sustainable growth in margins, capital efficiency and revenues. In view of this, the Company launched new products and brands around contemporary fashion and active garment requirements. The Company is commissioning new manufacturing facilities to address increased demand. The result is that the Company is progressively broadbasing from an excessive reliance on products within a single price category or in addressing only a specific gender.

This broadbased approach will make it possible for the Company to enhance business sustainability, enhancing value for all our stakeholders into the long-term.

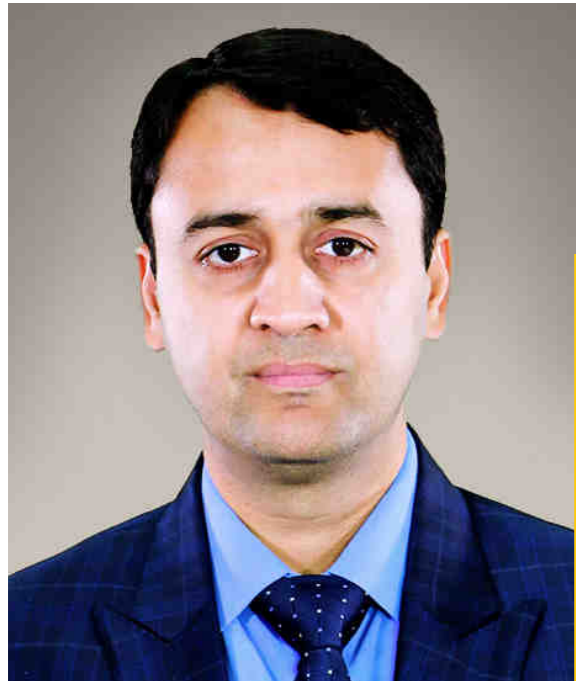
### How we have evolved

Conventional presence in mid-segment men's innerwear

Extended into men's premium outerwear

Extended into women's innerwear and outerwear

Launched children's wear



**RAHUL KUMAR TODI**  
Executive Director,  
responsible  
for operational  
optimisation

**Overview**

In a VUCA (Volatility, Uncertainty, Complexities and Ambiguities) world, there is a premium on the ability to sustain the business across market cycles. An important requirement to be able to do so is derived from the ability to control all variables within the Company's operational ambit.

**Technology:** At Lux, we have invested in modern technologies that enhance production efficiency, leading to lower wastage, higher quality outcomes and consistent production. This ensures that the Company is able to squeeze out margins from enhanced technology-induced efficiency.

**Talent:** At Lux, we have deepened our specialisation through investment in trained

talent deployed in a different facility. The result is that the Company's premium products are manufactured in a dedicated facility around a differentiated culture.

**Information technology:** The Company invested in advanced systemic technologies that make it possible to aggregate an understanding of all business variables onto a single page, resulting in responsive and informed decision-making.

We believe that the ability to sweat these business inputs will help the Company squeeze additional margins out of its system, enhancing the surplus – available for reinvestment in promotion leading to market share expansion, the basis of the Company's sustainable growth.



**SAKET TODDI**  
Executive Director,  
responsible for the  
Company's Export, Sales  
& Marketing.

Lux is one of the largest brand investors in the mid-sized hosiery sector in India. In the seven years ending FY 2022-23, the Company invested ₹847 crores in brand building. This brand spending enhanced visibility of the Company's products, translating into a superior market share and disproportionately larger share of market growth. Besides, this spending made it possible for the Company to sell faster in weak markets (liquidating its inventory) and sell around superior realisations during sectorial rebounds.

At Lux, the objective is to generate a superior return on the Company's brand spending. Over the years, the Company deepened the role of information technology to decode markets better, leading to informed brand building (resulting in effective media purchase and enhanced online visibility).

The Company will deepen brand investments in its flagship brands like Lux Cozi and Lux Venus. It will increasingly invest in the premium brand ONN and winter brands Lux Inferno and Lux Parker.

Lux Cozi, one of India's most popular men's innerwear brands, known for its innovative branding strategy, attempted to break the clutter through a brand association with popular film actor Jaqueline Fernandez.

The Company launched a television commercial called 'Yeh nahi toh Kuch nahi', marking a new path for brand in men's hosiery category. The campaign generated an unprecedented response, strengthening recall and offtake. For an instant connect with consumers in South India, we onboarded Vijay Deverakonda, the heartthrob of South India, with a television commercial 'Lux Cozi Super feel Undi ro!'

The Company will continue to enhance the visibility of Lyra, one of the highest selling women's bottom's wear brands, seeking to establish it as an end-to-end women's wear brand (as opposed to a limited positioning as a women's bottom wear brand). Going ahead, the Company will invest sizably in enhancing its visibility in the children's product range (Lux Cozi Boyz) as well.

The Company will supplement its presence in the conventional media with a focus on digital and social media platforms, increasing its reach across a younger audience. The Company is also planning AI-based communication to differentiate its presence in a cluttered market.

Lux Venus engaged Bollywood superstar Salman Khan, leveraging his signature dialogue delivery of 'Sabko Maangta Hai', enhancing Lux's recall and offtake.



Lux Cozi, one of the India's most popular men's innerwear brand known for its innovative branding strategy attempted to break the clutter through a brand association with film actress Jaqueline Fernandez with a remarkable TVC 'Yeh nahi toh Kuch nahi'



**UDIT TODI**  
Executive Director,  
responsible for  
digitalisation and women's  
wear category growth

The world has transformed in the last two decades. We now understand the change in business across these years through conventional and modern filters, reflected in a pre-D and post-D world.

On the business side, digitalisation is accelerating market understanding, systemic responsiveness, customer convenience, revenue growth, costs structures and profitability margins – a 360-degree transformation of how businesses were and are.

Digitalisation is now existence-influencing; more organisations are being described as technology companies first and recognised by their domains thereafter – the first time that such a description has been applied. What used to be the peripheral of yesterday is the integral of today; the mission-supporting of yesterday is the mission-critical of today.

The result is Industry 4.0, the industrial world's most exciting and transformative phase, putting a premium on companies and individuals to recognise, adapt and embrace digitalisation.

Similarly, India is the fastest expanding major economy, and one of the most attractive long-term markets for organised hosiery businesses, catalysed by increasing lifestyle aspirations and rising purchasing power. This has resulted in the creation of a niche within the sector, the early technology movers carving away superior recall and market share.

At Lux, we are engaged in rapid transformation: from conventional business practices to modern ways of decoding markets, preferences and offtake.

I have often been asked by stakeholders: why is the 'D' word so important? What can it achieve for the Company that the conventional workflow could not? How will Lux emerge stronger? Will digitalisation widen its mass market leadership?

For me to answer this comprehensively, it would be imperative to explain how technologies have changed, how the use of digitalisation is irreversible, how companies that carve away a first mover's advantage stand to grow sustainably and how

the Company with the most effective access to data is likely to carve away progressively larger incremental market share.

The operative words are: 'large data pool,' 'structured data conversion methodology,' 'conclusion clarity' and 'informed action.' These are being increasingly used at the Lux of today, indicating a structural mindset shift and preparedness to enter a new orbit.

These are some of the ways in which Lux transformed in the last year.

**One**, the Company invested deeper in data aggregation and analysis

**Two**, the Company focused on generating specific reports related to a targeted market understanding and outcomes

**Three**, the Company strengthened its data analytics team

**Four**, the Company extended digitalisation from its manufacturing premises to corporate office to trade partners, completing the organisational loop

**Five**, the Company connected with retailers for the first time through app-based engagement

**Six**, the Company backed every initiative or investment with credible data

**Seven**, the Company reported operational improvements that will translate into superior capital efficiency going ahead.

At Lux, the use of applied digital technology is not just another capital expenditure and initiative; it represents an entirely new and easy way of doing business.

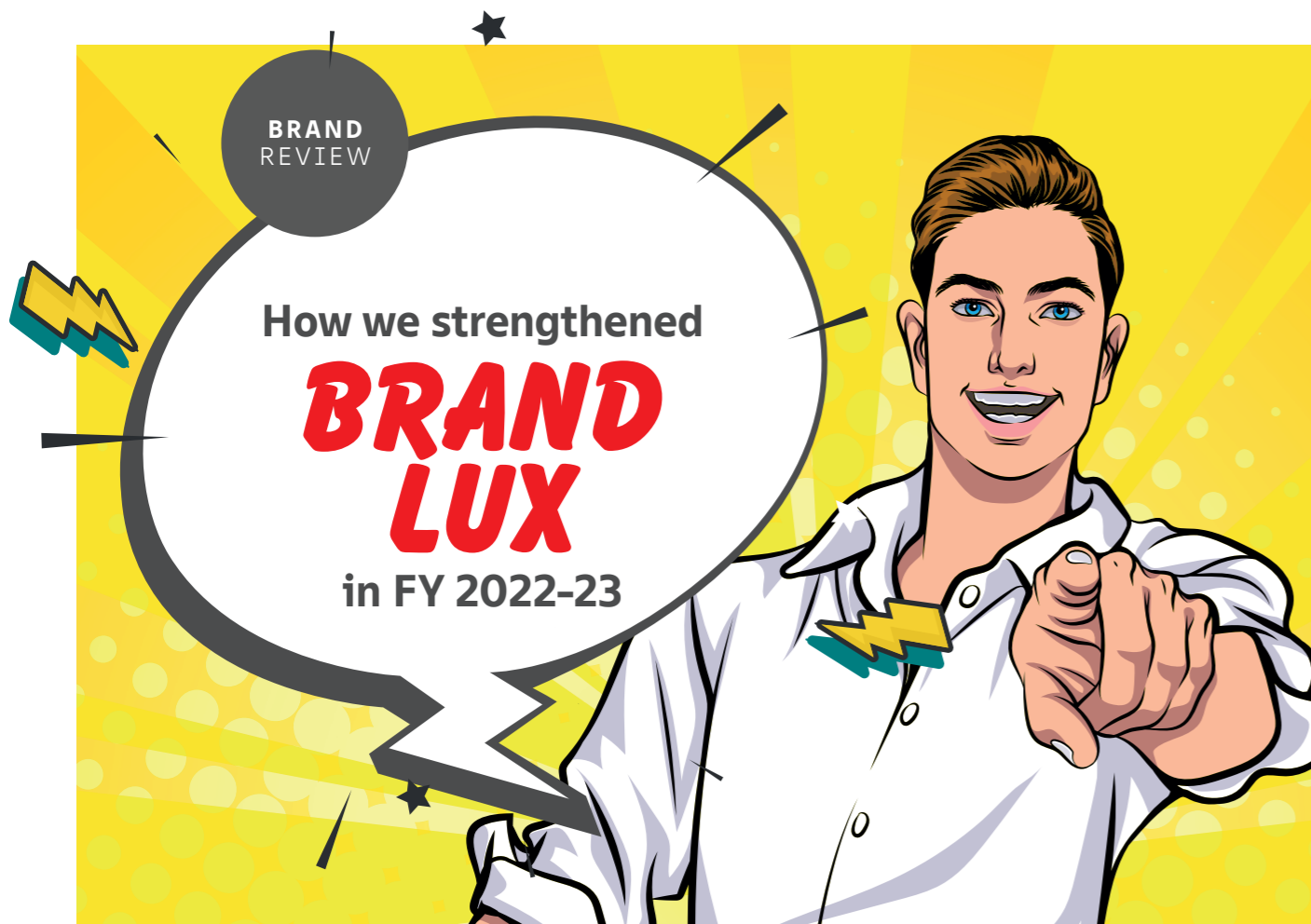
We are optimistic that digitalisation will translate into product-wise sales outperformance, enhanced proportion of value-added products, lower working capital intensity, quicker receivables, enhanced liquidity and higher capital efficiency.

We believe that these realities will translate into enhanced value for all our stakeholders.

**W**e are engaged in rapid transformation: from conventional business practices to modern ways of decoding markets, preferences and offtake

### The digitalisation effect at Lux





**Overview**

At Lux, our principal asset is our brand. The word 'Lux' is synonymous with 'first mover', 'entrepreneurial' and 'game-changer'. Over the years, the Company has been associated with helping transform a relatively unorganised sector into a formal and organised play within the country's textile sector. The result is that Lux is seen as one of the more attractive proxies of India's hosiery sector.

Over the years, the Company has consistently invested around 8% of its revenues in brand building. The Company's brand has been promoted using celebrity endorsements across diverse media coupled with widened products availability through the conventional, modern and online trade channels. The result is that the Company's products have deepened their recall around being available,

accessible and affordable.

The convergence of the 3A's - available, accessible and affordable - resulted in consistent sectorial outperformance. The Company reported revenue growth of 3.6% in FY ending 23. The result is that by the close of the year under review, Lux had retained its position as the largest mid-sized hosiery products company in India, marked by a growing presence in inner and outerwear products.

**Performance**

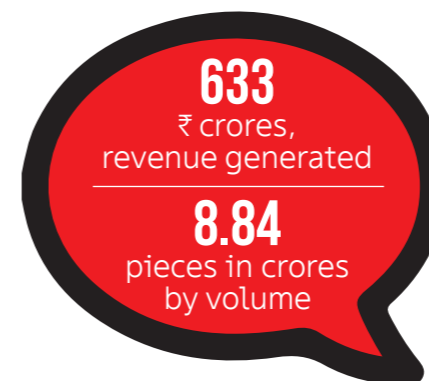
The Company's brand strength was validated yet again during the last financial year. The Company reported a 3.6% growth in revenues. The strength of the Company's brand was reflected in its fundamentals: despite the year being challenging for the textile sector, Lux's fundamentals

remained largely protected: gearing was 6 times, total long-term debt on the books was 11%, working capital utilisation was 51% of the permitted sanction and receivables - and index of brand strength - were controlled at 122 days of turnover equivalent, the weakness in the market notwithstanding.

This relatively superior performance was on account of the Company's responsiveness to the evolving character of India's hosiery sector. During the last five years, the sector has been increasingly marked by a growing spending by the country's youth, transition toward younger and livelier designs, preference for performance wear, and shorter fashion cycles (across colour, fabric and design) warranting nimbleness among product providers.

**Deeper investments**

The Company deepened investments in flagship brands - Lux Cozi, Lux Venus, ONN, Lyra, Inferno, Lux Cott's Wool and Lux Parker - with the objective to graduate them into gateway brands leading to the offtake of related and contiguous brands. Each of these brands represented distinctive attributes and personalities.



The most iconic brand from Lux offerings. Launched in 2001 with the aim to offer comfort and style at an affordable price. Lux Cozi is known for its innovative and demand-driven product offerings. The products are made from 100% cotton ensuring superior comfort. The use of the finest quality cotton provides breathability and freshness, making Lux Cozi a preferred brand. Its continuous product quality enhancement at an affordable price represents the USP of the brand. Lux Cozi's current campaign line 'Ye Nahi Toh Kuch Nahi' reflects the power of the brand and a new path for the brand in the men's hosiery space.

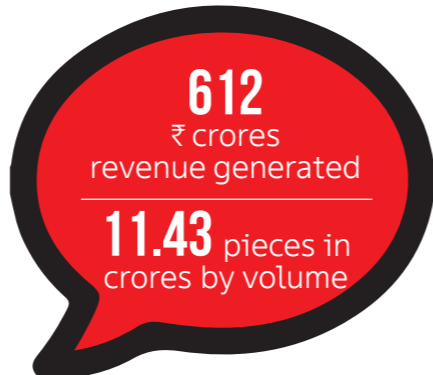
**Brand Ambassador:**  
Jacqueline Fernandez





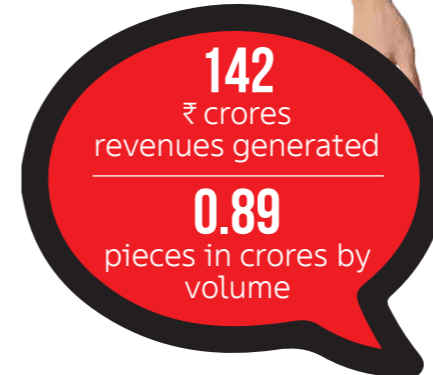
## VENUS INNERWEAR

The Company continued to invest in this brand, retaining its position as the highest selling brand from the Lux family and accounting for a sizable share of the Company's revenues and cash flows. The Company enhanced product quality, engaged Salman Khan as brand ambassador (enhancing domestic and export visibility), increased promotional spending and altered its packaging to enhance product contemporariness



## ONN TOTAL COMFORT

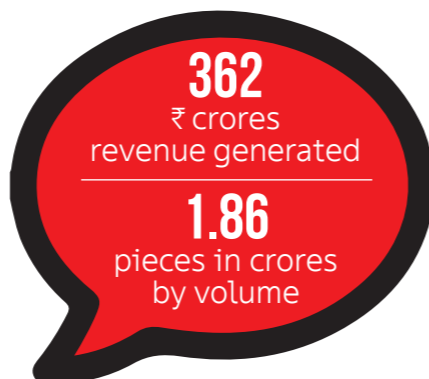
It is the premium innerwear, casual wear and winter wear brand from Lux. ONN exudes class and style. ONN offers range of premium products (innerwear, sportswear, trendy wear, loungewear, casual shorts, t-shirts and designer briefs) addressing the urban and semi-urban youth. ONN also addresses women and children with a wide range of offerings. Keeping pace with the latest fashion 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'.





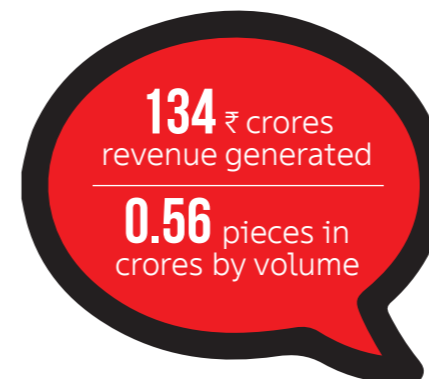
My Life My  
**Lyra**

The Company widened its product portfolio under this brand, addressing all economic classes with niche and value-added women's products (outer and innerwear), the objective being to grow this into a platform on the strength of its independent recall. The Company strengthened its portfolio from leggings to palazzos, created complementary tops and bottomwear, growing volumes 15% in a challenging FY 2022-23.



**LUX**  
**Inferno**  
QUILTED THERMALS

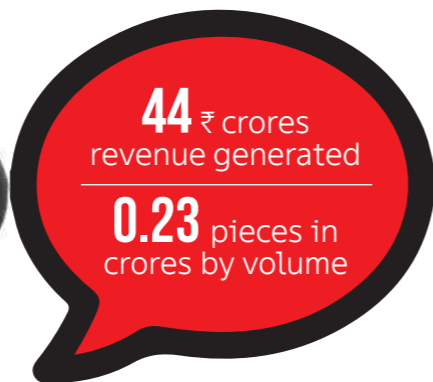
The Company deepened its leadership in the winter wear segment, recognised as a generic name ('Inferno dena' for those seeking to buy winter wear). Within a decade, the Company grew its position within the sector from scratch into leadership, utilising an existing distribution network. The addition of this product category helped the Company provide products for a seasonal gap and account for a larger share of the trade partner's wallet. The result is that the Company's seasonal ebb and flow has smoothed, enhancing the perennality of revenues.





**LUX**  
**COTT'S WOOL**  
WINTER WEAR

The first winter wear brand from Lux. Launched in 2005 with an aim to provide comfort during winter. Its 100% cotton and fabric makes it super warm and provide extra comfort to the wearer during the winter. The product retains body heat due to its unique fabric to ensure warmth without weight. The fabric used in Lux Cott's Wool has natural anti-bacterial qualities.



**LUX**  
**PARKER**  
THE BEST WARMER

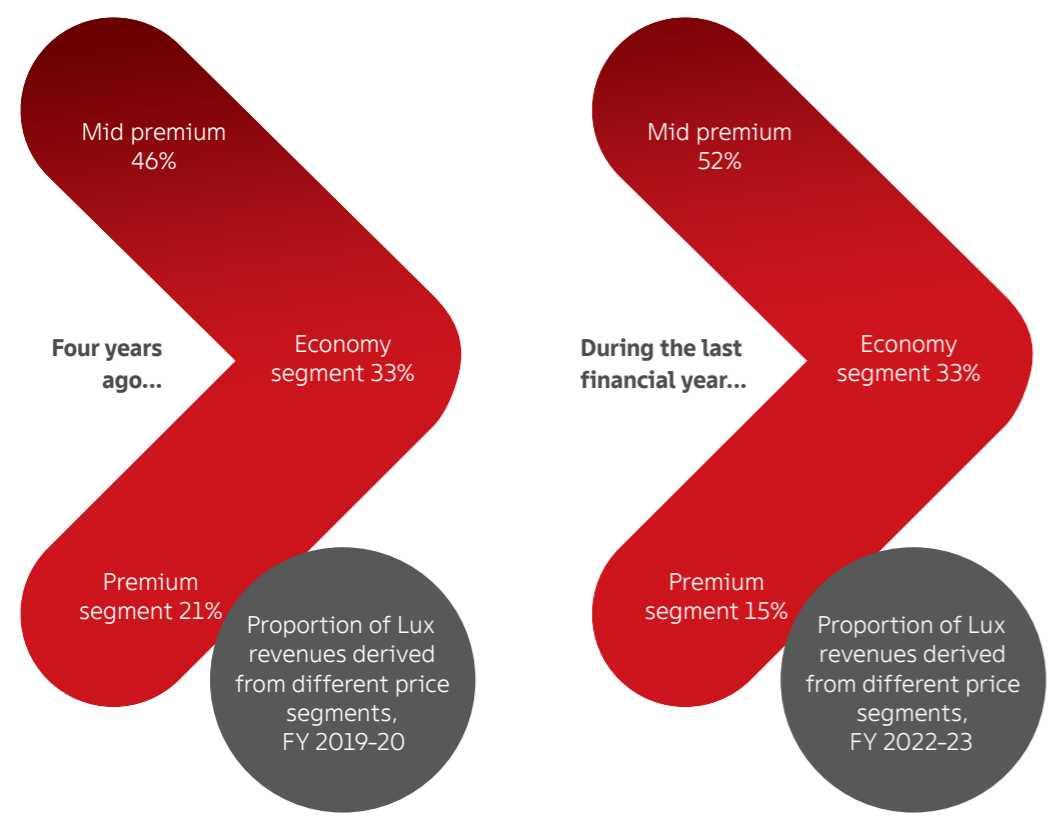
Lux Parker, the finest range of warmers that uses premium quality fabric and has natural anti-bacterial qualities that makes it odour-resistant. Made from 100% cotton, the material is soft and light, which makes it easy to wear as an undershirt or trousers. The products are made in such a way that keeps users warm and gives comfort all day long; it is also available in premium range.





# How Lux 2.0 is becoming visible

Increase in FY 2022-23 revenues by 12.72% annualised over FY 20



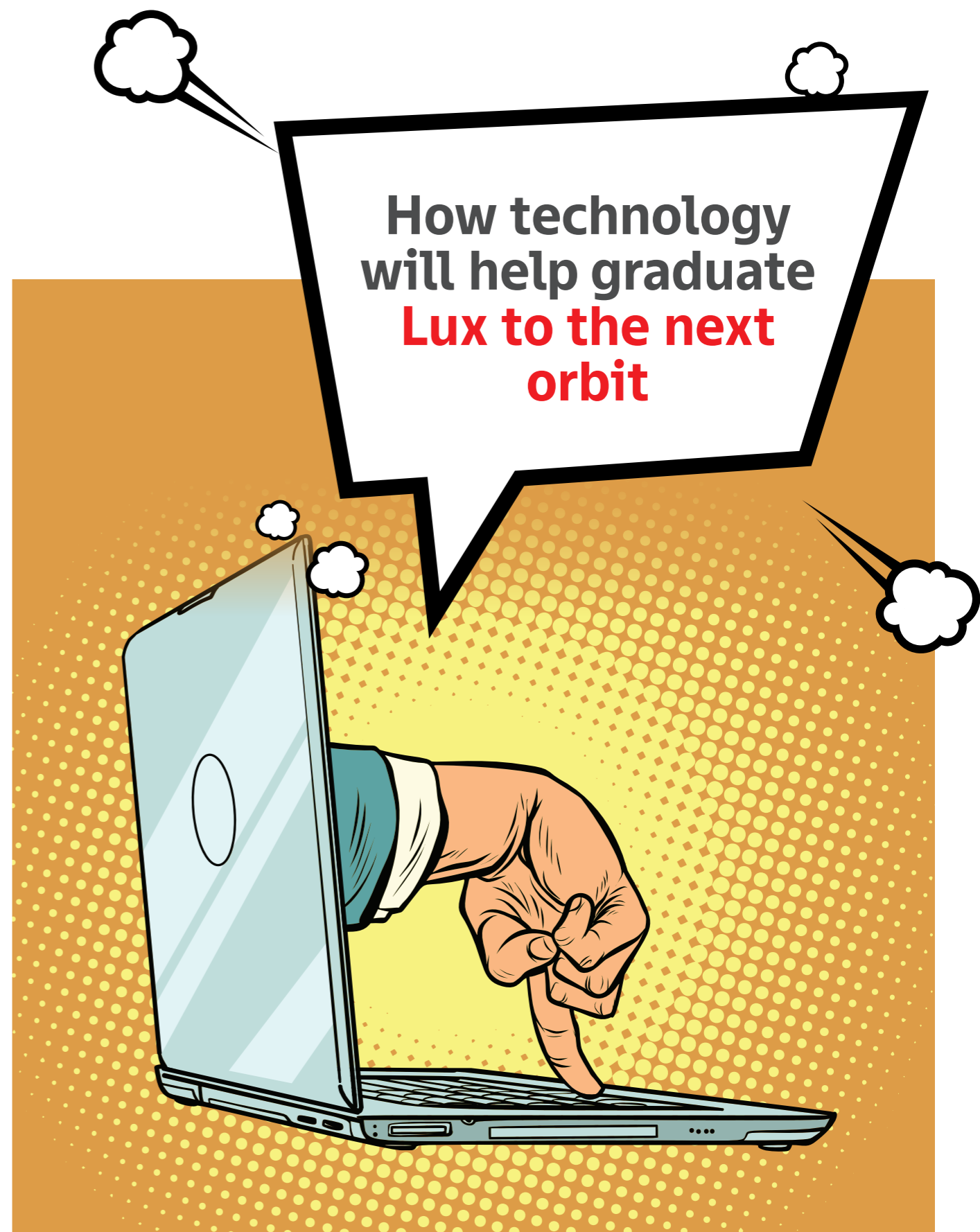
**The performance of our brands by category**

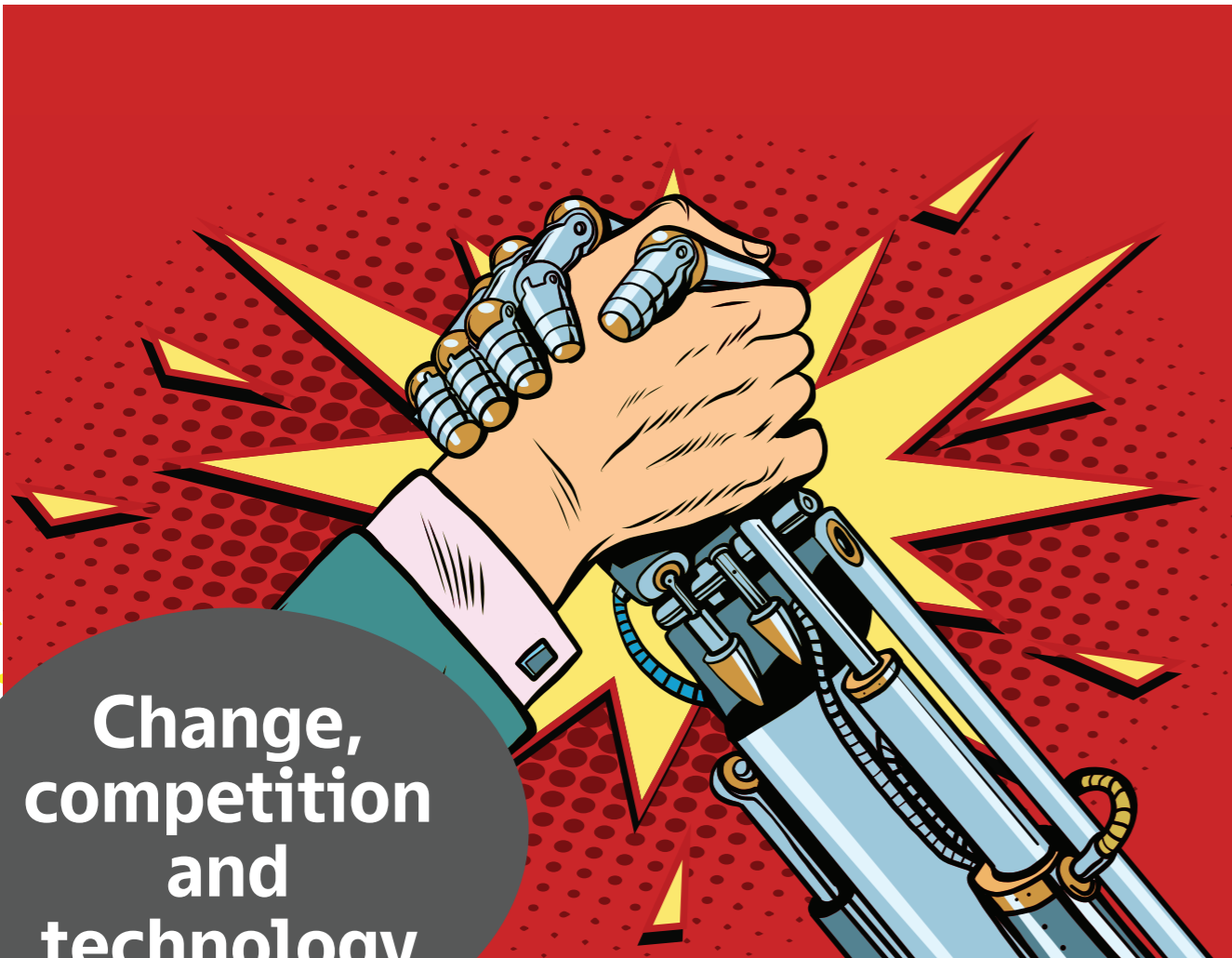
**Premium category**  
ONN, Lux premium and One8  
**Grew 13% in FY 2022-23**  
*Note: ONN grew by 18.5%*

**Mid-premium category**  
Lux Cozi, Lux Inferno, Lyra and Genx  
**Grew 3.5% in FY 2022-23**  
*Note: Lyra grew by 20%*

**Economy category**  
Lux Venus, Lux Karishma and Lux Cotts' wool  
**Remained at par in FY 2022-23**

**Outlook**  
The Company intends to widen its portfolio, plug emerging white spaces and, in doing so, expects to ride the investment made in growth platforms during the last financial year, which should translate into attractive revenue growth during the current financial year – and beyond.





**Change, competition and technology**

The world is passing through an inflection point. The complement of advanced digital technologies (Artificial Intelligence, data analysis, Blockchain and 5G, among others) is transforming workflows and lifestyles. This reality is putting a premium on foresight, initiative and speed. The competitive companies are those embracing digital technologies faster than the others. **The message: Digitalise or perish.**

**Computing power**

Computing power has already established its place in the digital era, with almost every device and appliance being computerised.

**Smarter devices**

Smarter devices are here as data scientists work on AI home robots, appliances, work devices, wearables and more.

**Quantum computing**

Quantum computing is a form of computing that takes advantage of quantum phenomena like superposition and quantum entanglement. Quantum computers are multitude times faster than regular computers

**Datafication**

Datafication is the modification of human chores and tasks into data-driven technology. To keep the data stored in a secure and safe way has become an in-demand specialisation

**Artificial Intelligence and Machine learning**

AI is known for its superiority in image and speech recognition, navigation apps, smartphone personal assistants, ride-sharing apps and so much more.

Extended reality: Extended reality comprises technologies that simulate reality - from virtual reality, augmented reality to mixed reality and everything in between.

**3D printing**

Additive manufacturing is the construction of a three-dimensional object from a CAD model or a digital 3D model. It can be done in a variety of processes in which material is deposited, joined or solidified under computer control, with material being added together, typically layer by layer.

**Genomics**

Python package for performing complex, spatially explicit, landscape genomic simulations with full spatial pedigrees that dramatically

reduces user workload, yet remains customisable and extensible

**New energy solutions**

The world has agreed to be greener for the sake of its landscapes and the energy we use. This results in cars running on electricity or battery and houses using greener choices like solar and renewable energy.

**Robotic Process Automation**

RPA is the use of software to

connectivity to a centralised location.

Virtual reality is a simulated experience that employs pose tracking and 3D near-eye displays to give the user an immersive feel of a virtual world. Augmented reality is an interactive experience that combines the real world and computer-generated content.

**Blockchain**

Blockchain is a shared, immutable ledger that facilitates the process of recording transactions and tracking assets in a business network. Virtually anything of value can be tracked and traded on a blockchain network, reducing risk and cutting costs

**Internet of Things (IoT)**

The internet of things is a system of interrelated computing devices, mechanical and digital machines, objects, animals or people that are provided with unique identifiers (UIDs) and the ability to transfer data over a network without requiring human-to-human or human-to-computer interaction

**5G**

5G is the 5th generation mobile network. 5G enables a new kind of network that is designed to connect virtually everyone and everything together including machines, objects, and devices. 5G wireless technology is meant to deliver higher multi-gbps peak data speeds, ultra-low latency, more reliability, massive network capacity, increased availability, and a more uniform user experience to more users.

**Cyber security**

Cyber security is the application of technologies, processes, and controls to protect systems, networks, programs, devices and data from cyber-attacks. It aims to reduce the risk of cyber-attacks and protect against the unauthorised exploitation of systems, networks and technologies.

**The world of digital technology is passing through the largest and most extensive digital convergence**

automate business processes such as interpreting applications, processing transactions, dealing with data, and even replying to emails.

**Edge computing**

Edge computing is designed to solve the shortcomings of cloud computing as a way to bypass the latency caused by cloud computing and getting data to a data center for processing. Edge computing can be used to process time-sensitive data in remote locations with limited or no



The overarching priority at **LUX**

To profit from digital technologies





### HOW THE WORLD IS EVOLVING

In a rapidly digitalising world, data is the 'new oil'

There is a greater premium on mapping the preference of the end consumer

The retailer was generally on the periphery of the Company's direct attention

The distributor or dealer engaged with the retailer

The Company depended on intermediaries to communicate market health

It was impossible for companies to directly access retailers (thousands of them)

The benefit of trade schemes seldom reached retailers (who created consumer demand)

The Company's capacity to influence or catalyse or empower was restricted to dealers and distributors

There was no way to catalyse offtake except through increased commissions (which worked sub-optimally)

There was no alternative incentive for retailers than demand higher commissions for sales

### HOW LUX IS TRANSFORMING

Lux recognises that data will progressively be the new fuel in the business

The Company has cracked the last frontier – addressing the retailer

The Lux retailer is now at the centrifugal force of its ecosystem

Lux embarked on the process to connect Lyra retailers to the Company through a smartphone app

Collecting offtake data directly from the field in real time

Providing the retailer with direct access to the Company

Created a perennial transparent volume-based incentive scheme

System can literally 'speak', 'engage' and 'advise' the retailer in capitalising on trends

Helped 'gamify' by showing the competition's data as an incentive for the Lux retailer to perform better

Empowered retailers to graduate beyond a rate-driven engagement

Transformed a transaction into an ongoing relationship

### HOW A NEW LUX IS EMERGING

Focus on creating larger markets

Carved out a higher retailer wallet share

Lux matching production with offtake

Lux moderated the time lag between preference change and the production cycle

Focus on moderating the working capital outlay – creating a larger business with relatively less cash

#### Case study: Lyra Connect: Anytime Anywhere Scheme

The Company introduced an app-based retailer loyalty programme for the first time in the industry. This app will make it possible for retailers to earn, accumulate points and redeem points against a sizable rewards catalogue (electronic gadgets, household appliances, bikes and car) at their convenience.



# Lux's integrated value-creation report

Lux's multi-decade growth has been derived through the interplay of various competencies

## Our Capitals

All organisations depend on various Capitals for value creation. Our ability to create long-term value is interrelated and dependent on various Capitals available to us (inputs), how we use them (value-accretive activities), our impact on them and the value we deliver (outputs and outcomes).

### Capitals influencing our business

	Financial Capital	Manufactured Capital	Intellectual Capital		Human Capital	Natural Capital	Brand Capital	Social and Relationship Capital
What it is	Financial resources that the Company already has or obtains through financing	The Company's tangible and intangible infrastructure used for value creation through business activities	Intangible, knowledge-based assets	What it is	Employee knowledge, skills, experience and motivation	Natural resources impacted by the Company's activities	Enhanced trust in efficacy, consistency, availability and affordability	Ability to share, relate and collaborate with stakeholders, promoting community development and wellbeing
Management approach	Create value for shareholders through sustainable growth	Resilient assets and equipment to deliver superior services to customers	Consider innovation as a strategic element of the Company	Management approach	<ul style="list-style-type: none"> <li>· Availability of a committed and qualified workforce offers an inclusive and balanced work environment</li> </ul>	<ul style="list-style-type: none"> <li>· Ensure sustainable use of natural resources and contribute to combating climate change</li> </ul>	<ul style="list-style-type: none"> <li>· Creating brands from scratch and sustaining them over time</li> <li>· Unique value proposition</li> <li>· Anytime product availability</li> </ul>	<ul style="list-style-type: none"> <li>· Promote trust with stakeholders, improving the quality of life of people in areas of presence</li> <li>· Wellbeing of the workers and dignity of workers</li> <li>· Zero incident programme</li> </ul>
Significant aspect	<ul style="list-style-type: none"> <li>· Balanced and diversified growth</li> <li>· Sound financial structure</li> <li>· Operational excellence</li> <li>· Sustainable outcomes and dividends</li> </ul>	<ul style="list-style-type: none"> <li>· Number of products and brands</li> <li>· Other assets</li> </ul>	<ul style="list-style-type: none"> <li>· Digitalisation for efficiency</li> <li>· Disruptive technology and business models</li> <li>· Collaborate with partners for innovative business solutions</li> </ul>	Significant aspects	<ul style="list-style-type: none"> <li>· Employee well-being</li> <li>· Talent management</li> <li>· Diversity, equal opportunity</li> <li>· Learning &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>· Climate change</li> <li>· Preservation of biodiversity</li> <li>· Management of environmental footprint</li> <li>· Operational excellence and energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>· Brand and brand extensions</li> <li>· Strong recall</li> </ul>	<ul style="list-style-type: none"> <li>· Stakeholder engagement</li> <li>· Community support programmes</li> <li>· Human rights</li> <li>· Brand management</li> <li>· Transparency and good governance</li> <li>· Corporate reputation</li> </ul>

# Lux's capital wise performance

Financial capital			Outputs
<b>233.15</b> ₹ crores, EBITDA	<b>54</b> ₹, Cash earnings per share	<b>14</b> %, ROCE	Responsible financial growth and shared profitability
<b>9.54</b> %, RoNW	<b>90</b> ₹ crores, Repayment of borrowings	<b>220.05</b> ₹ crores, Cash operating profit	

Manufactured capital		Outputs
<b>100+</b> products, Manufactured throughput	<b>34</b> crores per annum, Manufactured units	Acquisitions; sustainable products produced and sold

Human capital			Outputs
<b>3055</b> Employees	<b>35-40</b> years, Average age	<b>121</b> ₹ crores, Employee benefits	Recruiting, developing and caring for a diverse cum inclusive workforce

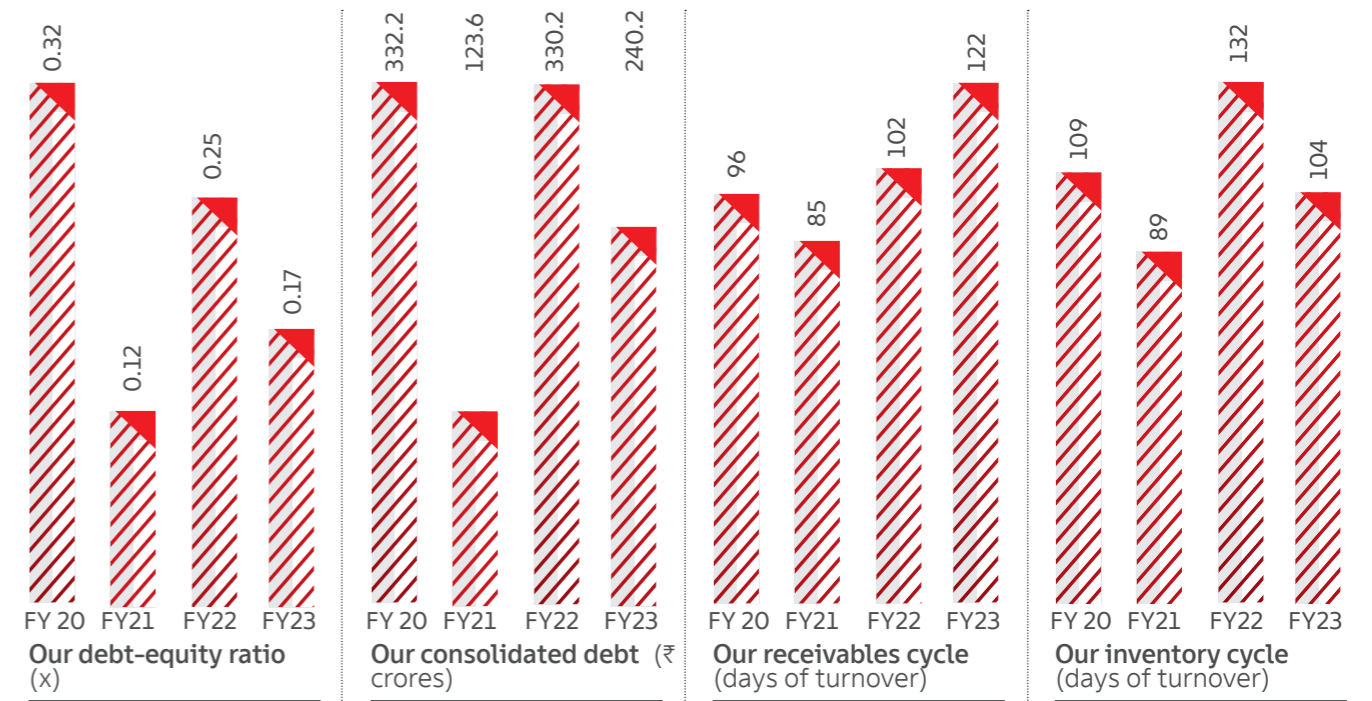
Social and Relationship capital			Outputs
<b>~1200</b> Primary customers	<b>+100000</b> Community lives touched	<b>100</b> % of investor complaints resolved	Livelihoods development, climate change action (water harvesting & energy), social infrastructure

Natural capital	Outputs
Significant investment in eco-friendly technologies	Preserving biodiversity and renewable resources, reducing water and energy consumption, emissions and waste

Brand capital	Outputs
Power Brands: Lux Cozi, Lux Venus, ONN, Lyra and Lux Premium	New product lines and brand extensions

Intellectual capital	Outputs
Cumulative senior management experience: 6 persons, 120 person years of experience	Differentiating solutions through responsible innovation

## Our financial hygiene



**OUR FOCUS**

**Strategy**

- Manufacture products that enhance lifestyles or address unmet needs
- Ensure environment responsibility through plants, products and processes
- Provide a large products basket servicing a wide consumer range

**Procurement economies**

- Procure the best resource quality
- Deepen outsourcing through better terms of trade
- Procure sustainably through superior supply chain relationships

**Distribution footprint**

- Global footprint across 47 countries
- Reach products where consumers are
- Address primary customers (channel partners)

**Brand and customer capital**

- Engage brand ambassadors
- Widen the products portfolio and consumer choice
- Launch products of the future; create markets

**Manufacturing excellence**

- Maximise asset utilisation
- Invest in cutting-edge technologies

**Financial structure**

- Moderate debt / debt cost
- Strengthen working capital efficiency
- Focus on premium products

**Environment integrity**

- Moderate resource consumption per unit of production
- Protect environment balance in the regions of our presence
- Benchmark as per prevailing compliance standards

**People competence**

- Enhance talent productivity
- Invest in knowledge, experience and passion
- Deepen the culture of outperformance

**Community support**

- Provide community support
- Focus on integrated development
- Engage in a sustainable way for extended impact

# How we strengthened our marketing and branding in FY 2022-23

## Overview

Lux's 360-degree branding approach encompasses online and offline channels. The Company's core competence lies in countering hosiery sector challenges with differentiated branding. By aligning with customer preferences, we customise offerings and campaigns to augment our market visibility. Our marketing communication is sharply crafted to articulate a distinct product positioning.

Lux's branding is rooted in comprehensive planning and resource allocation. Each initiative undergoes rigorous scrutiny prior to implementation, guided by a roadmap leading to anticipated outcomes. The Company's objective is to optimise return on investment (ROI) from focused branding.



## Challenges and counter-initiatives

The Company encountered a challenge in rising input costs, vendor churn, need to appoint new vendors and remaining innovative.

The Company altered its strategy; it engaged in flexible terms to suit partners and provide a window to grow their respective businesses. The Company introduced new products and brand communication.

## Our branding initiatives

- The Company's perennial branding enhanced visibility
- The Company maximised pan-India coverage, enhancing recall
- The Company's marketing and branding approaches remained medium-specific (television, digital media, social media, theatres, radio, out-of-home advertising and point-of-sale).
- The Company introduced an app to track branding activities in real time.
- The Company introduced Bollywood superstar Salman Khan as its brand ambassador for its highest selling economy segment brand 'Lux Venus' with a mass reach
- The Company repositioned its best-selling brand Lux Cozi by introducing Bollywood actor Jacqueline Fernandez as the new face of the male dominated innerwear brand. The Company boarded South superstar Vijay Deverakonda to widen its South India footprint.
- The Company signed Bollywood actor Pankaj Tripathi as brand ambassador for Lux Classic
- The Company changed the packaging of some brands to enhance merchandise appeal.
- The Company initiated multiple branding initiatives (online and offline) to enhance 360-degree awareness

## Way forward

The Company's brand outlook for FY 2023-24 remains optimistic to record improved performance in the coming years considering the present market conditions. More consumer focussed strategies and campaigns are expected to heighten the brand perception in the market and in trade, resulting in improved topline and growth in the years to come. The Company intends to create a long-term value in the form of valuable brand equity and expects its products to do well both in the medium as well as long-term.

# How we engage with our stakeholders

## Overview

We take an inclusive, collaborative and responsive approach to developing stakeholder relationships, while empowering our businesses to deliver local engagement in a transparent way. Regular engagement with our stakeholders enables us to build trust and respond to the opportunities and challenges the markets throw up while carrying out requisite changes in our internal processes and systems. Our active engagement with stakeholders to understand their requirements and address them are based on our commitment to sustainable value creation. A planned system of engagement ensures timely communication of precise and relevant information to, and interaction with, each stakeholder group in a consistent manner.



Stakeholder group	Why they are important	Their interests	Mode, frequency of engagement	Topics of engagement	Activities
Employees	Our employees are at the center of all our operations. Their collaborative skill and expertise are essential for our growth	<ul style="list-style-type: none"> <li>An inclusive work culture</li> <li>A spirit of innovation while interacting with a unique set of markets and customers</li> <li>Enriching career and development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Periodic engagement with the MD</li> <li>Senior management interactions</li> <li>Timely appraisals</li> <li>Performance Management System</li> <li>Sustainability Portal</li> <li>Intranet</li> <li>Online issues resolution</li> <li>Call center for support</li> <li>Direct communication with senior leaders</li> <li>Grievance mechanism</li> <li>Whistleblower (Integrity cases)</li> <li>Virtual Engagement initiatives</li> <li>Health initiatives – physical and mental</li> <li>Health coverage and regular check ups</li> <li>Project linked engagement surveys</li> <li>Recognitions through the portal</li> </ul>	<ul style="list-style-type: none"> <li>Local employment generation</li> <li>Happy and productive employees</li> <li>Employee growth and development</li> <li>Human rights</li> <li>Safety</li> <li>Diversity and equal opportunity</li> <li>Community initiatives</li> </ul>	<p>Engagement is fostered through regular interactions between senior management and employees. We conduct various programs to develop the skill sets of our employees. We also focus on employee welfare by gauging employee expectations and conduct specific engagement events for different groups.</p> <p>The Company has adopted an open-door policy where any employee has access to the Company's leadership at any point of time</p>
Partners and suppliers	Our operations are closely linked with the timely availability of services that we source. These, in turn, have a material impact on the efficiency of our service delivery	<ul style="list-style-type: none"> <li>Open, transparent and consistent process</li> <li>Willingness to adopt supplier-driven innovation</li> </ul>	<ul style="list-style-type: none"> <li>Operational review – Ongoing</li> <li>Engagement forums – Ongoing</li> <li>Specific category and service partner meet – Annual</li> <li>Supplier satisfaction survey – Bi-annual</li> <li>New supplier portal</li> </ul>	<ul style="list-style-type: none"> <li>Brand &gt;supplier engagement and development</li> <li>Compliance with regulatory/ statutory requirements</li> </ul>	To ensure quality and compliance with applicable environmental, social and governance standards, we engage closely with our suppliers for audits, training and knowledge exchange
Investors and shareholders	As providers of capital, they are key to our growth and expansion plans	<ul style="list-style-type: none"> <li>Safe, strong and sustainable financial performance</li> <li>Progress on environment, social and governance matters</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly investor presentations</li> <li>Annual General Meeting</li> <li>Annual Report</li> <li>Annual Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>Credit rating</li> <li>Sustainable business model</li> <li>Governance</li> <li>Return on net worth/ Earnings per share</li> <li>Communication with investors</li> </ul>	We strive to maintain profitability with cost management efforts for better efficiency and sustainable growth
Regulators and policymakers	Key for ensuring compliance, interpretation of regulations and uninterrupted operations	<ul style="list-style-type: none"> <li>Strong capital base and liquidity position</li> <li>Robust standard of conduct</li> <li>Positive sustainable development, both environmental and social</li> </ul>	<ul style="list-style-type: none"> <li>Continued engagement and representation</li> <li>Quarterly and annual compliance reports</li> <li>Performance reports shared with the Securities and exchange</li> <li>Workshops</li> <li>Panel discussions with nodal industry bodies and industry associations</li> <li>Steering Committees</li> </ul>	<ul style="list-style-type: none"> <li>Credit rating</li> <li>Governance</li> <li>Transparency and disclosures</li> <li>Investor security</li> <li>Representation with regulators</li> <li>ESG aspects</li> </ul>	We focus on creating a business-friendly environment that supports overall industry growth
Customers	Customer feedback, or as we call it, the Voice of Customer, is key to process improvements, quality enhancement, service performance and cost optimisation	<ul style="list-style-type: none"> <li>Differentiated service offering</li> <li>Digitally enabled and positive experience</li> </ul>	<ul style="list-style-type: none"> <li>Project feedback through surveys – Operational and mid-level contacts – Quarterly</li> <li>Customer experience survey – CXO and senior level contacts – Annual</li> <li>Customer visits – Frequently</li> <li>Steering Committee meetings for big customers – Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Digital disruption</li> <li>Customer need identification and satisfaction</li> <li>Brand</li> <li>Customer privacy</li> <li>Product portfolio</li> </ul>	Our endeavor is to provide our customers value-added and competitive solutions tailored to the present and future needs of their end users
Communities and NGOs	A harmonious relationship with the communities where we operate is key to our social license to operate; they are our partners in progress	<ul style="list-style-type: none"> <li>Positive, social and economic contribution</li> <li>Support for the long-term</li> <li>Climate change and environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>CSR initiatives – Ongoing</li> <li>Volunteering activities</li> <li>Community need identification – Ongoing as per CSR project requirement</li> <li>Community engagement initiatives</li> <li>Impact assessment studies</li> </ul>	<ul style="list-style-type: none"> <li>Local employment generation</li> <li>Gender equality</li> <li>GHG emissions</li> <li>Waste management</li> <li>Community initiatives</li> </ul>	We believe in developing and steering long-term relationships with our local stakeholders across the globe. The Company spearheads all activities related to its contribution to the society





## How we deepened our technology orientation at Lux

### Overview

In recent years, the hosiery industry has undergone operational transformation on account of technological advancements. The convergence of technology and legacy hosiery sector fundamentals paved the way for enhanced efficiency. These advancements strengthened processes and improved product quality, customisation and consumer engagement. The result is that technology has reshaped the hosiery industry through production efficiency, customisation, choice, consumer experience and sustainable practices.

### Lux and technology

The Company has transitioned from a conventional organisational structure to a start-up mindset, creating opportunities related to time and financial resources. A significant portion of these investments has been directed towards the modernisation of processes, expansion in digital marketing, and introduction of app-based interactions with distributors, retailers, and consumers. The Company implemented a WhatsApp Application Programming Interface (API) for enhanced engagement; it graduated on-premises servers to cloud-based servers; it increased its social media presence; it upgraded its IT infrastructure, including telephony, wireless video conferencing, and cloud-enabled Wi-fi, among other interventions, making its presence felt with online channel partners.

**Data analysis:** This helps identify key areas necessitating increased investment, strengthening the Company's presence in un-entered markets.

**Retailer loyalty:** This 'Anytime Anywhere' mobile app-based retailer loyalty program facilitates seamless accumulation and redemption of points. It provides retailers an accessible platform for engaging with the Company regardless of time or location.

**Innovative initiatives:** Innovative customer-centric programs like 'spin to win' and 'scan to win' strengthened brand loyalty and customer behaviour data.

Lux is directed to enhance customer satisfaction through superior products and an industry-leading price-value proposition.

### Technology highlights, FY 2022-23

**Technological shift:** The Company's technological transformation from ECC to S4 Hana improved performance, data handling speed, real-time business analysis, work culture and decision-making.

**Distributor management system:** The Company's transparent relationship with distributors (through the distributor management system app and web service) enhanced communication and culture, strengthening outcomes.

### Way forward

The Company's primary goal is to deepen digital transformation across the following areas:

**Predictive analytics:** The Company is leveraging data insights to anticipate trends and make informed decisions.

**Integration:** The Company collaborated with SAP for the integration of Fiori applications, minimise the time spent on data management.

**Targeted advertisements:** The Company is enhancing promotional spending effectiveness by addressing targeted audiences.

**Modernisation:** The Company has embarked on ERP and DMS modernisation, aligning systems with the latest advancements.

**RPA implementation:** The Company will deepen the implementation of robotics addressing routine workflows.

# How we protected our financial liquidity during a challenging phase

## Overview

Lux protected its financial fundamentals in a challenging FY 2022-23 through negligible debt, working capital efficiency, accrual-based investments, stable trade partner relationships and disciplined capital allocation.

## Strengths

**Robust financial position:** The Company demonstrated robust financial health, characterised by sustained liquidity and industry-leading profitability.

**Low-cost borrowing:** The Company enjoyed relatively low borrowing costs, a validation of its credit rating and enduring relationship with lending institutions.

**Optimised manufacturing:** The Company's hybrid manufacturing approach - in-house and outsourced - protected a moderated cost structure

## Key financial highlights, FY 2022-23

- The Company's year-on-year sales grew 3.6%, reaching ₹2,397.63 crores from ₹2,312.92 crores
- The Company reported a gross profit margin of 30%; EBITDA margin was 9.72%.
- The Company reported profit before tax (PBT) margin of 7.88% resulting in a profit of ₹189 crores; profit after tax margin of 5.73% resulting in a bottomline of ₹137 crores
- The Company expended ₹24.5 crores in finance costs, an increase of ₹8.5 crores on account of an increase in the country's repo rate from 4% to 6.5% and a larger raw material inventory that needed to be nursed across an extended period
- The Company reported a 27% reduction in debt, declining from ₹330.22 crores in FY 2021-22 to ₹240.21 crores in FY 2022-23.
- The Company's Current Ratio increased from 2.59x to 2.87x; the Liquid Ratio increased from 1.33x to 1.76x

## Challenges and counter initiatives, FY 2022-23

The Company encountered challenges in accurate sales forecasting amidst a textile sector slowdown

The Company protected its disciplined working capital management (timely collections and payables). The Company create a robust budget that helped optimise resource allocation. The Company focused on sustained deleveraging, moderating financial risk.

The Company encountered volatile yarn price movements on account of a sharp increase in yarn prices.

The Company purchased substantial yarn using its cash and cash equivalents, and negotiated with financial institutions to optimise borrowing costs.

The Company encountered increased competition, potentially affecting realisations.

The Company invested in its brand to accelerate offtake, resisting competitive pricing pressure, increase mass reach.

## How we enhanced our competitiveness

The Company strengthened its financial competitiveness through the following initiatives:

**Raw material price optimisation:** The Company responded proactively to adequate yarn procurement with continued availability, hedging price increases.

**Product innovation:** The Company continued to focus on products that yielded superior returns and offtake speed, strengthening value-addition

**Scaling the business:** The Company's enhanced scale and corresponding economies translated into cost advantages

## Outlook

The Company will continue to optimise financial value through a robust financial foundation: cash flow allocation toward debt reduction, capital investments and working capital outlay, a validated platform for sustainable growth.



# How we are growing our people at Lux

## Overview

Effective people management is pivotal to success. Lux effectively leveraged the power of its human resources to enhance business sustainability.

The Company engaged professionals across disciplines, implementing structured onboarding. Its collaborative work culture ensured that senior management remained accessible to employees. It defined hierarchy was marked by

responsibilities and delegated unambiguously. It expedited strategic learning, encompassing technical and interpersonal capabilities.

## Strengths

- Employee-centric approach
- People-friendly policies
- Increasing people retention
- Employee safety and well-being policies
- A high-performance work culture

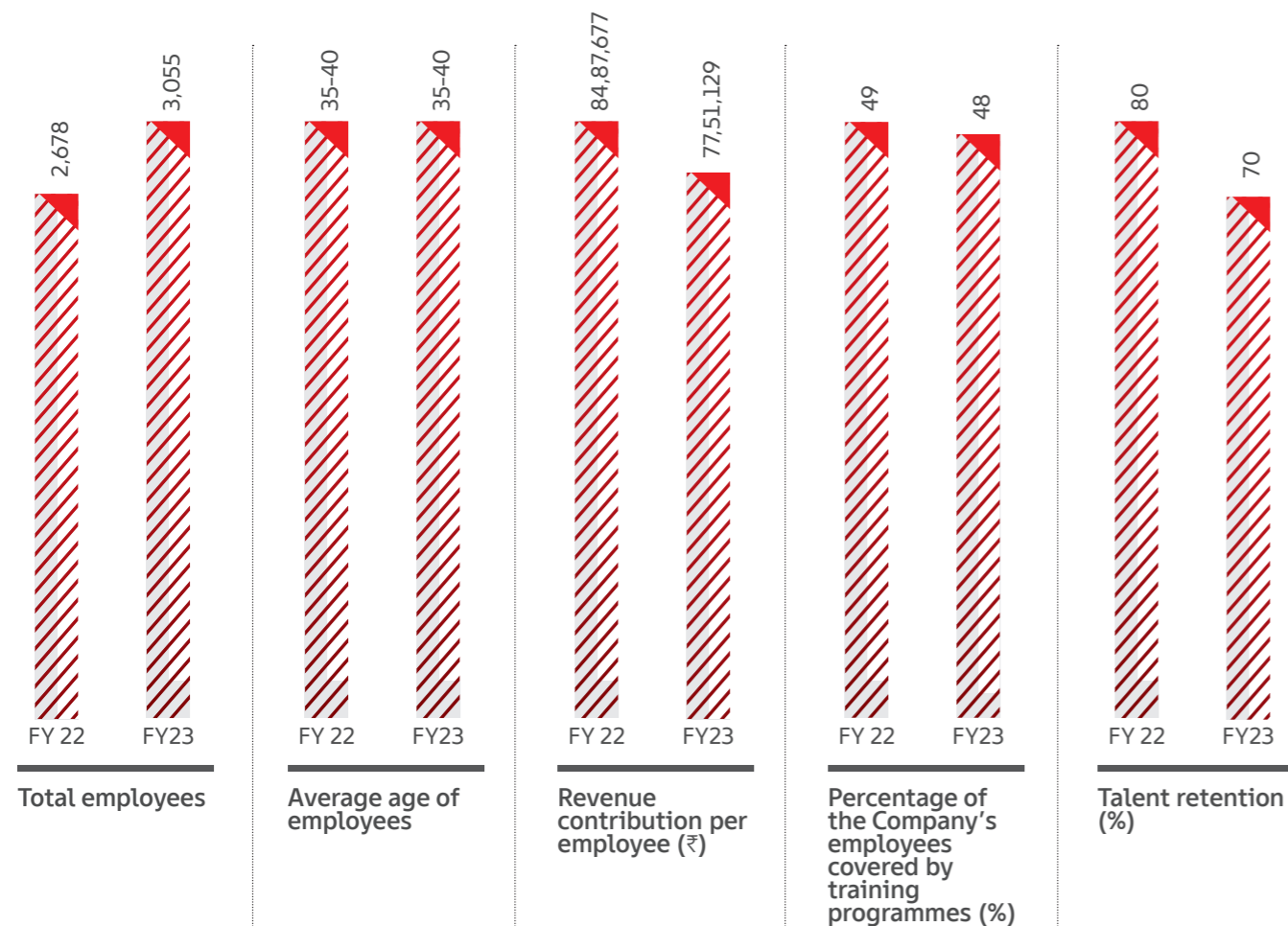
## Highlights, FY 2022-23

The Company conducted employment upskilling and engagement programmes.

The Company reinforced employee-centric policies (flexi timing and subsidised meals).

## Outlook

The Company will develop best-in-class HR practices to generate superior performance outcomes.



# The culture at Lux: The soul of a passion-driven company

Lux is no longer limited to innerwear; we are evolving into a comprehensive apparel solution for men, women and children. The induction of the third-generation management has inspired significant advancements, with IT becoming integral to our operations. The result is that our distribution chain has evolved from a hub-and-spoke model to include Large Format Stores, Exclusive Brand Outlets and online marketplaces as well."

**Mr Jitendra Kumar Shah**  
Vice President - Finance

We promoted men's innerwear with a popular celebrity like Jacqueline Fernandez, a famous Bollywood actor: a woman promoting a brand for men. Typically, men's innerwear brands portray conventional male dominant imagery where as for the first time, Lux Cozi, a leading men's innerwear brand, engaged a woman in the lead, breaking the gender stereotype. In the past, women refrained from discussing innerwear. Lux changed that mindset."

**Mr Surendra Bajaj**  
Vice President - Marketing

Our younger generation of Directors is driving technology change at Lux. Lyra Connect is an app for retailers and distributors. Through this app, all retailers and distributors get instant updates sales and distribution engagement modifications, which ensures that everyone anywhere accesses the same information and consequently higher brand recall This digitalisation has led to de-centralisation."

**Mr. Sumit Surekha**  
Vice President - Advertising and Branding

We are in the midst of a digital transformation journey that is assisting us to move away from conventional thinking, towards a more collaborative, experimental approach and disseminating fresh ideas that will enhance consumer satisfaction, encourage staff creativity, and promote basic business growth. Digital technology is not only used to automate business procedures but also make available a fusion of financial and non-financial data that is friendly to analytics."

**Mr. Amit Goel**  
Assistant Vice President - Finance

At Lux, we are undergoing a transformative shift from a legacy company to one with the soul of a startup. We have shifted our focus towards verified and structured data. Previously, we generated redundant data without a clear purpose. Now, we have introduced a retail loyalty program in the form of a point-based mobile application, establishing a direct line of communication with our customers. Similarly, customer-centric initiatives like loyalty points and spin-to-win programs enable us to profile customers accurately, improving product placement and revenue visibility. We also introduced a loyalty program for distributors, who are responding positively and promoting our products more actively. The result is that technology is at the heart of everything we do at Lux today."

**Mr. Prateek Agarwal**  
General Manager - IT



Health care camp at office



CPR training

## Health, safety and environment

# Lux is building a secure, responsible and sustainable future

### Overview

Lux's HSE (health-safety-environment) policy ensures the highest health, safety and environmental standards. The Company provides a safe workplace and clean environment that protects worker health. The highest HSE standards strengthen the Company's position as a responsible corporate citizen. This HSE approach results in few work interruptions, enhancing output, safeguarding workforce interests, fostering employee cum knowledge retention while moderating costs (direct and indirect) and enhancing corporate respect.

### HSE policy

The Company views its HSE Policy as vital for its success. The Company's senior management plans, monitors and reviews activities that assure effective HSE management. Their visible commitment sets an example for staff engagement, promoting safe working conditions and minimal environmental impact. The policy ensures operations that prioritise employee and third-party well-being. The Board emphasises effective leadership and encourages employee engagement in operational safety.

### Principles

The Company embraced the following HSE guardrails:

- Adhere to safety, health and environmental laws and regulations.
- Prioritise safety and environmental management; establish policies and practices for healthy, safe and environmentally sound operations.
- Enhance awareness of environmental issues, the Company's impact and educate, train and motivate members for responsible environmental practices.
- Enhance the community's understanding of safety measures,

reducing injuries and minimising events that could harm individuals' safety and health, as well as the environment.

- Promote openness and dialogue, engage with the community and address their concerns about potential hazards and impacts from operations, services, or waste.
- Develop, design and operate facilities with a focus on safe and efficient energy and material use, sustainable renewable resources, minimal environmental impact and responsible waste management through reuse, recycling, or disposal.
- Encourage agents and contractors to adopt the guiding principles, requiring improvements to align with the Company's practices. Promote broader adoption of these principles among suppliers.
- Encourage pollution prevention and waste abatement through institutional changes, including purchasing policies and specifications.
- Mandate compliance with safety, health and environmental laws and regulations for all community members, stakeholders and others using company property or engaging in business activities.
- Contribute to employee policy, business, governmental programs and training initiatives that promote environmental awareness and protection.

### Health and safety

Lux management is committed to employee health and safety. The Company's safety practices encompass all necessary measures to eliminate or minimise risks to employees, workers, contractors, authorised visitors and others affected by operations, demonstrating a responsible approach.

### Energy efficiency

The Company adopts energy-efficient practices like installing capacitors to improve plant load factor and reduce operational costs. The energy-saving

LED lighting systems replaced legacy systems leading to lower energy consumption.

### Emissions management

Generating power from clean renewable sources reduces greenhouse gas emission and promotes a cleaner environment. At the Dankuni facility, the Company installed a 1 MW rooftop solar panel that meets 35% of the plant's electricity demands. The Company is also exploring opportunities to enhance its renewable energy capacity at other locations as well.

### Waste management

The Company has optimised the fabric cutting process with advanced technologies; 95% of the leftover fabric cuttings are resold for onward recycling.

### Commitments

The Company complies with all relevant safety, health and environmental laws governing its operations, validating its responsible citizenship.

### Accident prevention

The Company is committed to the following:

- Prevent or reduce human and economic losses from accidents and adverse occupational exposures.
- Encourage employees to actively participate in their safety and health, as well as the safety and health of others.
- Promote openness and dialogue among members to prevent workplace injuries and encouraging employees to promptly report incidents and accidents.

### Pollution prevention

The Company is committed to:

- Identifying and executing optimal pollution prevention opportunities.
- Minimising waste and resource

consumption (materials, fuel and energy).

- Actively seeking opportunities for reuse, recovery and recycling instead of disposal.
- Minimising significant environmental impacts in operations using integrated environmental management procedures and involving the workforce community.

### Improvements

The Company is committed to enhance policies, programs and environmental/safety performance, considering regulatory changes, technical advancements, scientific knowledge, company requirements, and community expectations.

### Our environment commitment

At Lux, we made strategic investments to underline our eco-friendliness. Our factories use environment-friendly technologies, coupled with a 1 MW rooftop solar panel at the Dankuni unit addressing around 45% of the power needs from renewable sources. The use of advanced processing technology helped save 2 lakhs litres of water a day. The Company maintained zero emissions and process waste, reselling and recycling 95% of cutting process waste. The Company's products comprised approximately 90% natural fibre as primary raw material; recyclable materials were used in packaging.

### Our social commitment

Safety is becoming a critical measure of success. Respected companies prioritise returning employees safely home, protecting communities near operations, and ensuring consumer well-being. Lux is committed to safe practices, materials use, and continuous improvements in Quality, Occupational Health, Safety & Environmental (QHSE) management for the benefit of employees, vendors and the community.

# How Lux is empowering communities

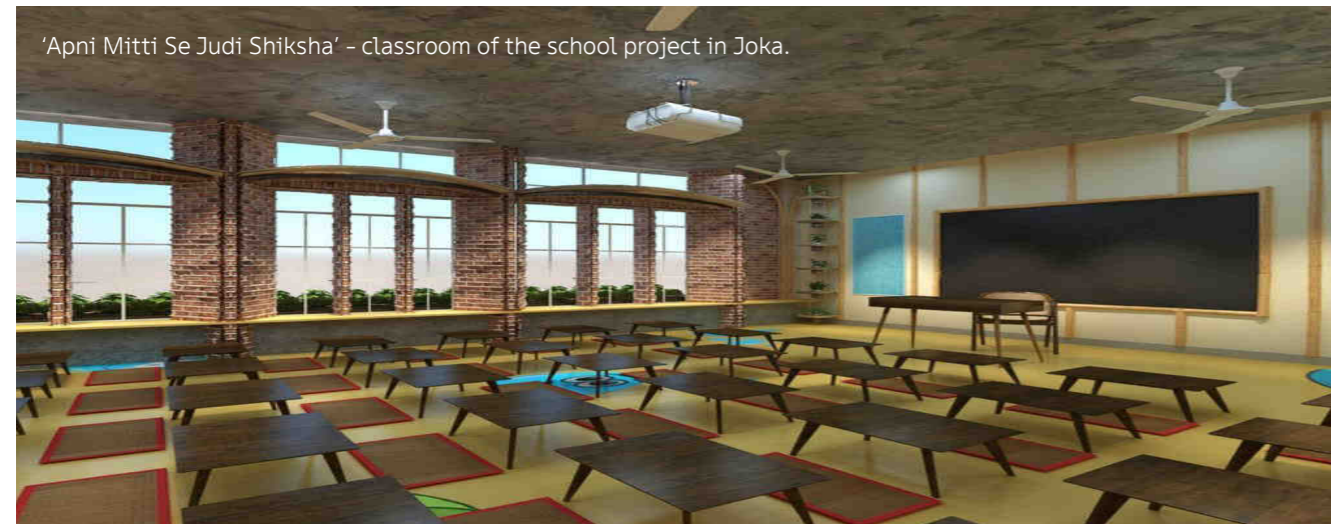
## Overview

The Company prioritises ethical and responsible business conduct, valuing both internal and external stakeholders, including society and the environment. It is committed to giving back to society and engaging with the communities it operates in. The CSR Committee, led by Mr. Ashok

Kumar Todi (Whole Time Director) and Mr. Pradip Kumar Todi (Managing Director), oversees the allocation of the CSR budget and approves eligible projects.

The Company's CSR focuses on healthcare, quality education for underprivileged and tribal children, sports promotion, and

social welfare. It strives to be a responsible corporate citizen, driving positive changes through community development initiatives. CSR projects are primarily managed by Lux Foundation and collaborations are made with registered trusts, societies, or Section 8 companies for undertaking CSR activities.



'Apni Mitti Se Judi Shiksha' - classroom of the school project in Joka.



School Assembly at Shri Lilanand PaglaBaba Vidyapeeth



Saraswati Sishu Mandir



Tata Medical centre

## CSR initiatives

**Education:** A residential school project for 1000+ underprivileged girls in Joka, West Bengal, is on the verge of completion and will be inaugurated by the end of 2023 (project part-funded by Lux).

**Social upliftment:** The Company initiated the development of a restroom for the economically weaker section in South 24 Parganas, West Bengal.

**Promotion of sports:** The Company supported the development of sports infrastructure in New Town, Kolkata, to promote sports.

## NGOs and organisations funded

**Help Us Help Them:** To provide education to unprivileged girls

**Calcutta Metropolitan trust:** For social upliftment

**Calcutta Pinjrapole Society:** For animal welfare

**Shiv Shakti Seva Trust:** For social upliftment

**Friends of Tribal Society:** For education

**KMC:** To provide primary education to children

**Dhanuka Dhunseri Foundation:** For the promotion of sports.

The Company's association with institutions facilitated outreach to marginalised and vulnerable communities, enabling effective monitoring of the impact on beneficiaries' lives.

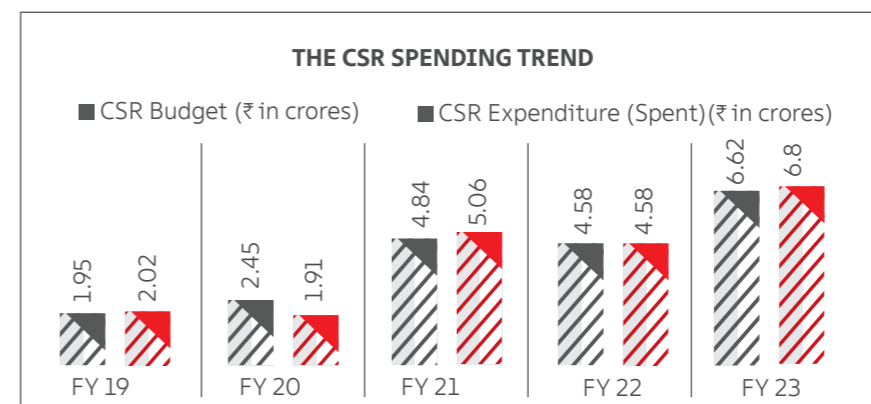
## CASE STUDY

### Enhancing education and empowering lives: Lux Foundation's impact at Saraswati Sishu Mandir

In 2018, Lux Foundation extended its support to Saraswati Sishu Mandir, Murshidabad, strengthening the education, hygiene, and safe drinking water infrastructure. The initiative benefited 169 students and aimed to address more female students. With the addition of new classrooms, the school and village are poised to report increased student engagement and empowerment.

### Transforming healthcare

In FY 2021-22, Lux Foundation made a contribution of ₹2.50 crores to Tata Medical Centre to establish a new Operation Theatre, comprising infrastructure and medical equipment. This initiative improved patient care, reduced surgery waiting time, and increased the hospital's capacity to perform the latest surgical procedures. The hospital performs around four surgeries per day in the new operating theatre, enhancing healthcare outcomes.



# Our esteemed management

## Mr. Ashok Kumar Todi, Chairman

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

## Mr. Pradip Kumar Todi, Managing Director

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

## Mr. Navin Kumar Todi, Executive Director

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

## Mr. Rahul Kumar Todi, Executive Director

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

## Mr. Saket Todi, Executive Director

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

## Mr. Udit Todi, Executive Director

He has pursued M.Sc. in Finance from The London School of Economics and Political Science (LSE) and Economics (Hons) from St. Stephen's College, Delhi. He has been instrumental behind launching Company's brand Lyra, which has been emerging as the market leader. He is also involved in setting up new manufacturing facilities with cost optimisation, besides expanding the women's wear segment into a complete range including innerwear and athleisure.

## Mr. Ajay Nagar, Chief Financial Officer

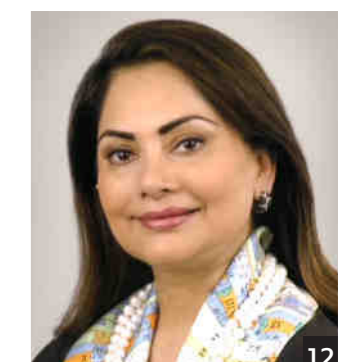
He is a qualified Chartered Accountant with more than 20 years of experience in Corporate Finance, Accounting, Budgeting, Treasury, Due Diligence, Business Partnering, Investor Relations, Financial Planning & Analysis, Fund raising and Audit. Prior to this role, he was associated with VIP Industries (Bangladesh) as Finance Controller, instrumental in actualising growth through a strong business and financial model.

## Mrs Smita Mishra, Company Secretary and Compliance Officer

She is a qualified Company Secretary and Commerce & Law Graduate. She is associated with the Company for over 13 years. In this role, she leads the Statutory & Regulatory Compliances, Corporate law matters, Governance and Stakeholder Management.

She was instrumental in the listing of the Company on Nationwide Stock Exchanges, NSE & BSE in year 2016. She successfully handled the merger of group companies with Lux Industries Limited in year 2021. Along with this, she handled corporate actions including delisting from regional stock exchanges, stock split, issuance of non-convertible securities.

# Board of Directors



01. Mr. Ashok Kumar Todi, Chairman
02. Mr. Pradip Kumar Todi, Managing Director
03. Mr. Navin Kumar Todi, Executive Director
04. Mr. Rahul Kumar Todi, Executive Director
05. Mr. Saket Todi, Executive Director
06. Mr. Udit Todi, Executive Director
07. Mr. Nandanandan Mishra, Independent Director
08. Mr. K. K. Agarwal, Independent Director
09. Mr. Snehasish Ganguly, Independent Director
10. Ms. Rusha Mitra, Independent Director
11. Mr. Rajnish Rikhy, Independent Director
12. Ms. Ratnabali Kakkar, Independent Director

## Statutory Section

# Corporate Information

## Board of Directors

**Mr Ashok Kumar Todi**  
Chairman

**Mr Pradip Kumar Todi**  
Managing Director

**Mr Navin Kumar Todi**  
Executive Director

**Mr Rahul Kumar Todi**  
Executive Director

**Mr Saket Todi**  
Executive Director

**Mr Udit Todi**  
Executive Director

**Mr Nandanandan Mishra**  
Independent Director

**Mr K. K. Agrawal**  
Independent Director

**Mr Snehasish Ganguly**  
Independent Director

**Mrs Rusha Mitra**  
Independent Director

**Mr Rajnish Rikhy**  
Independent Director

**Mrs Ratnabali Kakkar**  
Independent Director

## Chief Financial Officer

**Mr Ajay Nagar**

## Company Secretary and Compliance Officer

**Mrs Smita Mishra**

## Registrar and Share Transfer Agents

**KFin Technologies Limited**

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

## Auditors

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

## Bankers

**Indian Bank**  
(Erstwhile Allahabad Bank)  
Large Corporate Branch

**State Bank of India**  
Overseas Branch, Strand Road

**HDFC Bank**  
Stephen House Branch

**Qatar National Bank**  
Indian Branch, Mumbai

## Registered Office

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

## Corporate Office

PS Srijan Tech Park, 10th Floor DN-52,  
Sector-V, Salt Lake City,  
Kolkata – 700091

## Head office

Adventz Infinity,  
BN-5, Sector V,  
Bidhannagar,  
Kolkata – 700091  
Phone: +91 33-40402121  
Fax: +91 33-4001 2001  
Email: investors@luxinnerwear.com  
Website: www.luxinnerwear.com



# Directors' Report

*Dear shareholders,*

Your Directors are pleased to present the 28th Annual Report concerning the Company's business and activities. Additionally, the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2023 are also being presented.

## 1. Financial Highlights

(₹ in Crores)

Particulars	Standalone		Consolidated	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenue from Operations	2367.97	2273.00	2378.66	2295.88
Other Income	18.79	16.99	18.97	17.04
Total Revenue	2386.76	2289.99	2397.63	2312.92
Profit Before Tax	198.19	459.27	188.88	455.92
Tax Expense (Including Deferred Tax)	51.43	117.88	51.41	117.86
Profit after Tax	146.76	341.39	137.47	338.06

## 2. Operating & Financial Performance

Despite facing headwinds such as a global recession, the Russia-Ukraine war, volatility in raw material prices, high inflation rates, and increase in Covid-19 cases in many countries, your Company has reported identical numbers this year. The Company's total revenue for the current Financial Year 2022-23 is ₹2398 crores, compared to ₹2313 crores in the previous Financial Year 2021-22. Moreover, the Company's EBITDA and PAT for the current Financial Year are ₹233 crores and ₹137 crores, respectively, whereas they were ₹490 crores and ₹338 crores in the previous Financial Year. The Company's profitability was significantly impacted by the volatility in raw material prices. However, to maintain stability in pricing and diversify the supply chain, the Company has strengthened its relationship with suppliers and negotiated long-term contracts with multiple suppliers for raw materials.

We are grateful that our Company had a satisfactory performance in 2022-23, and we are optimistic that by product differentiation through branding, celebrity endorsements and enhanced quality 2023-24 will be a better year.

Lux, being one of the biggest players in the branded innerwear industry, had been proactive about the changing consumer-preferences and is responding by creating innovative and trendy product lines and maintaining a healthy balance between offline and online channels. Company is expanding its e-commerce presence and has partnered with top e-commerce companies such as Amazon, Flipkart, Myntra and Ajio and is currently shipping more than 4,000 orders daily. Going forward, the Company aims to generate about ₹100 crores of top line coming in from the online channel.

The innerwear garments industry has few leaders and the Company stands out amongst them with its expansion-distribution network consisting of 19 warehouses in 12 states, 2 lakh+ multi brand stores and 9 EBOs (Exclusive Brand Outlets), 1170+ dealers' network and 11 Depots driving faster distribution in India. The export network of 46 countries has expanded significantly, with the inclusion of 24 new countries over the past 5 years and the ambitious goal is to target a total of 60 countries by 2025.

As the Company has expanded beyond its origins as an innerwear-only manufacturer and diversified into athleisure and outerwear, entered the southern region of India, and broadened its product range to include women's innerwear and outerwear, as well as children's clothing, it has become a well-rounded player in the market. The Company has also recognized the potential of the women's wear market segment and has made a deliberate effort to expand its presence in this space. This has been achieved through a combination of strategies, including leveraging e-commerce platforms and other disruptive channels. The Company actively engages in and makes contributions to various industry-level research and development (R&D) initiatives, including the initiatives taken by Hosiery association. However, there is no specific allocation of funds dedicated to these initiatives. The Company recognizes the importance of investing in automated equipments over standard equipments that improves efficiency of our operations and has invested ₹17 crores on advanced machinery from Italy, Germany, and Singapore.

The Company is achieving new heights by strengthening its brand with the support of brand ambassadors such as Vijay Deverakonda, Jacqueline Fernandez, Salman Khan, Sourav Ganguly, Virat Kohli, Varun Dhawan, Boman Irani, and Taapsee Pannu. Furthermore, the Company is expanding into the premium market with ONE8, which has independent and dedicated manufacturing facilities and the backing of Virat Kohli. Additionally, it has sponsored the KKR team in the IPL to increase the brand's global visibility and reputation. The Company allocates an average of 8% of its revenues to branding initiatives, with a return of ₹12.74 for every rupee spent on advertising and publicity. Also, Company is expanding women's wear segment into a complete range including inner wear and athleisure through its brand 'Lyra.'

Company has taken a multi-faceted approach to achieve success. By focusing on brand building activities, the Company has been able to strengthen its product portfolio and differentiate itself from competitors. Additionally, by implementing the latest technology in manufacturing processes, the Company is likely able to produce goods more efficiently and effectively than competitors, which can help lower costs and improve product quality. On the supply chain side, the Company's large distribution network is a

core strength that likely allows it to reach customers quickly and efficiently. This can help the Company respond to changes in demand and minimize inventory costs.

All factories worked efficiently during the year. Safety measures and processes have been installed and improved upon at all factories and work sites.

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

### 3. Performance of Subsidiary Company Artimas Fashions Private Limited

During the year under review, Artimas Fashions Private Limited has captured good market segment under the brand name of One8- Brand of Indian Cricket Team's Former Captain Virat Kohli and has reported de-growth of 4% in its Revenue. The Total Income for the current financial year was ₹24.90 crores as compared to ₹26.02 crores in the previous financial year.

### 4. 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 Company recommended/ declared dividend as under:

Type of Dividend	Financial Year 2022-23	Financial Year 2021-22
	Dividend Per Share in ₹	Dividend Per Share in ₹
Interim Dividend	Nil	12.00
Final Dividend	5.00*	-
Total Dividend	5.00*	12.00

\* Recommended by the Board of Directors at its meeting held on May 30, 2023 for Financial year 2022-23. The payment is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

#### Dividend Distribution Policy

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') the Board of Directors of the Company has adopted a Dividend Distribution Policy which is annexed as "Annexure-A" to this report and is also available on the website of the Company i.e. [http://s3.amazonaws.com/luxs/ckeditors/pictures/356/original/Dividend\\_Distribution\\_Policy.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/356/original/Dividend_Distribution_Policy.pdf)

## 5. Capex and Liquidity

During the financial year 2022-23, the Company projected to invest ₹50 crores for enhancing production and storage capacity at Ludhiana along with the ongoing capital expenditures in its Hosier Park project in West Bengal. With improved mechanical equipment and a scientific approach in operations, the Company aims for more flexibility in terms of capacity according to market demand.

Your Company has sufficient cash to meet its operations and strategic objectives. Net borrowings have decreased from ₹205 Crores as on March 31, 2022 to ₹114 Crores as on March 31, 2023. The balance funds have been invested in deposits with banks, highly rated financial institutions and debt schemes of mutual funds.

## 6. Material Changes and Commitments

No material changes and commitments have occurred from the date of the close of the financial year, to which the financial statements relate, till the date of this Report, which affects the financial position of the Company.

## 7. Significant & Material Orders

No significant and material orders has been passed by any Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future during the financial year under review.

## 8. Consolidated Financial Statements

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

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

## 9. Share Capital

The paid-up share capital of the Company stood at ₹6,26,35,362 as at March 31, 2023 comprising of 3,00,71,681 equity shares of ₹2/- each (plus forfeited share capital amounting ₹24,92,000).

During the year under review, there was no change in the Share Capital of the Company.

## 10. Transfer to Reserves

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

## 11. Transfer to Investor Education and Protection Fund

During the financial year under review, the Company has transferred unpaid/unclaimed dividend, amounting to ₹78,780/- for Financial Year 2014-15 to the Investor Education and Protection Fund (IEPF) of the Central Government of India.

Further the unpaid/unclaimed dividend, amounting to ₹56,970 in relation to interim dividend declared in financial year 2015-16 has been transferred to IEPF in May, 2023.

Dividend which was declared for the year ended March 31, 2016 at the Annual General Meeting held on September 27, 2016, which remains unclaimed, will be transferred to the IEPF by November, 2023 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.

Further, the equity shares corresponding to the dividend which remained unclaimed for seven consecutive years, will be also transferred to the Demat account of the IEPF Authority. Individual notices and necessary newspaper publication will be made in this regard.

5 Equity shares in respect of 1 folio corresponding to the dividend for the year ended on March 31, 2015 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. Individual notices to concerned shareholder(s) were served and advertisement in newspapers were published by the Company in this regard.

Members are requested to claim the dividend(s), which have remained unclaimed/unpaid, by sending a written request to the Company at investors@luxinnerwear.com or to the Company's Registrar and Transfer Agent KFin Technologies Limited at einward.ris@kfinetech.com or at their address at KFin Technologies Limited, Unit: Lux Industries Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda,

Serilingampally Mandal, Hyderabad 500032. Members can find the details of the Nodal officer appointed by the Company under the provisions of IEPF at <https://www.luxinnerwear.com/investor-contacts>.

List of shareholders whose dividend remained unclaimed till date of ensuing AGM will be uploaded on the website of the Company [www.luxinnerwear.com](http://www.luxinnerwear.com) under heading 'Investors' Section.

## 12. Deposits

Your Company had not accepted Deposits from the public any time, hence, there is no opening balances of Deposits. Further, your Company has also not accepted any Deposits during the financial year 2022-23 and no principal or interest were outstanding as on March 31, 2023 as per the provisions of the Companies Act, 2013 and the Rules framed thereunder.

## 13. Particulars of Loans, Guarantees or Investments

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security provided is proposed to be utilized by the recipient are provided in the Standalone Financial Statement. (Refer Note 37 to the Standalone Financial Statement).

## 14. Internal Control System and their adequacy

Your Company has established guidelines and procedures that facilitate adequate internal control system (including internal financial control system) throughout the Company. The details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis which forms part of this Report.

## 15. Corporate Social Responsibility Initiatives

Pursuant to section 135 of the Companies Act 2013, read with rules made there under, the Company has constituted a Corporate Social Responsibility (CSR) Committee (the "CSR Committee") comprising of Mr. Ashok Kumar Todi, Mr. Pradip Kumar Todi & Mr. Kamal Kishore Agrawal for monitoring and overseeing the CSR initiatives. Lux undertakes CSR initiatives both directly and as well as through Lux Foundation.

This year, Company's CSR initiatives were based primarily towards:-

- Enabling and empowering the underprivileged people of the society to have a dignified lifestyle,

- Promoting quality education to underprivileged and tribal children,
- Ensuring animal welfare and environment sustainability,
- Promoting competitive sports,
- Promoting art and culture and
- Providing medical support to deserving people and promoting healthcare.

During the year under review, the Company has spent an amount of ₹6.80 Crores towards CSR activities. An ongoing residential school project for 1000+ underprivileged girls at Joka, West-Bengal is in the stage of completion and will be inaugurated in July 2023. In addition, the Company took initiative for developing one rest-room for economically-weaker section in South 24 Paraganas, West Bengal. To promote sports activities the Company provided support for development of infrastructures in Newtown, West Bengal. The details are broadly covered in the CSR Report forming part of Annual Report.

The CSR Policy may be accessed on the Company's website at the link: [http://s3.amazonaws.com/lux/s3ckeditors/pictures/95/original/CSR\\_Policy.pdf](http://s3.amazonaws.com/lux/s3ckeditors/pictures/95/original/CSR_Policy.pdf)

The Annual Report on CSR activities is annexed herewith as Annexure 'B' forming part of this Report.

## 16. Management Discussion and Analysis Report

Pursuant to Regulation 34(2) (e) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Management Discussion and Analysis Report for the year 2022-23 is annexed as Annexure 'C' forming part of this Report.

## 17. Corporate Governance

The Company is committed to uphold 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' respectively forming part of this report.

## 18. Chairman and Managing Director Certification

As required under Part B of Schedule II read with Regulation 17(8) of SEBI (Listing Obligations and

Disclosures Requirements) Regulations, 2015, the CEO and Whole-Time Director certification on the accounts of the Company as given by Mr. Ashok Kumar Todi, Chairman and Whole Time Director and Mr. Pradip Kumar Todi, Managing Director is set out in Annexure 'E' forming part of this report. Further a declaration on the Code of Conduct is also part of it.

## 19. Directors, Key Managerial Personnel (KMP) & Senior Managerial Personnel (SMP)

As of March 31, 2023, the Board comprised of 12 Directors, 6 of whom were Independent Directors, including two independent woman directors. The Chairman of the Board and the Managing Director were held by different individuals, both being Executive Directors. There were no changes in the Board members during the review period. You can find the profiles of all Directors on the Company's website at

<https://www.luxinnerwear.com/management/board-of-directors>.

As required under Regulation 34(3) and Schedule V Para C clause (10)(i) of the Listing Regulations the certificate on Non-disqualification of Directors by M/s MR & Associates, Practicing Company Secretary confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority is annexed as **Annexure 'G'** to the Board's Report.

As on March 31, 2023, the Key Managerial Personnel (KMP) of the Company in compliance with the provision of section 203 of the Companies Act, 2013 are as under:-

SI No.	Name of the KMP	Designation
1.	Mr. Ashok Kumar Todi	Whole-time Director
2.	Mr. Pradip Kumar Todi	Managing Director
3.	Mr. Navin Kumar Todi	Executive Director
4.	Mr. Rahul Kumar Todi	Executive Director
5.	Mr. Saket Todi	Executive Director
6.	Mr. Udit Todi	Executive Director
7.	Mrs. Smita Mishra	Company Secretary & Compliance Officer
8.	Mr. Saurabh Kumar Bhudolia,	Chief Financial Officer*

*\*During the year under review, Mr. Saurabh Kumar Bhudolia, Chief Financial Officer of the Company resigned with effect from January 15, 2023.*

Mr. Ajay Nagar has been appointed as the Chief Financial Officer and KMP of the Company on the recommendation of Nomination and Remuneration Committee and approval of Board of Directors with effect from May 30, 2023.

Based on the recommendation of the Nomination and Remuneration Committee, the Board has designated and appointed Mr. Udai Kumar Agarwal as Chief Operating Officer and SMP with effect from November 14, 2022.

### a. Retirement by Rotation

Mr. Rahul Kumar Todi (DIN: 00054279) and Mr. Saket Todi (DIN: 02821380), Executive Directors of the Company are liable to retire by rotation and, being eligible, offer themselves for re-appointment in accordance to section 152(6) of the Companies Act, 2013, at the ensuing Annual

General Meeting of Company.

### b. Declarations from Independent Directors

All Independent Directors of the Company have given declarations under section 149(7) of the Companies Act, 2013 ("Act"), that he/she meets the criteria of independence as laid down under section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

### c. Familiarization Program

The details of the training and familiarization program are provided in the Corporate governance report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The format of the letter of appointment is available on our website, at <http://s3.amazonaws.com/luxs/>

ckeditors/pictures/344/original/Familiarization\_Programme.pdf. Directors are also explained in detail, the various declarations/affirmations required from him/her as a Independent Director under various provision of Companies Act, 2013, and such other rules and regulations.

**d. Board Evaluation**

Pursuant to the provisions of section 178 of Companies Act, 2013 and Regulation 17 and 19 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the performance of individual directors and its Committee. 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 March 16, 2023 to review the performance of the Executive Directors, Chairman of the Company and performance of the Board as a whole. Details of the separate meeting of Independent Directors is given in the Corporate Governance Report.

**e. 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 salient features of the Nomination and Remuneration Policy is stated in the Corporate Governance Report and has also been posted on the Company's website: - [http://s3.amazonaws.com/luxs/ckeditors/pictures/357/original/Nomination\\_and\\_remuneration\\_Policy\\_13.05.2023.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/357/original/Nomination_and_remuneration_Policy_13.05.2023.pdf)

**f. Meetings**

During the year under review, four Board Meetings were convened and held. The 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.

**g. Committees**

The following are the details of the Committees as on March 31, 2023 –

- Audit Committee
- Nomination and remuneration Committee

- Stakeholder's Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Committee of Directors
- Share Transfer Committee

The composition of each of the above Committee, their respective roles and responsibilities are provided in detail in the Corporate Governance Report.

**h. 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 Listing Regulations is regularly made available to the Board.

**20. Director's Responsibility Statement**

Pursuant to the requirement under section 134(3)(c) and 134(5) of the Companies Act, 2013, the directors confirm:

- a. that in the preparation of the annual accounts for the year ended March 31, 2023, 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, 2023 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 adequate and operating effectively;
- f. that proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems were adequate and operating effectively.

## 21. Related Party Transactions

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with the Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large during the year under review.

All the related party transactions were reviewed by the Audit Committee. There were no contracts, arrangements or transactions entered into during financial year 2022-23 that fall under the scope of first proviso to Section 188(1) of the Companies Act, 2013. As required under the Companies Act, 2013, the prescribed Form AOC-2 is appended as Annexure -H to the Board's report.

The Policy as per SEBI (LODR) Regulations, 2015 is available on the website of the Company and can be accessed at [http://s3.amazonaws.com/luxs/ckeditors/pictures/345/original/RPT\\_for\\_website.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/345/original/RPT_for_website.pdf)

Further as required under Para A of Schedule V of Listing Regulations following promoters are holding more than 10% of shareholding as on March 31, 2023 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

Disclosure of transaction with above-mentioned promoters are given in the notes no. 32 to Notes to accounts.

## 22. Subsidiaries, Associate and Joint Ventures Companies

The Company has one subsidiary i.e. Artimas Fashions Private Limited (Unlisted Private Limited Company). Further the Company does not have any associates and there were no joint ventures entered into by the Company.

## 23. 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 Listing Regulations, 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 the 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://s3.amazonaws.com/luxs/ckeditors/pictures/391/original/Whistle\\_Blower\\_Policy.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/391/original/Whistle_Blower_Policy.pdf)

## 24. Auditors & Audit Reports

### i. Statutory Auditors:

Your Company at its 27th Annual General Meeting held on September 20, 2022 had reappointed M/s S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP (Firm Registration Number: 306033E) as

Statutory Auditors of the Company for a period of five consecutive years i.e., from the conclusion of the 27th AGM until the conclusion of the 32nd AGM of the Company to be held in the year of 2027 at a remuneration as may be fixed by the Board of Directors and Audit Committee as mutually agreed with Auditors. The Statutory Auditors have confirmed that they satisfy the independence criteria as required under the Act.

M/s S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP (Firm Registration Number: 306033E) Statutory Auditors of the Company have submitted their Independent Auditor's report on the Financial Statements of the Company for the year ended on March 31, 2023.

The Auditors' Report on the Financial Statements of the Company for the year ended March 31, 2023 does not contain any qualifications, reservations or adverse remarks. The Auditor's Report is enclosed with the Financial Statements and forms part of the Annual 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.

**ii. Secretarial Auditors and Secretarial Audit Report:**

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 Auditors' Report of the Company for the year ended March 31, 2023 does not contain any qualifications, reservations or adverse remarks hence do not call for any further comments under Section 134(3) (f) of the Companies Act, 2013. It is annexed as Annexure 'I'.

**iii. Internal Auditor:**

Ernst & Young LLP (EY), were appointed as the Internal Auditors of the Company to conduct the Internal Audit for the Financial Year 2022-23 in accordance with the provisions of Section 138 of the Act read with the Companies (Accounts) Rules, 2014. The Audit Committee considers and reviews the Internal Audit Report submitted by the Internal Auditor on a quarterly basis.

**iv. Cost Audit and Cost Records:**

The provisions of Section 148 of the Companies Act, 2013, with respect to maintenance of Cost records and cost audit are not applicable to the Company.

**v. Fraud**

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor have reported to the Audit Committee, under Section 143(12) of the Act, any instances of fraud committed against the Company by its Officers or Employees, the details of which would need to be mentioned in this Annual Report.

**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, the Company had instituted a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code lays down guidelines, which advise Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances.

During the financial year 2022-23, Code of Internal Procedure and Conduct to Prohibit Insider Trading and Code of practices and procedures of fair disclosures of unpublished price sensitive information were amended by the Company in its Board meeting held on August 9, 2022 and the same was updated on the website of the Company. Both the aforesaid Codes are in line with the SEBI (PIT) Regulations, 2015.

**26. Credit Ratings**

During Financial Year 2022-23 under review, Acuite Ratings & Research Limited (previously known as SMERA Ratings Limited) has reaffirmed the following rating with enhancement in the limit in the long-term Bank facilities:-

(₹ in Crores)

Ratings	Amount	Category	Remarks
ACUITE AA+(Stable)	464.18	Long-Term Bank Facilities	Reaffirmed
ACUITE A1+	1.50	Short Term Instruments	Reaffirmed



## 27. Annual Return

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website at [http://s3.amazonaws.com/luxs/ckeditors/pictures/411/original/Draft\\_MGT-7.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/411/original/Draft_MGT-7.pdf)

## 28. Business Responsibility and Sustainability Report

Your Company contributes towards sustainable development and fulfills its social, environmental, and economical responsibilities, creating a long-lasting value for all stakeholders. Company is committed to maintain highest standards of ethics in all spheres of its business activities.

In compliance with regulation 34(2)(f) of Listing Regulations, Lux has published its Business Responsibility Report (BRR), as a part of its Annual Report every year in the past. In terms of amendment to regulation 34 (2) (f) of LODR Regulations vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 and the National Guidelines on Responsible Business Conduct (NGRBC) guidelines as established by the Ministry of Corporate Affairs (MCA), Government of India, Lux is publishing its Business Responsibility & Sustainability Report (BRSR) which forms part of the Annual Report as Annexure 'J'.

## 29. Cyber Security

Your Company has a structured framework for cybersecurity. The Risk Management Committee ensures the overall responsibility for oversight of cybersecurity frameworks. Mr. Bibek Maity is Chief Information Officer ("CIO") of the Company having rich experience in Information/Cybersecurity. He looks after the information technology and cyber security related matters.

## 30. Risk Management

In accordance with the SEBI Listing Regulations, the Board of Directors of the Company is responsible for framing, implementing and monitoring the risk management plans of the Company. The Company has a "Risk Management Policy" to identify risks associated with the Company, assess its impact and take appropriate corrective steps to minimize the risks that may threaten the existence of the Company. The Enterprise Risk Management (ERM) framework of the Company is comprehensive and robust enough to respond against any uncertainty.

It has risk identification, analysis, evaluation and treatment mechanism, ensuring that smallest factor of uncertainty present in any layer is identified, evaluated and treated suitably. An update on ERM plan is presented and deliberated upon in the RMC meetings on half yearly basis and at least once in a year at the Board level. The Audit Committee has additional oversight over financial risks and controls. Annual risk assessment exercise is conducted in line with the framework, existing risks, their mitigation actions are evaluated, and new risks are identified.

Risk Management Committee (RMC) of the Company on half-yearly basis, reviews the risks, adequacy of risk mitigating actions and identifies the new risks, takes strategic decisions to ensure that organization successfully achieves the business objectives and fulfils expectations of all its stakeholder.

During the year under review, the RMC evaluated the risk management system of the Company, reviewed the Cyber security related risk and action initiated by the management to minimize the impact on the Company. The Risk Management Policy of the Company was reviewed by the Board in its meeting Meeting held on February 9, 2023 and the same has been updated on the website: [http://s3.amazonaws.com/luxs/ckeditors/pictures/389/original/Risk\\_Management\\_Policy.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/389/original/Risk_Management_Policy.pdf)

## 31. 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.

## 32. Litigation

During the year under review, there were no outstanding material litigations. Details of litigations/ dispute are disclosed in the financial statements.

## 33. Compliance with Secretarial Standards

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

## 34. Particulars of Employees

As on March 31, 2023, total number of employees on the records of the Company was 3055 as against 2678 in the previous financial year.

Disclosure required in respect of employees of the Company, in terms of provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5

of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure- K and forms part of Directors' Report.

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.

### 35. Prevention of Sexual Harassment at workplace

The Company is committed to provide a work environment which ensures that every employee is treated with dignity, respect and equality. There is zero tolerance towards sexual harassment. Any act of sexual harassment invites serious disciplinary action. The Company has established policy against Sexual Harassment for its employee. The Company has an internal complaint committee, for Prevention of Sexual Harassment comprising of (i) Mrs. Smita Mishra Company Secretary & Compliance Officer- Chairperson (ii) Mr. Rajendra Kumar Bhutoria HR Manager - Member (iii) Mrs. Shikha Jajoo - GM Finance- Member. The policy allows any employee to freely report any such act and prompt action will be taken thereon. No complaints were received during the year under review.

### 36. Codes and Board 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 Materiality for Disclosure of Events
- Policy for Prevention of Sexual Harassment at Workplace
- Business Responsibility and Sustainability Policy
- Dividend Distribution Policy
- Policy on determining Material Subsidiaries.
- Health, Safety and Environment Policy

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

During the year board revised the following policies/Codes:

Name of the Policy	Summary of Key Changes	Web link (if any)
<b>Risk management Policy</b>	The Risk Management Policy was amended in line with SEBI (LODR) Regulations, 2015 as amended from time to time.	<a href="http://s3.amazonaws.com/luxs/ckeditors/pictures/389/original/Risk_Management_Policy.pdf">http://s3.amazonaws.com/luxs/ckeditors/pictures/389/original/Risk_Management_Policy.pdf</a>
<b>Code of Internal Procedure and Conduct to Prohibit Insider Trading</b>	The Code of Internal Procedure and Conduct to Prohibit Insider Trading was amended in line with SEBI (PIT) Regulations, 2015 as amended from time to time.	<a href="http://s3.amazonaws.com/luxs/ckeditors/pictures/259/original/Lux_Insider_trading_Code_v5_09082022.pdf">http://s3.amazonaws.com/luxs/ckeditors/pictures/259/original/Lux_Insider_trading_Code_v5_09082022.pdf</a>
<b>Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)</b>	The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive information (UPSI) was amended in line with SEBI (PIT) Regulations, 2015 as amended from time to time.	<a href="http://s3.amazonaws.com/luxs/ckeditors/pictures/234/original/Code_of_Practices_and_procedure_of_Fair_Disclosure.pdf">http://s3.amazonaws.com/luxs/ckeditors/pictures/234/original/Code_of_Practices_and_procedure_of_Fair_Disclosure.pdf</a>

Name of the Policy	Summary of Key Changes	Web link (if any)
Code of Conduct	The scope of applicability of the Code of Conduct and the duties of the independent directors were modified.	<a href="http://s3.amazonaws.com/luxs/ckeditors/pictures/251/original/Code_of_Conduct.pdf">http://s3.amazonaws.com/luxs/ckeditors/pictures/251/original/Code_of_Conduct.pdf</a>

### 37. 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'.

### 38. Insurance

The Company has taken adequate insurance to cover the risks to its employees, property (land and buildings), plant, equipment, other assets and third parties.

### 39. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 ('Code'):

During the year under review, the Company has not submitted any applications and there is no pending proceeding against it.

### 40. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof:

Not Applicable.

### 41. Acknowledgement

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

### 42. 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 Chairman and Managing Director of the Company
Annexure - F	Auditors' Certificate on Corporate Governance
Annexure - G	Certificate of Non- Disqualification of Directors
Annexure - H	Particulars of contracts / arrangements made with related parties in Form AOC-2
Annexure - I	Secretarial Audit Report
Annexure - J	Business Responsibility & Sustainability Report ('BRSR')
Annexure - K	Details pertaining to remuneration as required under section 197 (12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
Annexure - 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

For and on behalf of the Board of Directors

Sd/-  
Ashok Kumar Todi  
Chairman  
DIN: 00053599

Place: Kolkata  
Date: May 30, 2023

**ANNEXURE 'A' TO BOARD'S REPORT****Dividend Distribution Policy of Lux Industries Limited****1. Scope Purpose and Objective**

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

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

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

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

The Policy shall not apply to:

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

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

**2. Effective Date**

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

**3. Definitions**

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

**4. Parameters and Factors for declaration of Dividend**

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

**4.1 Financial Parameters****4.1.1 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
- xii. Cost of Borrowing
- xiii. Past dividend payout ratio / trends

#### **4.1.2 External Factors:**

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

- i. Economic environment
- ii. Capital markets
- iii. Global conditions
- iv. Statutory provisions and guidelines
- v. Dividend pay-out ratios of companies in the same industry.

#### **4.1.3 Dividend Payout Ratio:**

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

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

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

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

- i. Proposed expansion plans requiring higher capital allocation
- ii. Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new

product launches etc. which requires significant capital outflow

- iii. Requirement of higher working capital for the purpose of business of the Company
- iv. Proposal for buy-back of securities
- v. In the event of loss or inadequacy of profit

#### **4.3 Utilization of retained earning**

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

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

Such other criteria'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.

**For and on behalf of the Board of Directors**

Place: Kolkata  
Date: May 30, 2023

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

## ANNEXURE 'B' TO BOARD'S REPORT

# Annual Report on Corporate Social Responsibility (CSR) Activities

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

The Company strongly believes in development of and giving back to the society. 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 identified by the Company:

- Promotion of education
- Promotion of health care through support for medical facilities
- Ensuring Environmental Sustainability
- Supporting economically backward group
- Animal welfare
- Support to elderly people
- Promotion of traditional art and culture
- Making Available Safe Drinking water
- Promotion of Sports

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

### 2. Composition of CSR committee:

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

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

- Weblink for Composition of CSR Committee:  
[http://s3.amazonaws.com/luxs/ckeditor/pictures/121/original/Composition\\_of\\_Board\\_Committee\\_2021.pdf](http://s3.amazonaws.com/luxs/ckeditor/pictures/121/original/Composition_of_Board_Committee_2021.pdf)

- Weblink for Lux Industries Limited CSR Policy:  
[http://s3.amazonaws.com/luxs/ckeditors/pictures/95/original/CSR\\_Policy.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/95/original/CSR_Policy.pdf)

- Weblink for Lux Industries Limited CSR Projects:  
[http://s3.amazonaws.com/luxs/ckeditors/pictures/149/original/Details\\_of\\_CSR\\_Projects.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/149/original/Details_of_CSR_Projects.pdf)

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

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

5. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹330.78 Crores  
 (b) Two percent of average net profit of the Company as per section 135(5): ₹6.62Crores  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (d) Amount required to be set off for the financial year, if any: Nil  
 (e) Total CSR obligation for the financial year (b+c-d): ₹6.62 Crores
6. (a) Amount spent on CSR Project (both Ongoing Project and other than Ongoing Project): ₹6.80 Crores  
 (b) Amount spent in Administrative Overheads: Nil  
 (c) Amount spent on Impact Assessment, if applicable: Not Applicable  
 (d) Total amount spent for the Financial Year (6a+6b+6c): ₹6.80 Crores  
 (e) CSR amount spent or unspent for the Financial Year:

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

(f) Excess amount for set off, if any

SI No.	Particulars	Amount (₹ in Crores)
(i)	Two percent of average net profit of the Company as per section 135(5)	6.62
(ii)	Total amount spent for the Financial Year	6.80
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.18
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil



**7. Details of unspent CSR amount for the preceding three financial years:**

SI No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Crores)	Amount spent in the reporting Financial Year (₹ in Crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Crores)
				Name of the Fund	Amount (₹ in Crores)	Date of Transfer	
1	2019-20	0.52	0.52	-	-	-	-
2	2020-21	-	-	-	-	-	-
3	2021-22	-	-	-	-	-	-
	Total	0.52	0.52	-	-	-	-

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

- (a) Date of creation or acquisition of the capital asset(s): N.A.
- (b) Amount of CSR spent for creation or acquisition of capital asset. : N.A.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A.
9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):  
The Company has met its CSR obligation in full for the Financial Year 2022-23.

**For and on behalf of the Board of Directors**

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

**Sd/-**  
**Pradip Kumar Todi**  
Managing Director  
DIN: 00246268

Place: Kolkata  
Date: May 30, 2023

## ANNEXURE 'C' TO BOARD'S REPORT

**Management Discussion and Analysis Report****Global economy**

**Overview:** The global economic growth was estimated at a slower 3.4% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7% in 2022, among the highest in decades. US consumer prices increased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. As 2022 concluded, the world harbored concerns that the following year might be slower

Global FDI inflows – equity, reinvested earnings and other capital – declined by 24% to nearly US\$1.28 trillion in 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023). (Source: OECD, WTO data)

The S&P GSCI TR (Global benchmark for commodity performance) fell from a peak of 4,319.55 in June 2022 to 3495.76 in December 2022. There was a decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realisations. Brent crude oil dropped from a peak of around USD 120 per barrel in June 2022 to USD 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Regional growth (%)	2022	2021
World output	3.4	6.3
Advanced economies	2.7	5.4
Emerging and developing economies	4.0	6.9

**Performance of major economies**

<b>United States:</b>	Reported GDP growth of 2.1% compared to 5.9% in 2021
<b>China:</b>	GDP growth was 3% in 2022 compared to 8.1% in 2021
<b>United Kingdom:</b>	GDP grew by 4.1% in 2022 compared to 7.6% in 2021
<b>Japan:</b>	GDP grew 1.7% in 2022 compared to 1.6% in 2021
<b>Germany:</b>	GDP grew 1.8% compared to 2.6% in 2021

[Source: PWC report, EY report, IMF data, OECD data]

**Outlook:** The global economy is expected to grow 2.8% in 2023, influenced by the ongoing Russia-Ukraine conflict. Concurrently, global inflation is projected to fall marginally to 6.6%. Despite these challenges, there are positive elements within the global economic landscape. The largest economies like China, the US, the European Union, India, Japan, the UK and South Korea are not in a recession. Approximately 70% of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies. The energy shock in Europe did not result in a recession and significant developments, including China's progressive departure from its strict zero-covid policy and the resolution of the European energy crisis, fostered optimism for an improved global trade performance. Despite high inflation, the US economy demonstrated robust consumer demand in 2022. Driven by these positive factors, global inflation is likely to be still relatively high at 4.3% in 2024. Interestingly, even as the global economy is projected to grow less than 3% for the next five years, India and China are projected to account for half the global growth (Source: IMF).

**Indian economy**

**Overview:** Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India's economic growth was 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India overtook UK to become the fifth-largest global economy. India surpassed China to become the world's most populous nation (Source: IMF, World Bank)

**Growth of the Indian economy**

	FY 20	FY 21	FY 22	FY23
Real GDP growth(%)	3.7	-6.6%	9.1	7.2

**Growth of the Indian economy quarter by quarter, FY 2022-23**

	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23
Real GDP growth(%)	3.7	-6.6%	9.1	7.2

As India's domestic demand remained steady amidst a global slowdown, import growth in FY23 was estimated at 16.5% to \$714 billion as against \$613 billion in FY22. India's merchandise exports were up 6% to \$447 billion. India's total exports (merchandise and services) grew 14 percent to

a record of \$775 billion and is expected to touch \$900 billion in FY2023-24. India's current account deficit, a crucial indicator of the country's balance of payments position, was US\$67 billion or 2% of GDP. India's fiscal deficit was in nominal terms at ~ ₹17.55 lakh crore, which is 6.4% of the country's GDP for the year ending March 31, 2023.

India's headline foreign direct investment (FDI) numbers rose to a record \$84.8 billion in FY2021-22. However, during the fiscal year 2022-23, the country experienced a 16% decrease in foreign direct investment (FDI) inflows, amounting to \$71 billion on a gross basis. This decline can be attributed to unfavorable global economic conditions and stands as the first contraction in FDI in the past ten years.

India's foreign exchange reserves, which had witnessed three consecutive years of growth, experienced a decline of approximately \$70 billion in FY2022-23, primarily influenced by rising inflation and interest rates. Starting from \$606.47 billion on April 1, 2022, reserves decreased to \$578.44 billion by March 31, 2023. The Indian currency also weakened during this period, with the exchange rate weakening from ₹75.91 to a US dollar to ₹82.34 by March 31, 2023, driven by a stronger dollar and an increasing current account deficit. Despite these factors, India continued to attract investable capital.

The country's retail inflation, measured by the consumer price index (CPI), eased to 5.66% in March 2023. Inflation data on the Wholesale Price Index, WPI (calculates the overall price of goods before retail) eased to 1.3% during the period. In 2022, CPI hit its highest of 7.79% in April; WPI reached its highest of 15.88% in May 2022. By the close of the year under review, inflation had begun trending down and in April 2023 declined below 5%, its lowest in months.

India's total industrial output for FY23, as measured by the Index of Industrial Production or IIP, grew 5.1% year-on-year as against a growth of 11.4 percent in FY2021-22.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in FY23. As of March 2023, India's unemployment rate was 7.8 percent.

In FY2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1 percent Y-o-Y in RE 2022-23. The government is also estimated to have addressed 77% of its disinvestment target in FY23 (₹50,000 crore against a target of ₹65,000 crore).

Gross tax collection of goods and services (GST) for FY23 was ₹18.10 lakh crore, with an average of ₹1.51 lakh a month and up 22% from FY22, India's monthly GST collections hit the second highest ever in March 2023 to ₹1.6 lakh crore. For FY2022-23, the government collected

₹16.61 lakh crore in direct taxes, according to data from the Finance Ministry. This amount was 17.6 percent more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to ₹172,000 during the year under review, a rise of 15.8 percent over the previous year. India's GDP per capita was 2,320 USD (March 2023), close to the magic figure of \$2500 when consumption spikes across countries. Despite headline inflation, private consumption in India witnessed continued momentum and was estimated to have grown 7.3 percent in 2022-23.

**Outlook:** There are green shoots of economic revival, marked by an increase in rural growth during the last quarter and an appreciable decline in consumer price index inflation to less than 5 percent in April 2023. India is expected to grow around 6-6.5 percent (as per various sources) in FY2024, catalysed in no small measure by the government's 35% capital expenditure. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficit. Headline and core inflation could trend down. Private sector investments could revive. What provides optimism is that even as the global structural shifts are creating a wider berth for India's exports, the country is making its largest infrastructure investment. This unprecedented investment is expected to translate into a robust building block that, going ahead, moderates logistics costs, facilitates a quicker transfer of products and empowers the country to become increasingly competitive. This can benefit India's exports in general, benefiting several sectors. The construction of national highways in 2022-23 was 10,993 kilometers; the Ministry of Road Transport and Highways awarded highway contracts of 12,375 km in the last financial year.

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP growth of 7.2% and America and Europe is experiencing its highest inflation in 40 years.

India's production-linked incentive appears to catalyse the downstream sectors. Inflation is steady. India is at the cusp of making significant investments in various sectors and emerge as a suitable industrial supplement to China. India is poised to outpace Germany and Japan and emerge as the third-largest economy in the next 3-4 years. The outlook for private business investment remains positive despite an increase in interest rates. India is less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. According to our

surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions and slowing external demand. (Source: IMF data, RBI data, Union budget 2023-24 data, CRISIL report, Ministry of Trade & Commerce, NSO data)

**Union Budget FY 2023-24 provisions**

The Budget 2023-24 sought to lay the foundation for the future of the Indian economy by raising capital investment outlay by 33% to ₹10 lakh crores, equivalent to 3.3% of GDP and almost three times the 2019-20 outlay, through various projects like PM Gati-shakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. An outlay of ₹5.94 lakh crore was made to the Ministry of Defence (13.18% of the total Budget outlay). An announcement of nearly ₹20,000 crores was made for the PM Gati-Shakti National Master Plan to catalyse the infrastructure sector. An outlay of ₹1.97 lakh crore was announced for Production Linked Incentive schemes across 13 sectors. The Indian government intends to accelerate road construction in FY24 by 16-21% to 12,000-12,500 km. The overall road construction project pipeline remains robust at 55,000 km across various execution stages. These realities indicate that a structural shift is underway that could strengthen India’s positioning as a long-term provider of manufactured products and its emergence as a credible global supplier of goods and services

**Global textile and apparel market**

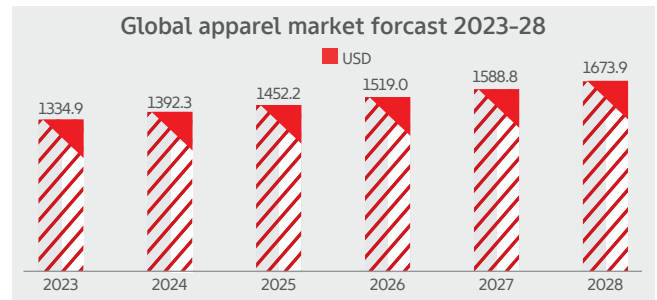
**Textile:** The global textile market reached a substantial value of USD 1,695.13 billion in 2022, and the market is projected to grow at a CAGR of 7.6% in revenues from 2023 to 2030. This estimated growth could be primarily attributed to rising apparel demand from the ever demanding fashion sector, complemented by a rapid rise in e-commerce platforms and fast-fashion companies.

On the product side, the natural fibers product segment dominated the market with a significant revenue share of 44.1%. Their extensive use in the fashion and apparel industry drives this growth. The polyester product segment is also poised for significant growth at 7.4% from 2023 to 2030, due to its various advantageous properties. Nylon holds the third-largest market share and is expected to witness the highest CAGR of 8.1% due to its resilience and moisture-absorbing properties, benefiting apparel and home-furnishing applications.

**Apparel:** The global apparel market reached USD 1,334.90 billion in 2023 and is expected to grow to USD 1,673.90 billion by 2028 at a CAGR of 4.63% during the forecast

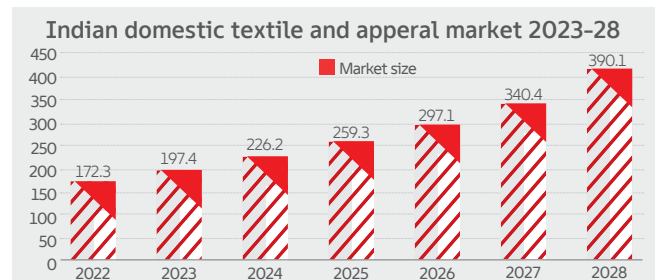
period, aided by innovative designs and preferable fashion choices. The increased exposure to the internet and e-commerce among consumers has enhanced fashion consciousness and the availability of high-end brands and limited-edition products.

Asia-Pacific dominates the global apparel market with a 53.41% market share and anticipates a high CAGR of 9.7% from 2023 to 2030. Factors like organized retail, favorable demographics, rising income levels, and government support drive textile demand in countries like India, Bangladesh, Pakistan, and Vietnam. China’s Xinjiang region cotton ban by the US offers opportunities for these countries to boost exports and gain market share.



**Indian textile and apparel market**

The textile sector is one of the major sectors of the Indian economy and the second largest employer after agriculture. The Indian textiles and clothing sector is estimated at \$172.3 billion in FY22-23. With domestic consumption accounting for 70% and exports for the remaining 30%. Retail sales of clothes account for \$80 billion of the total. The domestic market is projected to increase at a CAGR of 14.59% to reach \$387.3 billion by 2028. India is the largest cotton producer (23%) in the world and has the highest area under cotton cultivation (39% of the world’s area). Also, India is the second largest producer of both polyester and viscose (man-made fibre) globally. Polyester consumption in India is expected to double and reach 8.5 million tons by 2030 from the current estimated consumption of 4.4 million tons, growing at a CAGR of 8%. The growth in India is mainly driven by the growing domestic and exports market.



## Growth drivers

**Abundance of raw materials:** Raw material for the textile industry is cotton, jute, wool, raw silk and synthetic goods. India is the world's largest producer of cotton, with a production of over 344 lakh bales in 2022-2023 and enjoys a rich abundance of natural resources used as raw materials like silk, wool and jute in the textile industry. In addition to natural fibers, India also produces synthetic fibers such as polyester, nylon, and acrylic, making it one of the world's leading textile producers and exporters of raw materials. Our country also produces over 5,500 varieties of yarn and over 3,000 varieties of fabric, making it one of the most diverse textile industries in the world.

**Value chain:** India's textile industry is vertically integrated, with the entire value chain present in the country. As per the Confederation of Indian Industry, amongst the textile industry value chain, comprising spinning, weaving, processing and garmenting, the spinning and apparel sectors attained considerable strength in recent years, but the weaving and processing sectors are yet to attain competitive efficiency. The Government of India has had several ongoing initiatives and programmes including PM MITRA and SAMARTH for upskilling/re-skilling requirements of the textile business, covering the value chain. (Source: CII, pib.gov.in)

**Affordable prices:** The Indian textile sector benefits from affordable production prices due to a strong backward integration system, skilled labor at lower costs, government incentives and subsidies, and low energy costs. India has one of the lowest electricity rates in the world, and the government promotes the use of renewable energy sources.

**Qualified personnel:** India has several reputed textile institutes and universities, such as the National Institute of Fashion Technology (NIFT) and the Indian Institutes of Technology (IITs), that offer specialized courses in textile engineering, fashion technology, and related fields. These institutes produce a large number of qualified professionals each year, who contribute to the growth and development of the industry.

**Expanding domestic market:** According to a report by the

Ministry of Textiles, the domestic market for textiles and clothing is expected to reach \$350 billion by 2025. The report also states that the demand for technical textiles, such as geotextiles, agro-textiles, medical textiles, and protective textiles, is also on the rise in the country.

**Favourable macro environment:** The rising disposable incomes and increasing per capita income of consumers in India, along with their preference for branded and high-quality textile products, have fuelled the growth of the textile market in the country. India's middle-class is expected to grow from 50 million in 2007 to 583 million by 2025. Additionally, the Indian luxury textile market has grown at a CAGR of 25% from 2018 to 2023 and has reached a value of approximately \$15 billion by 2023. These trends provide significant opportunities for the Indian textile industry to diversify and grow. (Source: Mckinsey, Technopak)

**Brand preference:** Brand preference in the Indian textile industry has been increasing due to the exposure to global fashion trends. Consumers are becoming more conscious of the brands they wear and are willing to pay a premium for unique quality products. With the rise of social media and fashion influencers, there has been a surge in fashion consciousness. Consumers are more aware of the latest trends, styles, and brands, leading to increased demand.

**E-commerce and the organized retail landscape:** The growth of e-commerce and the organized retail landscape has had a significant impact on the Indian textile industry. The Indian e-commerce market for fashion and lifestyle products is expected to grow at a CAGR of 20-25% to reach \$30 billion by 2025. These trends provide significant opportunities for the textile industry to reach more consumers and expand market share.

## Union Budget 2023-24 allocations

- The Ministry of Textiles has received an increased allocation of ₹4,389.34 crores, a notable increase from the previous fiscal's allocation of ₹3,579.61 crores.
- In support of the textiles and apparel sector, the Budget proposes an allocation of ₹900 crores for the Amended Technology Upgradation Fund Scheme (ATUFS) for the

## Big sectorial numbers

**2%**

contribution to the country's GDP

**12%**

share of the manufacturing sector's gross domestic product

**7%**

of total industry output in value terms

**5%**

share of the total global trade in textiles and apparel

**11.4%**

market share of India's total exports

fiscal year 2023-2024, compared to ₹650 crores in 2022-2023.

- To boost Extra Long Staple (ELS) Cotton Production and reduce reliance on imports, the government plans to adopt a cluster-based and value chain approach through public private partnerships. Enhanced coordination between farmers, the State, and the industry for input supply, extension services, and market links are a part of this strategy.
- The textile industry is expected to benefit from a revision of credit guarantee schemes with a corpus of ₹9,000 crore, aimed at providing collateral-free guaranteed credit worth ₹2 lakh crore. Moreover, increased funding has been allocated to the Remission of Duties and Taxes on Exported Products (RoDTEP) and Rebate of State and Central Taxes and Levies (RoSCTL) programs.
- An interest equalisation scheme (IES) received an allocation of ₹2,376 crore in 2022-23, which will be further increased to ₹2,932 crore in 2023-24, providing an additional boost to textile exports.

### Indian hosiery market overview

The Indian hosiery market holds a prominent position globally, particularly with innerwear constituting a significant segment. Its growth is driven by heightened awareness of personal hygiene, a rising labor force participation rate, and shifting consumer preferences towards fashionable intimate wear, sportswear, and daily innerwear. Social and cultural initiatives promoting inclusivity, diversity, optimism, and sustainability have further fueled the demand for innerwear. Additionally, the industry has benefited from the expansion of organized retail channels, encompassing specialty stores, hypermarkets/supermarkets, and online shopping platforms, which have positively influenced its trajectory nationwide. Embracing the spirit of 'Make in India' and 'Self-Reliant India,' the hosiery industry is poised to capitalize on its strengths and enhance exports.

### Company overview

Lux Industries Limited was established in 1995 and has since grown to become one of the industry's major players, with a market share of 15% of the organised sector. Lux is India's biggest domestic hosiery company. To meet the expanding needs of clients, the company offers more than 100 products across 11 powerful brands and ~ 5000 SKUs. The company has eight manufacturing facilities which are strategically located in West Bengal, Punjab, Tamil Nadu and Uttar Pradesh to address growing markets with a cumulative capacity of 34 crores garment pieces a year. Products from the company are offered in 2 lakh+ retail

points across India. Lux has a global presence in 46+ countries.

### Outlook

Lux Industries Ltd. foresees sustained growth, driven by its multi brands and multi products segment, as exemplified by its reported turnover of ₹2,368 crores for the FY 2022-2023. This strategic vision is substantiated by key focal points including strengthening production capacities in West Bengal and Ludhiana, adapting product offerings to evolving market trends and consumer preferences, amplifying omni-channel capabilities, fostering sustainable growth for enduring stakeholder value, and diversifying the product portfolio to encompass women's wear and kids' categories.

### Segment-wise or product-wise performance

The Company is engaged in the business of manufacturing knitted garments and there is no separate reportable segment.

### Our strengths

**Experienced management:** Lux, bolstered by promoters with over six decades of expertise, has reinforced its stance as a prominent innerwear brand. Rooted in innovation and strategic amalgamations, the company's commitment has facilitated expansion into new domains. This growth aligns with the promoter vision of delivering high-quality, affordable products while adhering to eco-friendly processes that contribute to socio-economic welfare.

**Robust brand equity:** The company allocates approximately eight percent of its turnover towards brand investment. As a result, all products are sold under the overarching Lux brand.

**Extensive product diversity:** Lux comprises an impressive array of more than 100 products across 11 powerful brands and ~ 5000 SKUs. under its flagship brand, catering to the mass segment through Lux Venus, the medium segment through Lux Cozi, and the premium segment through Lux ONN and Lyra

**Strong distribution network:** Lux's success is underpinned by its wide geographic presence and long-standing relationships with a substantial number of 1170+ dealers, who comprise an impressively low churn. The company's commitment to expansion is evident in its efforts to establish more exclusive brand stores, providing additional touchpoints for customers. Lux is strengthening its online presence by partnering with leading e-commerce platforms. This strategic approach ensures that Lux products are easily accessible to customers even in remote locations, contributing to the company's continued growth and market leadership.

**Diversified presence:** The company has an extensive presence in north, east and west India, generating 80 percent of its turnover from these zones. The company invested in information technology to widen distribution,

providing an informed view of market conditions. Approximately 7-8 percent of the total turnover was exported, mainly to African and South Asian countries.

## Risk management

**Economic risk:** The textile industry is sensitive to changes in the broader economy, and economic downturns can lead to decreased demand for textiles and other consumer goods.

**Mitigation:** The company has diversified its customer base and product offerings and invested in cost-saving measures such as automation and efficiency improvements. The company continues to maintain strong relationships with suppliers and customers.

**Supply chain risk:** The textile industry is dependent on complex global supply chains, and disruptions in any part of the supply chain can have a ripple effect on the industry.

**Mitigation:** The company has a diversified distribution network with minimal dealer turnover, extensive nationwide presence, and strategic investments in information technology for enhanced distribution efficiency and market insights.

**Regulatory risk:** The textile sector is prone to regulatory risks to reduce GHG emissions, material efficiency, and regulatory actions to establish a green supply chain.

**Mitigation:** The company has taken steps to reduce its environmental footprint, including a rooftop solar power plant, water-saving processes, and renewable energy sources. The company's products are made of natural fiber and recyclable packaging, and has an ISO 9000-certified quality management system.

**Raw material risk:** Volatility in raw material prices may be caused by a variety of causes, including shifts in supply and demand, climatic conditions, and geopolitical events, which may pose a risk to the company's operations.

**Mitigation:** The company has established long-term contracts with suppliers and invested in a backward integrated facility in Dankuni, West Bengal. This has enabled it to counter fluctuations in raw material prices. Additionally, Yarn is the main raw material which constitute about 50% of the product cost. Its prices are monitored by the management and procurement is planned considering the volatility in yarn prices

**Liquidity risk:** Liquidity risk is a concern for textile companies due to their reliance on consumer demand, significant capital investments, and cyclical nature. The industry's supply chain is vulnerable to disruptions that can impact cash flow and impact production.

**Mitigation:** Lux has a strong liquidity position, with estimated net cash accruals of ₹157.25Cr in FY2023 and a current ratio of 2.87 times as of March 31, 2023. The company has unencumbered FDs of around ₹0.31 Cr as of March 31, 2023, and a fund-based limit utilization of 52.80% as of March 2023. The company's liquidity position remains strong with enhanced cash accruals and lower reliance on debt.

**Capital expenditure risk:** The company has financial exposure and uncertainties associated with making significant capital expenditures to acquire, upgrade, or expand assets in the business.

**Mitigation:** Lux leverages its extensive market understanding and impressive track record to successfully capex projects. The company conducts rigorous financial analysis and feasibility studies for informed decision-making. By diversifying investments across multiple projects, maintaining ample liquidity, and developing contingency plans, Lux mitigates capex risks effectively.

## Review of our financial performance

Particulars (₹ in Cr)	Year ended March 31, 2023	Year ended March 31, 2022	Y-o-Y change
Revenue from Operations*	2,398	2,313	4%
Profit before Interest, Depreciation & Tax	233	490	-52%
Less: Finance Cost	24	16	53%
Profit before Depreciation and Tax	209	474	-56%
Less: Depreciation	20	18	8%
Profit before Tax	189	456	-59%
Less: Tax	51	118	-56%
Profit After Tax	137	338	-59%

\*Includes Other Income

## Key financial ratios and numbers

Particulars	2022-23	2021-22	% change
Debt-equity ratio	0.17	0.25	-32
RoNW (%)	9.54	25.94	-63.22
Debtors' Turnover (days)	122	102	19.61
Inventory turnover (days)	104	132	-21.21
Interest coverage ratio (x)	8.71	29.48	-70.44
Current Ratio	2.87	2.59	10.64
Operating profit margin (%)	9.70	21.20	-11.5
PAT margin (%)	5.73	14.62	-8.89

FY23 has been a challenging year for the innerwear industry, the company during the period reported revenue growth of 3.6%. The EBITDA margins in FY23 stood at 9.7% compared to 21.2% over the same period in the previous year.

The EBITDA margins were negatively affected by the combined impact of volatile raw material prices and high-cost inventory stocking with the company and distribution channel. However, with raw material prices stabilising, the Company's objective will be to moderate the quantum of products lying in the distributor network, replenish the sold material with speed and generate higher inventory turns to enhance our margins profile.

As on March 31, 2023 the company's working capital cycle stood at 176 days as against 188 days in FY22. The company is continuously monitoring and managing all levers to optimise its working capital cycle, with intentions to reduce working capital days in the coming quarters. As of March 31, 2023, the company's gross cash and cash equivalents stood at ₹134 crores.

### Detail of significant changes in Key Financial Ratios:

- Debt-equity ratio: The decrease in debt - equity ratio in the current period is due to reduction in borrowings and better working capital management.
- RONW (%): RONW (%) was on a lower side mainly because of an increase in the cost of goods sold due to higher raw material costs leading to reduced profitability.
- Interest coverage ratio: Interest coverage ratio reduced in the current financial year due to reduced profitability and higher interest costs driven by increased repo.

### Internal control systems and their adequacy

Lux Industries has a robust internal control system to ensure that its business processes are efficient, transparent, and compliant with regulatory requirements. To achieve this, we have established well-defined processes for areas such as procurement, IT controls, HR, finance and accounts, inventory management, and logistics. The company has implemented adequate digital capabilities



such as automation and data analytics to minimize manual interventions, reduce errors, and increase transparency. Furthermore, Lux Industries, ensures that its internal control system is adequate to manage risks associated with the various business processes. This involves setting up adequate checks and balances, ensuring proper segregation of duties, and implementing regular audits and reviews to identify and mitigate any potential risks. By establishing a robust internal control system, your company has achieved better accountability, compliance, and efficiency, which will lead to better financial performance and long-term success.

### **Human resources and industrial relations**

Lux Industries values the quality of its employees and recognizes the importance of equipping them with new skills to keep up with technological advancements. The company organized training programs in various areas such as technical and behavioural skills, business excellence, and leadership. With more than 3000 employees, Lux Industries has a substantial workforce to support its operations. By investing in employee development, the

company has improved productivity, customer service, and employee satisfaction while staying competitive in the market. Ultimately, a highly skilled and motivated workforce is the main contributor to the long-term success of Lux Industries.

### **Cautionary statement**

This statement made in this section describes the Company's objectives, projections, expectations and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual results could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

**ANNEXURE 'D' TO BOARD'S REPORT****Report on Corporate Governance***[Pursuant to Part C of Schedule V of the SEBI**(Listing Obligation and Disclosure Requirement) Regulations, 2015]***1. Company's philosophy**

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

**2. Board of Directors****a. Composition and Category of the Directors:**

The Board of the Company has a good and diverse mix of Executive and Non-Executive Directors with considerable experience in their respective fields. As on date of this report, the Company's Board of Directors comprises of twelve directors. The Chairman of the Board is an Executive Promoter Director. In addition, the Board comprises of eleven other Directors

including five Promoter Executive Directors, six Non-Executive Independent Directors including two women 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 ('SEBI LODR Regulations' or 'Listing Regulations') 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.

The composition of the Board of Directors is in conformity with Listing Regulations and Companies Act, 2013. The number and name of other Directorship, Committee position held by the directors as a Member/Chairman as on March 31, 2023, attendance at the meetings and shareholding of the directors are as under:

Name of the Director	Name of the Company <sup>1</sup>	Category of Directorship	No. of other Directorships held <sup>2</sup>	No. of Committee Memberships <sup>3</sup>		No. of Board Meetings attended during the FY 2022-2023	Attendance at last AGM <sup>4</sup>	No. of shares held <sup>5</sup>
				Chairperson	Member			
<b>Executive &amp; Non- Independent Director</b>								
Mr. Ashok Kumar Todi	Lux Industries Limited	Chairman-Executive	9	-	1	4/4	Yes	36,58,654
Mr. Pradip Kumar Todi	Lux Industries Limited	Managing Director	16	-	-	4/4	Yes	44,15,290
Mr. Navin Kumar Todi	Lux Industries Limited	Executive Director	-	-	-	2/4	No	3,25,363
Mr. Rahul Kumar Todi	Lux Industries Limited	Executive Director	-	-	-	3/4	No	4,60,653
Mr. Saket Todi	Lux Industries Limited	Executive Director	5	-	-	3/4	Yes	7,94,876
Mr. Udit Todi	Lux Industries Limited	Executive Director	11	-	-	4/4	Yes	8,38,876

Name of the Director	Name of the Company <sup>1</sup>	Category of Directorship	No. of other Directorships held <sup>2</sup>	No. of Committee Memberships <sup>3</sup>		No. of Board Meetings attended during the FY 2022-2023	Attendance at last AGM <sup>4</sup>	No. of shares held <sup>5</sup>
				Chairperson	Member			
<b>Non-Executive &amp; Independent Director</b>								
Mr. Nandanandan Mishra	<ul style="list-style-type: none"> <li>Lux Industries Limited</li> <li>United Credit Limited</li> </ul>	Non-Executive Independent Director	1	1	3	4/4	Yes	Nil
Mr. Snehasish Ganguly	Lux Industries Limited	Non-Executive Independent Director	9	1	2	2/4	Yes	Nil
Mr. Kamal Kishore Agrawal	Lux Industries Limited	Non-Executive Independent Director	-	-	1	4/4	Yes	Nil
Mrs. Rusha Mitra	<ul style="list-style-type: none"> <li>Lux Industries Limited</li> <li>Harrisons Malayalam Limited</li> <li>GKW Limited</li> <li>Texmaco Rail &amp; Engineering Limited</li> <li>Naga Dhunseri Group Ltd.</li> <li>PCBL Limited</li> <li>Quest Capital Markets Limited</li> </ul>	Non- Executive Independent Director	9	3	7	4/4	Yes	Nil
Mr. Rajnish Rikhy	Lux Industries Limited	Non-Executive Independent Director	-	-	-	4/4	No	31,000
Mrs. Ratnabali Kakkar	<ul style="list-style-type: none"> <li>Lux Industries Limited</li> <li>Century Plyboards (India) Ltd.</li> </ul>	Non- Executive Director	2	-	1	3/4	Yes	Nil

**Notes:**

<sup>1</sup>Name of the Company includes directorship held in Indian Listed Companies.

<sup>2</sup>Other Directorships includes Directorships held in listed, unlisted and private limited companies.

<sup>3</sup>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.

<sup>4</sup>The 27th AGM was held on 20th September, 2022 through audio visual means/video conferencing.

<sup>5</sup>The details of the shareholding of the directors are as on March 31, 2023.

**b. Details of Board Meetings held during the Year:**

During the year, four Board meetings were held, the particulars of the meetings are given below, and the maximum interval between any two meetings was not more than 120 days.

Date of Board Meeting	May 30, 2022	August 9, 2022	November 14, 2022	February 9, 2023
Board Strength	12	12	12	12
No. of Directors Present	11	11	11	8

**c. Disclosure of relationships between directors inter-se:**

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

**d. 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 an effective contribution to the board and its committees. The Board members are committed to ensuring that the Company's board is in compliance with the highest standards of corporate governance.

i. Following is the list of the core skills/competencies and expertise which are taken into consideration while nominating a candidate to serve on the board.

- Accounting, Finance & Legal- experience in financial management, tax administration, legal knowledge/expertise, professional knowledge, and experience in the field of industry, commerce, economics, 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 the market share, build brand awareness and enhance enterprise reputation.

- Product Development & Production – skill in developing new patterns, optimum use of resources and knowledge of various production technology.
- Printing and Packaging – Expert in printing and packaging that helps the Company to develop new packaging and quality printing.
- Board service and governance – Service on a public Company board to develop insights about maintaining board and management accountability, protecting shareholders' interests, and observing appropriate governance practices.
- Leadership – Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.
- Growth Expansion and strategy – Experience in expanding the business presence in domestic and overseas market. Introducing innovative schemes for acquisition and retention of customers and value chain partners.

ii. In the matrix below, the core skills/ competencies / expertise of individual Board members has been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Name	Board Service, Leadership & Governance	Sales & Marketing	Product Development Production & Packaging	Brand Promotion & Advertisement	Accounting and Finance/ Legal	Growth, Expansion & Strategy
Mr. Ashok Kumar Todi	✓	✓		✓		✓
Mr. Pradip Kumar Todi	✓		✓			✓
Mr. Navin Kumar Todi	✓	✓	✓	✓	✓	
Mr. Rahul Kumar Todi	✓	✓	✓		✓	
Mr. Saket Todi	✓	✓	✓	✓	✓	✓
Mr. Udit Todi	✓	✓	✓	✓	✓	✓
Mr. Nandanandan Mishra	✓	✓			✓	
Mr. Snehasish Ganguly	✓	✓	✓			
Mr. Kamal Kishore Agrawal	✓				✓	
Mr. Rajnish Rikhy	✓	✓			✓	✓
Mrs. Rusha Mitra	✓				✓	✓
Mrs. Ratnabali Kakkar	✓	✓				✓

**e. 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 and Nomination of Independent Directors and for determining their independence, the Nomination and Remuneration ('NR') Committee of the Board, inter alia, considers the qualifications, positive traits, 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.

The board further believes that the independent directors are independent of management and meet the requirements set forth in the Companies Act, 2013, the Rules made thereunder, and SEBI (LODR) Regulation, 2015.

**i. Familiarisation Programme for Independent Directors:**

The Company organizes familiarization program generally forming a part of the Board process and sometimes separate programme for Independent Directors were also held by Company Secretary &

functional heads. Such programmes include the brief on the functioning of various departments, Directors are familiarized with various organizational setup, internal control processes and relevant information pertaining to the Company, they are periodically updated 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 familiarization with the Company's procedures and practices, from time to time.

During the Financial Year under review on March 16, 2023, the Company organized a separate programme for Independent Directors of the Company. The details of Company's Familiarisation Programme for Directors are posted on the Company's website, and can be viewed at the following link: [http://s3.amazonaws.com/luxs/ckeditors/pictures/344/original/Familiarization\\_Programme.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/344/original/Familiarization_Programme.pdf)

**ii. Evaluation:**

During the year, under review, the Independent Directors met on March 16, 2023, inter alia, to evaluate:

- the performance of Non-Independent Directors and the Board of Directors as a whole.
- The performance of the Chairman of the Company, considering the views of the Executive and Non-Executive Directors.
- 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.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole. All the independent Directors were present at the meeting.

### iii. Reason for the resignation of an Independent Director:

During the year under review, no independent director resigned from the Company.

### 3. Audit Committee

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

#### a. Composition and meetings of Audit Committee:

The composition of the Audit Committee as on March 31, 2023 and particulars of the meetings attended by the members are given below:

Name of the Committee Member	Designation	Category	No. of Meetings attended*
Mr. Nandanandan Mishra	Chairman	Independent, Non-Executive	4/4
Mr. Snehasish Ganguly	Member	Independent, Non-Executive	3/4
Mr. Kamal Kishore Agrawal	Member	Independent, Non-Executive	4/4

\* During the year, the Committee members met on May 30, 2022, August 9, 2022, November 14, 2022 and February 9, 2023.

All the 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.

#### b. Brief description of terms of reference of the Audit Committee:

- 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.
- 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.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval.
- Reviewing, with the management, the quarterly

financial statements before submission to the Board for approval.

- Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function including the structure of internal audit department, Staffing seniority of the official heading the department.
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of material nature and reporting the matter of the Board.
- 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.
- Obtaining an update on the Risks Management Framework and the way risks are being addressed.
- 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.

- 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.
- Audit Committee can: -
  - o Call for comments of auditors about internal control systems, scope of audit and their observations.
  - o Review the financial statements before submission to the board and may discuss related issue with Internal/Statutory Auditors and Management.
  - o Full access to information contained in the records of the Company.

The detailed terms of reference of the Audit

Committee have been uploaded in the Company website:

[http://s3.amazonaws.com/luxs/ckeditors/pictures/377/original/Terms\\_of\\_reference\\_of\\_Audit\\_Committee\\_23.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/377/original/Terms_of_reference_of_Audit_Committee_23.pdf)

#### 4. Nomination and Remuneration Committee

The Company has constituted 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.

##### a. Composition and attendance of the Nomination & Remuneration Committee:

The composition of the Nomination & Remuneration Committee as on March 31, 2023 and particulars of the meetings attended by the members are given below:

Name of the Committee Member	Designation	Category	No. of Meeting attended*
Mr. Kamal Kishore Agrawal	Chairman	Independent, Non- Executive	3/3
Mr. Snehasish Ganguly	Member	Independent, Non- Executive	1/3
Mr. Nandanandan Mishra	Member	Independent, Non- Executive	3/3
Mrs. Ratnabali Kakkar	Member	Independent, Non- Executive	3/3

\* During the year, the Committee members met on August 9, 2022, November 14, 2022 and March 16, 2023. Company Secretary acted as Secretary to the Nomination & Remuneration Committee.

##### b. Brief description of terms of reference of the Nomination & Remuneration Committee:

- 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.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and KMPs. Further recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMPs)
- Formulate criteria for evaluation of Independent Directors and the Board.
- Devise a policy on board diversity.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management and other employees of the Company.

The detailed terms of reference of the Nomination and Remuneration Committee has been uploaded on the website of the Company at [https://luxs.s3.amazonaws.com/uploadpdf/upload+pdf/Cgovernance/policies\\_12.pdf](https://luxs.s3.amazonaws.com/uploadpdf/upload+pdf/Cgovernance/policies_12.pdf)

##### c. 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:

##### i. Appointment and Removal of Director, KMP and Senior Management

###### a. Appointment criteria and qualifications:

- 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.

- A person should possess adequate qualifications, 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.
- 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.

**b. Term / Tenure:**

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

The Company shall appoint or re-appoint any person as its Managerial Personnel 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.

- Independent Director:
  - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
  - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be

appointed in or be associated with the Company in any other capacity, either directly or indirectly.

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

**c. Evaluation:**

Pursuant to the provisions of the Act, read with Rule 8 of the Companies (Account) Rules, 2014 and Listing Regulations, the Board will carry out an annual evaluation of its own performance, and the performance of its committees as well as the individual directors.

**d. 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.

**e. 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.

**ii. Provisions Relating to Remuneration of Managerial Person, KMP and Senior Management**

**a. General:**

- 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.

- 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.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.
- Increments will be effective from the date of reappointment or from April 1, as the case may be, within the slab approved by the shareholders.
- 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.

**b. 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 Provident Fund, 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.

**c. 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.

**d. 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.

**e. 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.

**iii. Board Diversity Policy**

**a. Purpose:**

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

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

**b. Scope:**

This Policy is applicable to the Board of the Company.

**c. 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.

**d. 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.

**5. Stakeholder Relationship Committee (Previously known as Shareholders Grievance Committee)**

The Company has a Stakeholder Relationship Committee at the Board Level to look into various

issues relating to shareholders including transfer and transmission of shares, non-receipt of dividend, Annual Report, shares transfer and delay in transfer of shares. In addition, the Committee looks into other issues including the status of dematerialization / re-materialization of shares as well as system and procedures followed to track investor complaints and suggest measures for improvement from time to time. Mrs. Smita Mishra, Company Secretary is Compliance Officer under Listing Regulations. Further, to expedite the transfer in the physical segment, necessary authority has been delegated by the Board to a Committee called the 'Share Transfer Committee.'

During the year, the Company has received 65 complaints/requests relating to shareholders including transmission of shares, non-receipt of dividend, duplicate share certificates, Annual Report and other queries which were resolved to the satisfaction of the shareholders and no investors complaint is pending as on March 31, 2023. Company has a designated e-mail ID, investors@luxinnerwear.com exclusively for the purpose of registering complaints by Members/stakeholders.

**a. Composition of Stakeholder Relationship Committee:**

The composition of the Stakeholder Relationship Committee and particulars of the meetings attended by the members are given below:

Name of the Committee Member	Designation	Category	No. of Meeting attended*
Mr. Snehasish Ganguly	Chairman	Independent, Non-Executive	1/1
Mr. Nandanandan Mishra	Members	Independent, Non-Executive	1/1
Mrs. Ratnabali Kakkar	Member	Independent, Non-Executive	1/1
Mr. Ashok Kumar Todi	Member	Non-Independent, Executive	Nil

\*During the year, the Committee Members met once on March 16, 2023. The Company Secretary acted as Secretary to the Stakeholders' Relationship Committee.

**b. Brief terms of Reference of the Stakeholder Relationship Committee**

- 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.

**6. Risk Management Committee**

In terms of Regulation 21 of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Risk Management Committee to mitigate risks by devising policies for it.

**a. Composition of Risk Management Committee:**

The composition of the Risk Management Committee and particulars of the meetings attended by the members are given below:

Name of the Committee Member	Designation	Category	No. of meetings attended*
Mr. Ashok Kumar Todi	Chairman	Non- Independent, Executive	Nil
Mr. Pradip Kumar Todi	Member	Non- Independent, Executive	2/2
Mr. Kamal Kishore Agrawal	Member	Independent, Non-Executive	2/2
Mr. Rajnish Rikhy	Member	Independent, Non-Executive	2/2

\* During the year, the Committee members met on August 01, 2022 and January 27, 2023 and Mr. Pradip Kumar Todi chaired the meetings. The gap between the two meetings does not exceeds 180 days as per the requirements of the Listing Regulations. Company Secretary acted as Secretary to the Risk Management Committee.

**b. Terms of Reference of Risk Management Committee**

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 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.

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

- Oversight of risk management performed by the executive management.
- Reviewing the risk management policy and framework in line with local legal requirements and SEBI guidelines.
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle.
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, and potential impact analysis and mitigation plan.
- Formulating a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed

entity, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business continuity plan.
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- Keeping the board of directors informed about the nature and content of its discussions, recommendations, and actions to be taken.
- Reviewing Appointment, Removal and terms of remuneration of the Chief Risk Officer (if any).

**7. Corporate Social Responsibility (CSR) Committee**

The role of the CSR committee is to, inter alia, monitor, review and provide strategic direction to the Company's CSR initiatives. The terms of reference of the Corporate Social Responsibility Committee are as per section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 or any other

laws/rules, as applicable or amended from time to time. Its mandate includes recommending to the Board of Director's a CSR Policy, expenditure to be incurred on CSR and monitor CSR activities.

The Company is focused on addressing 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 Corporate Social responsibility Committee and particulars of the meetings attended by the members are given below:

Name of the Committee Member	Designation	Category	No. of meetings attended*
Mr. Ashok Kumar Todi	Chairman	Non- Independent, Executive	3/4
Mr. Pradip Kumar Todi	Member	Non- Independent, Executive	4/4
Mr. Kamal Kishore Agrawal	Member	Independent, Non-Executive	4/4

\* During the year, the Committee members met on May 30, 2022, August 9, 2022, November 14, 2022 and February 9, 2023.

**8. Committee of Directors**

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

**a. Composition of Committee of Directors:**

Name of the Committee Member	Designation	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:**

During the Financial Year ended March 31, 2023, ten meetings of the Committee of Directors were held on: -

1.	April 28, 2022
2.	June 01, 2022
3.	June 13, 2022
4.	June 23, 2022

5.	August 24, 2022
6.	September 26, 2022
7.	October 15, 2022
8.	November 21, 2022
9.	December 15, 2022
10.	March 15, 2023.

All the members attended all the above-mentioned meetings.

**c. Terms of Reference of Committee of Directors**

The brief terms of reference of the Committee includes the following:

- To borrow money.
- To invest fund of the Company.
- To 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.
- To change the mode of operations of various bank account(s).

**9. 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.

**a. The composition of the committee is as under:**

Name of the Committee Member	Designation	Category	No. of meetings attended*
Mr. Ashok Kumar Todi	Chairman	Non- Independent, Executive	2/2
Mr. Pradip Kumar Todi	Member	Non- Independent, Executive	2/2

\* During the year, the Committee members met on October 26, 2022 and January 21, 2023.

## 10. Remuneration of Directors

### a. Pecuniary Material Relationship:

None of the Non- Executive Independent Directors have any pecuniary material relationship or transactions with the Company for the year ended March 31, 2023, except as disclosed in the related party disclosures of the Company forming part of this Report.

### b. Criteria of making payments to Non- executive Director:

- 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.

- The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee, SEBI (LODR) Regulations, 2015 as applicable from time to time. However, subject to the discretion of the Board, if deem necessary, the Independent Director may receive different sitting fees per meeting as per the Nomination and Remuneration Policy.
- An Independent Director shall not be entitled to any stock option of the Company.

### c. Disclosures with respect to remuneration:

#### i. Payment to Executive Directors:

The details of Remuneration to the Executive Directors for the year ended March 31, 2023, is given below in tabular form below:

(₹ in Crores)

Name of Directors	Mr. Ashok Kumar Todi	Mr. Pradip Kumar Todi	Mr. Navin Kumar Todi	Mr. Rahul Kumar Todi	Mr. Saket Todi	Mr. Udit Todi
Salary	4.50	4.50	1.80	1.80	1.80	1.80
Stock option	-	-	-	-	-	-
Severance Fees	-	-	-	-	-	-
Tenure/Service of Contract	September 30, 2022 to September 29, 2027.	September 28, 2019 to September 29, 2024	May 25, 2021 to May 24, 2026	May 25, 2021 to May 24, 2026	May 25, 2021 to May 24, 2026	May 25, 2021 to May 24, 2026
Notice Period	As per policy of the Company.					

#### Notes: -

- The Company does not pay any performance linked incentive to any director or employee.
- Expenses incurred for travelling, board and lodging including their respective spouses and attendant(s) during business trips, any medical assistance provided including their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.
- The Company does not have any employee stock option plans.
- The overall remuneration payable to all the Executive and Non-Executive directors is within the limit prescribed under Section 197 along with Schedule V of the Companies Act, 2013.

- ii. **Payment to Non-Executive Directors: The Non-executive directors have been paid sitting fees for attending Board and Committee meetings. The details thereof are given below.**

(₹ in Crores)

Sl. No.	Name of Directors	Sitting Fees*		Total
		Board Meeting	Other Committee	
1	Mr. Nandanandan Mishra	0.02	0.05	0.07
2	Mr. Kamal Kishore Agrawal	0.02	0.07	0.09
3	Mr. Snehasish Ganguly	0.01	0.03	0.04
4	Mrs. Rusha Mitra	0.02	0.01	0.03
5	Mr. Rajnish Rikhy	0.02	0.02	0.04
6	Mrs. Ratnabali Kakkar	0.02	0.02	0.04

\* The sitting fees are rounded off to the nearest integer.

## 11. 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
27th	September 20, 2022	Through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	Re-appointment of Mr. Ashok Kumar Todi as Whole Time Director & Chairman of the Company.
26th	September 28, 2021, 11.00 a.m.	Through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	Appointment of Mr. Navin Kumar Todi (DIN: 00054370) as Executive Director  Appointment of Mr. Rahul Kumar Todi (DIN: 00054279) as Executive Director  Appointment of Mr. Saket Todi (DIN: 02821380) as Executive Director  Appointment of Mr. Udit Todi (DIN: 02017579) as Executive Director
25th	September 24, 2020, 11.00 a.m.	Through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	Nil.

- b. **Passing of Resolutions by Postal Ballot:**

No postal ballot was conducted during the financial year 2022-23, and at the forthcoming AGM also, there is no item on the agenda that needs approval by Postal Ballot.

- c. **Extra-ordinary General Meeting:**

No Extra-ordinary General Meeting was held by the Company during the Financial Year 2022-23.

## 12. Means of Communication

- a. **Quarterly Results:**

Pursuant to Regulation 33 of Listing Regulations, the Company has regularly furnished within the prescribed timeline the quarterly un-audited, as well as annual audited financial results to all the Stock exchanges

i.e., BSE & NSE.

- b. **Newspapers wherein results normally published:**

Quarterly and Annual financial results are published in English language national daily newspaper Business Standard, Financial Express, Economic Times newspapers, circulating in the whole of India and Arthik Lipi/Ei Samay (Bengali), published in the vernacular language of the state, where registered office of the Company is situated.

- c. **Websites:**

- i. **Company's Website**

Pursuant to Regulation 46 of the Listing Regulations, the Company's website, [www.luxinnerwear.com](http://www.luxinnerwear.com) contains a dedicated segment,

'Investors' 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, various forms for investor service request (ISR) and various policies etc. of the Company.

**ii. 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.

The information can be accessed on the website of NSE: <https://www.nseindia.com/>

**iii. 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. The information can be accessed on the website of BSE: <https://www.bseindia.com/>

**d. 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).

**e. 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(s) are sent to the members in electronic form, whose e-mail ids are registered with Company and/or RTA, to save paper.

**13. General Shareholder Information**

**a. Annual General Meeting:**

Date, Time, and Venue	Friday, 29 September, 2023 at 11:00 A.M.
Book closure dates	Saturday, 23 September, 2023 to Friday, 29 September, 2023 (both days inclusive)
Dividend payment date	During the year 2022-23, the Board has recommended final dividend of ₹ 5 (Five) per share, subject to approval of shareholders in the ensuing AGM.

**b. Financial Year and Calendar**

Financial year	1 April to 31 March
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**Financial Calendar 2023-24(Tentative)**

First Quarterly Results	Second week of August, 2023
Second Quarterly Results	Second week of November, 2023
Third Quarterly Results	Second week of February, 2024
Fourth Quarterly Results	Third week of May, 2024
Annual General Meeting	September, 2024

**c. Details of Stock Exchange & Stock Code:**

Name of Exchange	Address	Stock code
Bombay Stock Exchange Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street	539542
National Stock Exchange Limited (NSE)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E)	LUXIND

**d. Payment of Listing Fee:**

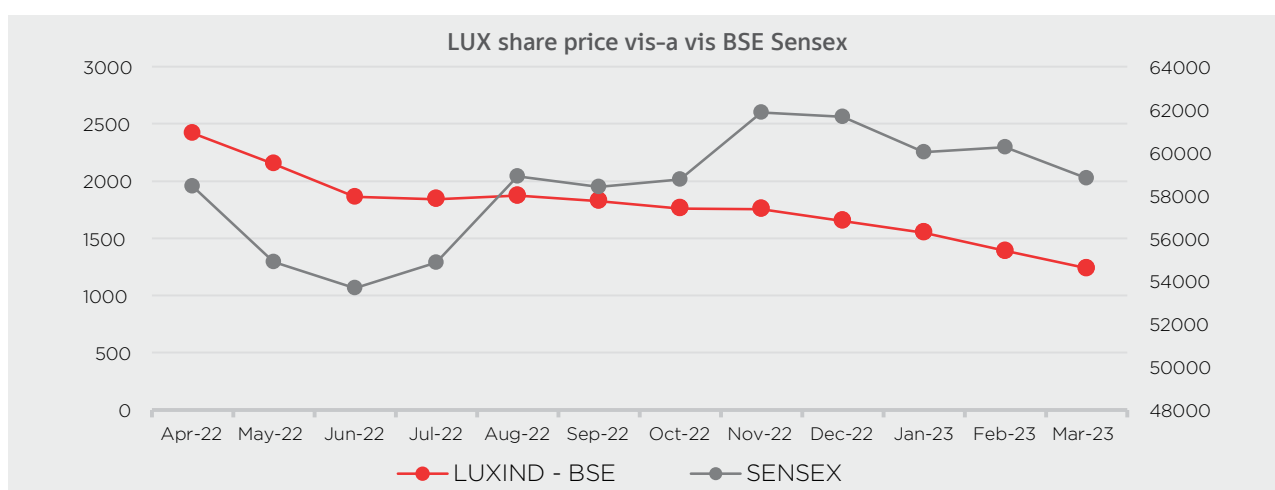
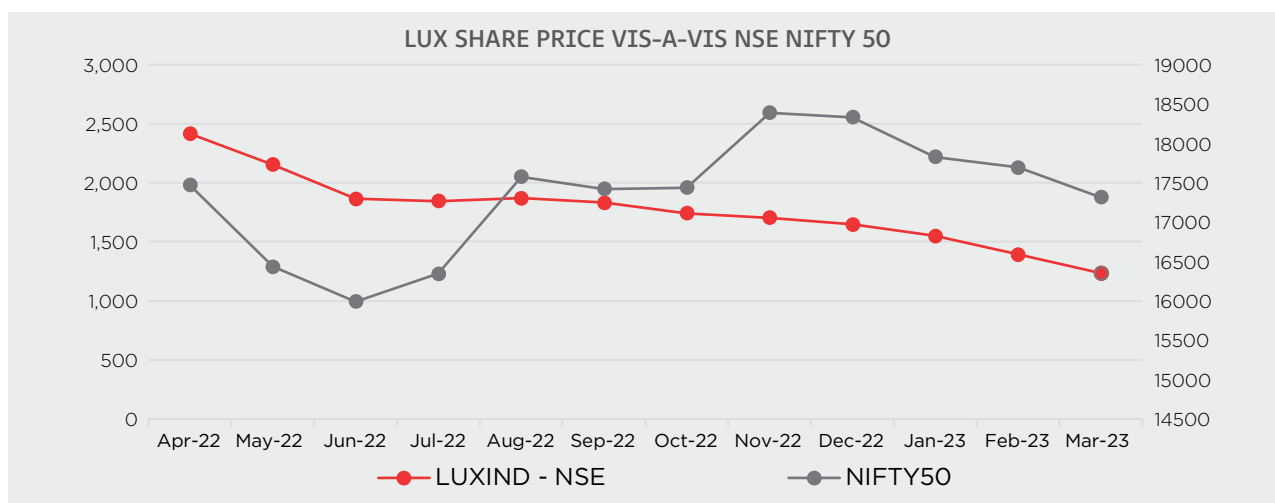
Annual listing fees for the year 2022-23 have been duly paid to the above Stock Exchanges.

**a. Stock Market 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, 2022	2,629.10	2,200.00	16,31,535	2,633.45	2204.15	166424
May, 2022	2,336.00	1,972.00	11,81,235	2,333.30	1971.90	121219
June, 2022	2,040.00	1,684.85	10,95,848	2,037.55	1685.10	85541
July, 2022	1,957.50	1,729.05	10,47,949	1,955.00	1728.90	85463
August, 2022	2,024.00	1,713.65	15,76,576	2,023.90	1720.00	154049
September, 2022	1,959.00	1,705.25	9,76,922	1,959.05	1692.30	107211
October, 2022	1,820.95	1,661.00	7,55,983	1,867.40	1653.60	100115
November, 2022	1,765.00	1,642.00	7,23,556	1,867.40	1642.00	91406
December, 2022	1,757.00	1,536.95	6,70,469	1,770.00	1536.05	88778
January, 2023	1,685.00	1,415.20	5,51,016	1,683.00	1414.95	76157
February, 2023	1,511.50	1,270.00	6,43,569	1,511.30	1271.00	72927
March, 2023	1,356.90	1,111.00	9,27,645	1,355.80	1122.60	108882

**f. Performance in comparison to the Broad-based indices**

Graphical representation of movement of share price of the Company in line with indices of NSE and BSE:





g. In case the securities are suspended from trading, the director's report shall explain the reason thereof: Not applicable.

**h. Registrar and Share Transfer Agents**

The Company's share transfer and related activities are operated through its Registrar and Share Transfer Agent: KFIN Technologies Limited, Hyderabad.

**i. Share Transfer System**

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form

are urged to have their shares dematerialized so as to be able to freely transfer them.

j. Shareholders holding shares in dematerialized mode have been requested to register their email address, bank account details and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folios. The folios shall be frozen, if any of these details are not available on or after October 01, 2023. Shareholders may contact the RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) and also refer details at <https://www.luxinnerwear.com/download-forms>

**k. Distribution of Shareholding as on March 31, 2023**

Sr. No.	Range of Shares held	No. of Shareholders	Percentage	No. of Shares	Percentage
1	1 - 5000	87288	99.90	3414088	11.35
2	5001 - 10000	41	0.05	292334	0.97
3	10001 - 20000	16	0.02	237764	0.79
4	20001 - 30000	8	0.01	193653	0.64
5	30001 - 40000	2	0.00	63178	0.21
6	40001 - 50000	2	0.00	97940	0.33
7	50001 - 100000	7	0.01	419647	1.40
8	100001 and above	14	0.02	25353077	84.31
	<b>TOTAL:</b>	<b>87378</b>	<b>100.00</b>	<b>30071681</b>	<b>100.00</b>

**l. Shareholding pattern as on March 31, 2023:**

Category	Number of Shareholders	Number of Shares	% to total equity
<b>A. Promoters and Promoters Group</b>			
- Indian Promoters	13	22311093	74.19
<b>B. Public Shareholding</b>			
- Corporate Bodies	370	453625	1.51
- NBFC	-	-	-
- Banks	1	13	0.00
- Indian Financial Institutions	-	-	-
- Non-Resident Non Repatriable	558	59155	0.20
- Non-Resident Indians	1089	80596	0.27
- Qualified Institutional Buyer	1	1426317	4.74
- Foreign Portfolio Corp	52	646829	2.15
- Mutual Funds	7	1472857	4.90
- Alternative Investment Fund	1	8550	0.03
- IEPF	1	15215	0.05
- Indian Public	84059	3464613	11.52
- HUF	1180	120543	0.40
- Clearing Members	43	12137	0.04
- Trust	3	138	0.00
<b>Total (A+B)</b>	<b>87,378</b>	<b>3,00,71,681</b>	<b>100</b>

**m. Dematerialization of Shares and liquidity:**

- The Company has arrangements with both NSDL and CDSL to establish electronic connectivity for scrip less trading and as on March 31, 2023, 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.
- The Equity Shares held in Demat and physical mode as of March 31, 2023 is given below:

Category	Number of Shareholders	Number of Shares	Percentage to total equity
Details of Shares held by NSDL in Demat form	23101	25951140	86.3
Details of Shares held by CDSL in Demat form	66516	4118434	13.69
<b>Total</b>	<b>89617</b>	<b>30069574</b>	<b>99.99</b>
No. shares held in Physical form	27	2107	0.01
<b>Grand total</b>	<b>89644</b>	<b>30071681</b>	<b>100</b>

- n. Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: Not applicable.

**o. Unclaimed Dividend:**

Section 123 of the Companies Act, 2013, mandates that companies should transfer dividend that has been Unpaid / Unclaimed for a period of seven years from the unpaid account to the Investor's Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned below, if unclaimed within a period of seven years, will be transferred to IEPF.

Year#	Dividend Type	Dividend per share (₹)	Date of declaration	Due date for Transfer
2015-2016	Interim	6.00	March 12, 2016	April 19, 2023
2015-2016	Final	1.00	September 27, 2016	November 04, 2023
2016-2017	Final	1.40	September 21, 2017	October 28, 2024
2017-2018	Final	2.00	September 27, 2018	November 04, 2025
2018-2019	Final	3.50	September 21, 2019	October 28, 2026
2019-2020	Interim	10.00	February 13, 2020	March 20, 2027
2019-2020	Final	2.50	September 24, 2020	November 01, 2027
2021-2022	Interim	12.00	November 01, 2021	December 08, 2028

#Note: For the financial year 2015-2016 the Company declared dividend on the face value of 10/- each and dividend declared in the remaining financial years were at the face value of ₹2/-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 an unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company. Further detailed 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.

- p. Outstanding GDRs/ADRs/warrants or any other convertible instruments, conversion date and likely impact on equity: Not applicable.

- q. Commodity price risk or foreign exchange risk and hedging activities: The Company has not engaged in any commodity hedging activities; details related to foreign exchange risk is given in notes to the Financial Statements.

**r. Location of Plants:**

Avinashi Lingam Palayam, Palangarai Village, Avinashi (T.K.), Coimbatore – 641 654	Mollaber, Janai, Durgapur Expressway, Dankuni, Hooghly, West Bengal-712702.
Sankrail Industrial Park, Jalan Complex, Kendwa, Howrah (W.B.)	Rajalakshmi Garden, Kaikattipuddur, Avinashi, Tiruppur, Tamil Nadu- 641654.
Jujhar Singh Nagar, Gahlewal Pind, Rahon Road, Ludhiana -141008.	Tajpur Road, Mahavir Jain Colony, Central Jail Canteen, Ludhiana- 141010
Sec- D1, Tronica City, Loni, Ghaziabad- 201102	Ganganagar, Vengamedu, Thottipalayam Village, Tiruppur, Tamil Nadu, 641603

**s. Address for Correspondence:**

<p><b>KFin Technologies Limited (Registrar and Share Transfer Agent)</b> (Previously known as KFin Technologies Private Limited) Karvy Selenium Tower B, Plot No. 31 &amp; 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500032. Toll Free No: 18003094001 Fax:+91-40-23420814 E-Mail: einward.ris@kfintech.com</p> <p><b>Local Address:</b> Apeejay House, Block "B", 3rd Floor 15, Park Street, Kolkata – 700016 Tel: +033-66285934/901</p>	<p><b>Lux Industries Limited,</b> Secretarial Department 39, Kali Krishna Tagore Street, Kolkata- 700 007 Tel: 033-40402121 Fax:033-40012001 E-mail: investors@luxinnerwear.com</p>
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**t. Credit Rating:**

The credit rating obtained by the Company during the financial year, along with revisions thereto, if any is provided in the Directors' Report.

**14. Other Disclosures**

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

Transactions with related parties as per Indian Accounting Standard (IND AS-24) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Notes to accounts.

There were no materially significant related party transactions which could have potential conflict with the interest of the Company at large. The Company's Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is

available on the website of the Company and can be accessed at [http://s3.amazonaws.com/luxs/ckeditors/pictures/345/original/RPT\\_for\\_website.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/345/original/RPT_for_website.pdf)

**b. 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.

**c. Establishment of 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. Further no personnel have been denied access to the audit committee at any instances.
- The policy on vigil mechanism may be accessed on the Company's website. [http://s3.amazonaws.com/luxs/ckeditors/pictures/391/original/Whistle\\_Blower\\_Policy.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/391/original/Whistle_Blower_Policy.pdf)

**d. Disclosure of Non-Mandatory Requirement:****i. 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.

**ii. Separate position of Chairman and Managing Director:**

The Company has separate persons appointed as Chairman and Managing Director and they are related as per the Companies Act, 2013.

**iii. Shareholders Rights:**

The financials are normally published in Business Standard (English), Financial Express (English), Economic Times (English) and Ei Samay (Bengali) newspapers and therefore, have not been separately circulated to the shareholders.

**iv. Audit Qualification:**

The Company has moved towards a regime of unqualified financial statements.

**v. Internal Auditor Reporting:**

The report of internal auditor is placed before the Audit Committee for review on a quarterly basis.

**e. Web link where policy for determining 'material' subsidiaries is disclosed:**

The Board of Directors of the Company formulated the policy for determining "material subsidiaries" to comply with the requirements of Regulation 24 of the

SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") for such material subsidiaries. Same can be accessed on the Company's website: - [http://s3.amazonaws.com/luxs/ckeditors/pictures/181/original/Lux\\_Policy\\_for\\_determination\\_of\\_Material\\_Subsiidiary.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/181/original/Lux_Policy_for_determination_of_Material_Subsiidiary.pdf)

**f. Web link where policy on dealing with related party transactions;**

Pursuant to the Listing Regulations, the Board Directors ('Board') of the Company has formulated a policy on dealing with related party transactions and it can be accessed on the Company's website: - [http://s3.amazonaws.com/luxs/ckeditors/pictures/194/original/RPT\\_Policy\\_modified\\_Lux.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/194/original/RPT_Policy_modified_Lux.pdf)

**g. Disclosure of commodity price risks and commodity hedging activities:**

The Company has not entered any commodity hedging activities.

**h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

Not applicable.

**i. Certificate from Company Secretary in Practice:**

MR & Associates, Practicing Company Secretaries had 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 the Board's report as Annexure "G".

**j. Recommendation of Committee:**

The Board has accepted all the recommendations of the Committees made during the year.

**k. Detail of total fees paid to statutory auditor:**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is as follows:- (₹ in crores)

Type of Service	2022-23	2021-22
Audit fees	0.30	0.30
Others	0.04	0.08
<b>Total</b>	<b>0.34</b>	<b>0.38</b>

**l. Complaints pertaining to sexual harassment:**

The following is reported pursuant to section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and regulation 34(3) read with sub-clause 10(l) of Clause C of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015:

Particulars	Numbers
Number of complaints filed 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

**m. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount:**

Not applicable.

**n. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:**

The Company has no material subsidiary(s).

**o. Risk Management:**

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

**p. Legal Proceedings:**

There is no pending case related to any dispute.

**q. Disclosures with respect to demat suspense account/ unclaimed suspense account – No shares are in suspense account/ unclaimed suspense account.**

**15. The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 shall be made in the section on Corporate Governance of the annual report:**

All the requirements mentioned are complied with.

**16. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:**

The disclosures are covered under the para 'Disclosure of Non-Mandatory Requirement' of this Report.

**17. The Company complied with all the requirement of corporate governance report said out in the schedule V of SEBI (LODR) Regulations, 2015.**

**18. MD and Chairman Certification**

The MD and Chairman certification on the financial statements and internal control is separately annexed separately to the Board's Report. (Refer Annexure E) Further, the Company has laid down a comprehensive Code of Conduct ('Code') for the Board and Senior Management of the Company.

The Company has received affirmations from the Board Members as well as Senior Management confirming compliance with the Code of Conduct for Financial Year 2022-23. An annual declaration signed by the Managing Director & Chairman 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>

**19. 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 the Board's Report. (Refer Annexure F)

For and on behalf of the Board of Directors

Sd/-  
Ashok Kumar Todi  
Chairman  
DIN: 00053599

Place: Kolkata  
Date: May 30, 2023

**ANNEXURE 'E' TO BOARD'S REPORT****Certification by Chairman and Managing Director of the Company**

We, Ashok Kumar Todi, Chairman and Pradip Kumar Todi, Managing Director 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 2023 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 2022-23.**

**For and on behalf of the Board of Directors**

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

**Sd/-**  
**Pradip Kumar Todi**  
 Managing Director  
 DIN: 00246268

Place: Kolkata  
 Date: May 30, 2023

## ANNEXURE 'F' TO BOARD'S REPORT

# Auditors' Certificate on Corporate Governance

To  
The Members of  
**Lux Industries Limited**

1. We, SKAGRAWAL AND CO CHARTERED ACCOUNTANTS LLP, the statutory auditors of **Lux Industries Limited** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2023, as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. 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.
5. 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.
6. 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.

7. 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

8. Based on our examination of the relevant records and according to the information and explanations provided to us by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46 (2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2023.

### Other Matter

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**

*Chartered Accountants*

Firm Registration No. – 306033E/E300272

Sd/-

**Sandeep Agrawal**  
**Partner**

Place: Kolkata

Date: May 30, 2023

Membership No 058553

UDIN: 23058553BGYOHI2514

**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.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Directors	DIN	Date of Appointment in Company
1.	ASHOK KUMAR TODI	00053599	21/07/1995
2.	PRADIP KUMAR TODI	00246268	21/07/1995
3.	NANDANADAN MISHRA	00031342	31/07/2007
4.	KAMAL KISHORE AGRAWAL	01433255	10/03/2008
5.	SNEHASISH GANGULY	01739432	10/10/2003
6.	RUSHA MITRA	08402204	29/03/2019
7.	RAHUL KUMAR TODI	00054279	25/05/2021
8.	NAVIN KUMAR TODI	00054370	25/05/2021
9.	UDIT TODI	02017579	25/05/2021
10.	SAKET TODI	02821380	25/05/2021
11.	RAJNISH RIKHY	08883324	25/05/2021
12.	RATNABALI KAKKAR	09167547	25/05/2021

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M R & Associates**  
**Company Secretaries**  
**A Peer Reviewed Firm**  
Peer Review Certificate No.: 720/2020

Place : Kolkata  
Date : May 30, 2023.

Sd/-  
M.R. Goenka  
Partner  
FCS No.: 4515  
C P No.: 2551  
UDIN : F004515E000382310



**ANNEXURE 'H' TO BOARD'S REPORT**

**Particulars of contracts / arrangements  
made with related parties in Form AOC-2**

*[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013,  
and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]*

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

- **Details of contracts or arrangements or transactions not at arm's length basis-**

There were no contracts or arrangements, or transactions entered into during the year ended March 31, 2023, which were not at arm's length basis.

- **Details of material contracts or arrangement or transactions at arm's length basis**

There were no material contracts or arrangements, or transactions entered into during the year ended March 31, 2023.

**For and on behalf of the Board of Directors**

Place: Kolkata

Date: May 30, 2023

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

**ANNEXURE 'I' TO BOARD'S REPORT****Secretarial Auditor's Report**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Lux Industries Limited**  
39, Kali Krishna Tagore Street, Kolkata 700007

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by LUX INDUSTRIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time;
  - d) 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;

We further report that, there were no actions/ events in pursuance of;

- (a) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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 issued by the Institute of Company Secretaries of India and to the extent amended and notified and mandated from time to time.
- (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 unless otherwise stated.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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 SEBI vide Order No. WTM/SM/ISD\_ISD/16598/2022-23 dated May 27, 2022 (modifying its Interim ex-parte Order No WTM/SM/ISD/56/2021-22 dated January 24, 2022) restrained Mr. Udit Todi, one of the Directors of the Company, from dealing in securities of Lux Industries Limited until further orders.

We further report that during the audit period:

- i) The Company had obtained approval of shareholders by way of Special Resolution vide Annual General Meeting dated 20th September, 2022 for appointment of Mr. Ashok Kumar Todi (DIN: 00053599) as Whole Time Director and Chairman of the Company.
- ii) Ordinary Resolution for reclassification of certain Promoters from Promoter Group Category to Public Category has not been passed by the shareholders of the Company in the Annual General Meeting dated 20th September, 2022.

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  
A Peer Reviewed Firm  
Peer Review Certificate No.: 720/2020**

**Sd/-**

**M.R. Goenka  
Partner**

**FCS No.: 4515**

**C P No.: 2551**

**Place : Kolkata**

**Date : May 30, 2023**

**UDIN : F004515E000378141**

**“ANNEXURE – A”**  
**(TO THE SECRETARIAL AUDIT REPORT OF LUX INDUSTRIES LIMITED**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023)**

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. As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. 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**  
**A Peer Reviewed Firm**  
**Peer Review Certificate No.: 720/2020**

**Place : Kolkata**  
**Date : May30, 2023**

**Sd/-**  
**M.R. Goenka**  
**Partner**  
**FCS No.: 4515**  
**C P No.: 2551**  
**UDIN : F004515E000378141**

## ANNEXURE 'J' TO BOARD'S REPORT

# Business Responsibility and Sustainability Reporting

The Directors present the Business Responsibility and Sustainability Reporting as per SEBI Circular dated May 10, 2021 for the financial year ended on March 31, 2023.

### SECTION A: GENERAL DISCLOSURE

#### I. Details of Listed Entity

<b>1</b>	Corporate Identity Number (CIN) of the Company	L17309WB1995PLC073053
<b>2</b>	Name of the Company	Lux Industries Limited
<b>3</b>	Year of Incorporation	1995
<b>4</b>	Registered Office address	39, Kali Krishna Tagore Street, Kolkata- 700 007
<b>5</b>	Corporate Address	PS Srijan Tech Park, 10th Floor, DN-52, Sector-V, Salt Lake City, Kolkata- 700 091
<b>6</b>	Email ID	cs@luxinnerwear.com
<b>7</b>	Telephone	033 4040 2121
<b>8</b>	Website	www.luxinnerwear.com
<b>9</b>	Financial year of which Reporting is being done	2022-23
<b>10</b>	Name of the Stock Exchange(s) where shares are listed	BSE Limited & National Stock Exchange of India Limited (NSE)
<b>11</b>	Paid Up Capital	₹ 6.26 crores
<b>12</b>	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Mrs. Smita Mishra, Company Secretary & Compliance Officer Telephone no.- 033-40402132 Mail Id- cs@luxinnerwear.com
<b>13</b>	Reporting boundary	The disclosure under this report covers the standalone operations of Lux Industries Limited

#### II. Products/Services

##### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	The Company is mainly engaged in manufacturing and selling knitted apparel, including hosiery products	Manufacturing of knitted apparel, including hosiery	100%

##### 15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Knitted apparel including hosiery products	14309	100%

#### III. Operations

##### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	8	18	26
International	0	0	0

##### 17. Markets served by the entity:

###### a. Number of locations:

Location	Number
National (No. of states)	Pan India
International (No. of countries)	46

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

Exports contribute 8% of the total turnover.

**c. A brief on types of customers**

The Company serves its customers through extensive network of distributors. As one of the major organized brands in India's innerwear industry, the Company is widely marketing its products through Multi Brand Outlets (MBOs) and Exclusive Band Outlets (EBOs), which helps to boost the demand for its products. Additionally, the Company has expanded its reach globally and currently operates in 46 countries, catering to both B2B and B2C customers. The Company is also increasing its outreach to customers directly through digital e-commerce platforms.

**IV. Employees****18. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1,777	1,632	92%	145	8%
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total Employees (D + E)</b>	<b>1,777</b>	<b>1,632</b>	<b>92%</b>	<b>145</b>	<b>8%</b>
<b>WORKERS</b>						
4.	Permanent (F)	1,278	1,035	81%	243	19%
5.	Other than Permanent (G)	-	-	-	-	-
6.	<b>Total workers (F + G)</b>	<b>1,278</b>	<b>1,035</b>	<b>81%</b>	<b>243</b>	<b>19%</b>

**b. Differently abled Employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	Nil	Nil	Nil	Nil	Nil
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	<b>Total Employees (D + E)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	Nil	Nil	Nil	Nil	Nil
5.	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
6.	<b>Total workers (F + G)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**19. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	2	17%
Key Management Personnel	8	1	13%

**20. Turnover rate for permanent employees and workers (HR)**

	FY 2023			FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	28%	34%	28%	20%	23%	20%	10%	10%	10%
Permanent Workers	32%	29%	31%	37%	40%	37%	24%	20%	23%

## V. Holding, Subsidiary and Associate Companies (Including Joint Ventures)

### 21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Artimas Fashions Private Limited	Subsidiary	50.97	No

## VI. CSR Details

### 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (In ₹) 2,367.97 In Crores

(iii) Net worth (In ₹) 1,463.24 In Crores

## VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	<a href="https://www.luxinnerwear.com/investors/corporate-governance">https://www.luxinnerwear.com/investors/corporate-governance</a>	NIL	NIL	NA	NIL	NIL	NA
Investors (Other than shareholders)		NIL	NIL	NA	NIL	NIL	NA
Shareholders		65*	0	All the complaints were resolved	2	0	All the complaints were resolved
Employees and workers		NIL	NIL	NA	NIL	NIL	NA
Customers		NIL	NIL	NA	NIL	NIL	NA
Value Chain Partners		NIL	NIL	NA	NIL	NIL	NA
Other (please specify)		NIL	NIL	NA	NIL	NIL	NA

\* Note: For the FY 22-23, most of the complaints received were for non- receipt of Dividend Warrants & Annual Reports.

**24. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Health and Safety	Risk and Opportunity	<p><b>Risk:</b> Occupational health and safety practices in knitting, if not managed properly, can expose employees to risks such as physical, ergonomic, respiratory, and fire incidents.</p> <p><b>Opportunity:</b> The Lux management is firmly committed to the health and safety of its employees. The Company's safety practises cover all possible measures to be taken to remove (or at least reduce) risks to the health, safety and welfare of employees, workers, contractors, authorized visitors, and anyone else who may be affected by our operations – thereby truly differentiating ourselves as a responsible player.</p>	<p>A commitment to consult and co-operate with workers in all matters relating to health and safety in the workplace is practised to ensure 100% safety and security of female employees and workers.</p> <p>Wearing personal protective equipment and clothing and complying with management's directions for health and safety is imbibed in our workers.</p> <p>To ensure the health and safety of our employees and workers the Company also undertakes regular health camps, eye care camps etc.</p>	Positive and Negative
2.	Energy Efficiency	Opportunity	<p>Managing energy consumption is an important focus area in the garments industry. The Company has implemented energy-efficient practices such as installation of capacitors to improve the plant load factor, thereby lowering the Company's energy consumption and operational costs.</p> <p>The Company focuses on Energy-saving LED lighting systems across its plants. Legacy systems are replaced with energy-efficient advanced technology that consumes less energy.</p>	NA	Positive



5. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Emissions Management	Risk and Opportunity	<p><b>Risk:</b> Greenhouse gas emissions are contributing to the global warming. This can create significant physical and transitional risks to businesses.</p> <p><b>Opportunity:</b> Generating power from clean and renewable sources can contribute to the reduction of greenhouse gas emissions and promote a cleaner environment</p>	<p>The Company acknowledges the significance of reducing greenhouse gas emission impact and has established an emissions management strategy to accomplish this goal.</p> <p>At the Dankuni facility, the Company installed a 1 MW rooftop solar panel that meets 35% of the plant's electricity demands. The Company is also exploring opportunities to further enhance its capacity.</p>	Positive & Negative
4.	Waste Management	Risk and Opportunity	<p><b>Risk:</b> If waste is not managed efficiently, it can have an impact on the environment. The manufacturing process can generate leftovers such as cloth scraps, packaging, and other materials.</p> <p><b>Opportunity:</b> Selecting majorly eco-friendly raw materials, automated cutting processes, and implementing waste reduction measures such as recycling, and reusing can help reduce the Company's environmental impact.</p>	<p>The nature of the Company's business is such that there are negligible hazardous process wastes, which are disposed responsibly.</p> <p>The Company reduces waste by optimizing the cutting process using state-of-the-art technology. Further, 95% of the leftover fabric cuttings are resold and ultimately used for the purpose of recycling and creation of products.</p>	Positive & Negative
5.	Well-being of Employees	Opportunity	<p>Commitment to employee well-being is a crucial aspect of the Company's sustainability strategy. Valuing our human capital through a wholesome employee value proposition is critical for long-term business viability and sustainability.</p> <p>The Company prioritises promoting a holistic experience for our employees through regular training, skill-upgradation and employee engagement programs. In addition, the Company organizes financial management sessions on aspects such as group medical insurance, PF, ESIC, tax awareness, etc. to further enhance the financial knowledge of our employees.</p>	NA	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Community and Society	Opportunity	The Company firmly believes that corporate engagement in CSR and involvement in community support initiatives can foster an integrated development. The group operates through Lux Foundation with a goal to make a positive impact on the quality of life of the people in the communities.	NA	Positive
7.	Responsible Sourcing	Opportunity	As a garment producer, the Company should be cognizant that the raw materials used in the production process are responsibly sourced without exploiting natural and human resources. The Company aims to create awareness among suppliers to follow the Company's Code of Conduct and Business Conduct Guidelines in addition to other statutory regulations.	NA	Positive
8.	Distribution	Opportunity	Collaborating with distributors and retailers who share the Company's sustainability goals is of utmost importance. By building a network of like-minded partners, the Company can create a ripple effect of positive change throughout the supply chain. A strong and long-standing distributor relationships enable the Company to reach customers in 46 countries, ensuring that the products are delivered safely and sustainably.	NA	Positive

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Principle 1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Principle 2</b>	Businesses should provide goods and services in a manner that is sustainable and safe.									
<b>Principle 3</b>	Businesses should respect and promote the well-being of all employees, including those in their value chains.									
<b>Principle 4</b>	Businesses should respect the interests of and be responsive towards all its stakeholders.									
<b>Principle 5</b>	Businesses should respect and promote human rights.									
<b>Principle 6</b>	Businesses should respect, protect and make efforts to restore the environment.									
<b>Principle 7</b>	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.									
<b>Principle 8</b>	Businesses should promote inclusive growth and equitable development.									
<b>Principle 9</b>	Businesses should engage with and provide value to their consumers in a responsible manner.									
Disclosure Questions										
Policy and management processes										
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	<a href="https://www.luxinnerwear.com/investors/corporate-governance">https://www.luxinnerwear.com/investors/corporate-governance</a>									
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes									
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	The Company encourages all its value chain partners to adopt NGRBC principles and other responsible business practices.									

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company has been accredited with ISO 9001:2015 certification as a result of its emphasis on quality and consistency and is acknowledged as Star Export House by the Government of India.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company commits that its conduct will be ethical, transparent and accountable in accordance with its policies.	The Company commits towards sustainable growth and to invest in environment-friendly technology in its factories.	The Company ensures to provide a safe environment to its employees. Company hiring will continue to be based on meritocracy.	The Company systematically identifies the stakeholders and endeavours to maintain healthy stakeholder engagement, participation and inclusive decision making, wherever possible.	The Company believes in promoting diversity and participation of employees at workplace and giving them equal opportunity without any discrimination, harassment and forced labour.	The management is committed to implementing environmental friendly initiatives, reducing the waste and focusing on re-use, recovery, and recycling, wherever possible.	The Company shall strive to engage with multiple stakeholders to make recommendations/representations for advancement and improvement of the industry, in an ethical, transparent and responsible manner.	The Company engages in initiatives for the benefit of different segments of the society, specifically deprived, under-privileged.	The Company strives to address all the customer grievances in a timely manner and to ensure the highest satisfaction of customers.
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Performance evaluation is an integral part of review across all functions in the organization. The details are highlighted in the Director's report and accompanying annexures that form a part of the annual report.								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p><b>Mr. Ashok Kumar Todi (Chairman):</b></p> <p>At Lux, we firmly believe that sustainability is integral to our business strategy, and we strive to balance the needs of all our stakeholders in a consultative manner. We remain committed to minimize our environmental impact by implementing sustainable manufacturing practices, reducing waste and emissions, and conserving natural resources. We also seek to positively impact society by promoting fair labour practices, investing in employee well-being, and supporting local communities. In terms of governance, we operate with integrity and transparency, complying with all relevant laws and regulations and maintaining ethical business practices. We work closely with our suppliers and distributors to ensure that they align to our ethical, responsible, and sustainable business practices.</p> <p>Additionally, we aim to create long-term economic value for our stakeholders by balancing financial performance with sustainable business practices. As we continue on our sustainability journey, we remain dedicated to engaging with our stakeholders to ensure that we deepen our recall as a responsible and sustainable organisation.</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>Mr. Ashok Kumar Todi (DIN: 00053599), Whole Time Director</p> <p>Mr. Pradip Kumar Todi (DIN: 00246268), Managing Director</p>								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>The Whole-time Director and Managing Director take the lead in driving sustainability initiatives. They, along with the executive leadership team and functional heads of the Company, establish the sustainability agenda and hold the ultimate responsibility for making decisions regarding sustainability-related matters.</p>								

**10. Details of Review of NGRBCs by the Company**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow-up action	Yes. The Board of Directors and the Senior Management of the Company oversee the performance of the Company's economic, environmental, social, and governance responsibilities on a continuous basis.  The Company's sustainability performance is reviewed annually by the Board of Directors.  Additionally, the Risk Management Committee assesses risks related to business responsibility principles and takes proactive actions to align procedures with policies.									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company reviews all principle and performance annually and is in compliance with the statutory requirements as applicable.									Annually								

11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No								

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C PRINCIPLE-WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

#### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Update and awareness related to regulatory changes and corporate governance	100%
Key Managerial Personnel			
Employees other than BoD and KMPs	19	ISO 9001-2015, POSH, health & safety, first aid, fire & safety and skill and development training	48%
Workers	9	ISO 9001-2015, POSH, health & safety, first aid, fire & safety and skill and development training	43%

#### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the Company's website) ;

	Monetary				
	NGRBC Principle	Name of the Regulatory Enforcement Agencies/Judicial Institutions	Amount ( In INR)	Brief of the Case	Has an Appeal been preferred ? (Yes/No)
Penalty/Punishment/ Fine	No fines/penalties by authorities during the reporting period.*				
Settlement					
Compounding Fees					

	Non-Monetary			
	NGRBC Principle	Name of the Regulatory Enforcement Agencies/Judicial Institutions	Brief of the Case	Has an Appeal been preferred ? (Yes/No)
Imprisonment	No imprisonment/punishment by authorities during the reporting period.*			
Punishment				

\*Note: Attention is drawn to the Secretarial Audit Report annexed as Annexure- I to the Director's Report for FY 22-23.

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Not Applicable

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The Company has a Code of Conduct and Business Responsibility & Sustainability policy in place, which covers anti-corruption and anti-bribery measures. The policy is applicable to all directors, key managerial personnel, employees, workers, and ensures that they maintain high ethical standards in their business dealings. The policy mandates that all transactions and interactions be conducted with integrity, transparency, and fairness, and prohibits any form of bribery or corrupt behaviour. The Company is committed to upholding the highest ethical standards and has implemented robust measures including whistle-blower to prevent and detect any unethical or illegal behaviour.

[http://s3.amazonaws.com/luxs/ckeditors/pictures/251/original/Code\\_of\\_Conduct.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/251/original/Code_of_Conduct.pdf)

[http://s3.amazonaws.com/luxs/ckeditors/pictures/373/original/BUSINESS\\_RESPONSIBILITY\\_AND\\_SUSTAINABILITY\\_POLICY.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/373/original/BUSINESS_RESPONSIBILITY_AND_SUSTAINABILITY_POLICY.pdf)

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs		
Employees		
Workers		

**6. Details of complaints with regard to conflict of interest:**

	FY 2022-23	FY 2021-22
Number of complaints received in relation to issues of Conflict of Interest of the Directors	There are no complaints received in relation to the conflict of interest against Directors or KMPs during the financial year.	There are no complaints received in relation to the conflict of interest against Directors or KMPs during the financial year.
Number of complaints received in relation to issues of Conflict of Interest of the KMPs		

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. :**

Not Applicable

## Leadership Indicators

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
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While the Code of Conduct and Business Responsibility & Sustainability does not apply to value chain partners, the Company strongly encourages its partners to adhere to high ethical standards in their business dealings. The Company places particular emphasis on anti-bribery, anti-corruption, and business responsibility practices to promote sustainable and responsible practices across the value chain.



**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.**

Yes, the Company has robust processes in place to avoid and manage conflict of interest involving members of the Board. The Code of Conduct and Business Responsibility and Sustainability policy addresses the management of conflict of interests involving members of the Board. The Code is applicable for all Board members, KMPs and senior management personnel and an annual declaration is given by the Board members.

The Company believes that transparency and accountability are critical to maintaining the trust and confidence of our stakeholders. The Board members are required to disclose any potential conflicts of interest as Related Party Transactions (RPTs).

**PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE**

**Essential Indicator**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
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**R&D:** The Company actively engages in and makes contributions to various industry-level research and development (R&D) initiatives, including the Hosiery Association. However, there is no specific allocation of funds dedicated to these initiatives.

**Capex:** The Company places immense focus on investing in cutting-edge infrastructure, prioritizing operational efficiency, energy conservation, and waste reduction to minimize our environmental impact. The capital expenditure also takes into account initiatives that improve working conditions, enhance safety measures, and promote overall well-being. The Company prioritizes investing as much as 20-30% more in automated equipment over standard equipment to improve efficiency while balancing our commitments to the environment, employees and the communities.

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**  
**b. If yes, what percentage of inputs were sourced sustainably?**

No, however, the Company’s raw materials are predominantly natural cotton yarn, and it has developed long-term relationships with several vendors who share the Company’s commitment to sustainability. The promoters are directly involved in procurement and the management and functional heads work closely with vendors to encourage sustainable practices and responsible sourcing throughout the supply chain.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company has a strong commitment to sustainable waste management. Almost 90% of its products are based on natural yarn. The Company disposes of plastic, corrugated boxes, and cloth waste through resellers who in turn sell to units, which further recycling these wastes. End-of-life e-waste, mainly consisting of computers, is very minimal and is also disposed of through authorized vendors.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

The EPR plan is in line with the statutory requirements.

**Leadership Indicators**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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No. The Company hasn't conducted any LCA studies. However, the management periodically reviews any sustainability risks across the value chain and proactively take measures to mitigate them

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
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All the dyeing and most of the stitching process of the Company is outsourced. However, the Company takes measures to ensure that the value chain partners work in an environmentally conscious and socially responsible manner.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material
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The Company is focused on recycling and as a part of that has been taking initiatives to create new products using recycled fabrics. The Company plans to expand this in future.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

NA

**PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS**

**Essential Indicator**

**1. a. Details of measures for the well-being of employees:**

Category	Total (A)	% Employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	1,632	1,362	83%	442	27%	NA	NA	-	-	-	-
Female	145	108	74%	0	0%	145	100%	-	-	-	-
<b>Total</b>	<b>1,777</b>	<b>1,470</b>	<b>83%</b>	<b>442</b>	<b>25%</b>	<b>145</b>	<b>100%</b>	-	-	-	-
<b>Other than Permanent employees</b>											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**b. Details of measures for the well-being of workers:**

Category	Total (A)	% of Workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	1,035	558	54%	558	54%	NA	NA	-	-	-	-
Female	243	104	43%	104	43%	243	100%	-	-	-	-
<b>Total</b>	<b>1,278</b>	<b>662</b>	<b>52%</b>	<b>662</b>	<b>52%</b>	<b>243</b>	<b>100%</b>	-	-	-	-
<b>Other than Permanent Workers</b>											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	40%	100%	Yes	38%	83%	Yes
Gratuity	100%	100%	NA	100%	100%	NA
ESI	30%	99%	Yes	44%	89%	Yes
Others please specify	-	-	-	-	-	-

### 3. Accessibility of workplaces

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

The Company is cognizant of providing an inclusive work environment for all its employees, including those with differently-abled. The management tries to ensure, wherever possible, that its premises and offices don't cause inconvenience to the differently-abled people.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company believes in providing equal opportunities to all its employees and shall not discriminate any of its employees on the basis of race, gender, religion or any other characteristics. The Company treats its employees with respect and dignity, the Company policies extends to every aspect of employment, from recruitment to training, promotions and career growth.

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

None during the year, however, the Company supports and encourages employees, who have taken maternity leave to return to work.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has mechanisms to receive and redress grievances for their employees and workers. The following are some of the mechanisms that the Company has in place to address any issues of employees and workers.
Other than Permanent Workers	
Permanent Employees	<p><b>Immediate Supervisor:</b> The Company encourages employees to approach their immediate supervisors with grievances or complaints. The supervisors are experienced and also are given training to listen to the employees' concerns and take appropriate action to address them in line with the Company's policies.</p> <p><b>HR team:</b> The Company's HR department has mechanisms in place to address employee grievances. The HR department is accessible both at the office and factory sites, and they proactively listen to all employees and workers feedback and issues and work towards resolution by involving with all stakeholders.</p> <p><b>Management:</b> The employees are encouraged to raise any grievances to top management without fear in case they are not satisfied with the action taken by their supervisor or the HR department.</p> <p><b>Whistle-blower:</b> The Company has complaint-raising mechanisms at its facilities, and offices and also has an opportunity for anonymous whistle-blower that encourages employees to report any illegal or unethical behaviour without fear of retaliation.</p>
Other than Permanent Employees	

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

The Company has no employees and workers in associations or unions recognised by the entity.

**8. Details of training given to employees and workers:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		Number (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	1,632	540	33%	481	29%	1,054	290	28%	215	20%
Female	145	76	52%	63	43%	94	32	34%	24	26%
<b>Total</b>	<b>1,777</b>	<b>616</b>	<b>35%</b>	<b>544</b>	<b>31%</b>	<b>1,148</b>	<b>322</b>	<b>28%</b>	<b>239</b>	<b>21%</b>
<b>Workers</b>										
Male	1,035	505	49%	712	69%	1,303	590	45%	785	60%
Female	243	149	61%	126	52%	227	130	57%	109	48%
<b>Total</b>	<b>1,278</b>	<b>654</b>	<b>51%</b>	<b>838</b>	<b>66%</b>	<b>1,530</b>	<b>720</b>	<b>47%</b>	<b>894</b>	<b>58%</b>

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2022-23			FY 2021-22		
	Current Financial Year			Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	1,632	481	29%	1,054	263	25%
Female	145	63	43%	94	36	38%
<b>Total</b>	<b>1,777</b>	<b>544</b>	<b>31%</b>	<b>1,148</b>	<b>299</b>	<b>26%</b>
<b>Workers</b>						
Male	1,035	712	69%	1,303	768	59%
Female	243	126	52%	227	109	48%
<b>Total</b>	<b>1,278</b>	<b>838</b>	<b>66%</b>	<b>1,530</b>	<b>877</b>	<b>57%</b>

**10. Health and safety management system:**

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, the Company has implemented an occupational health and safety management system at its facilities. The system covers all the facilities across the Company and focuses on all key aspects of effective hazard management. The Company has also established numerous interventions to address occupational health-related topics. The senior management regularly plans, monitors and reviews activities to ensure safety of the staff.

- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Board recognises that effective leadership is a key to business success and encourages its employees, including its vendors, to bring new ideas to the business and maintain good behavioural standards, safe work practices to ensure that all go home safely at the end of the day. The Company has robust safety processes, protocols and

strives to inculcate safe working habits that reduce injuries and minimise events that could adversely affect the safety and health of individuals.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

The Company takes a proactive approach to health and safety by engaging with the employees and workers to identify any potential hazards in the workplace. The employees are encouraged to report any unsafe conditions, unsafe acts, or near-miss incidents immediately to the supervisor or HR. The management prioritises the safety of the employees and workers and asks them to avoid any processes that may pose a risk to their safety until a root cause analysis is complete, and corrective action is implemented.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

The Company recognizes the importance of the overall health and wellbeing of its employees and workers. In addition to the regular healthcare coverage, the Company offers access to a range to healthcare services beyond occupational health including health check-ups and eye care camps etc. All the eligible workers are covered under the ESIC and the employees have group medical insurance, and additionally, the sales personnel are covered under accidental insurance.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	NIL	NIL
Total recordable work-related injuries	Employees	NIL	NIL
	Workers	NIL	NIL
No. of fatalities	Employees	NIL	NIL
	Workers	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

The Company is committed to providing a safe and healthy work environment for all of our employees and workers. The Company has implemented several measures to ensure workplace safety and healthy environment. These include orienting all employees and workers to increase awareness and promote safe working practices. In addition, all the workers are required to use masks and other personal protective equipment (PPE) as per the standard operating procedures. The Company has implemented safety protocols and procedures to address emergencies, including fire and evacuation drills, and maintaining emergency response plans. The management regularly reviews and updates the safety and health practices to ensure they are aligned with the applicable industry standards and regulations.

**13. Number of Complaints on the following made by employees and workers:**

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

**14. Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Health and safety practices	Nil
Working Conditions	Nil

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

As a continuous process, the management regularly reviews and updates the safety and health protocol to ensure they remain aligned with the latest applicable industry standards and regulations.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

The Company has all its sales personnel covered under accidental life insurance coverage.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Yes. The Company ensures that all the statutory dues are deducted and deposited by value chain partners.

**3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	NA	NA	NA	NA
Workers	NA	NA	NA	NA

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?**

The Company considers transition assistance, if the employees seek such assistance, and based on the merit of the case.

**5. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety practices	40%
Working Conditions	40%

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Nil

## PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

### Essential Indicator

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has conducted an assessment of its internal and external stakeholders. The Company identifies and actively engages with its stakeholders based on their level of interest, influence, and potential impact on our business. Furthermore, the management regularly reviews and updates the stakeholder map to ensure its ongoing relevance to our operations.

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> <li>• Ads, exhibitions and events</li> <li>• Digital and social media connect</li> <li>• Brochures and catalogues</li> <li>• Website</li> <li>• Phone calls</li> <li>• E-mails</li> <li>• Formal and informal feedback</li> </ul>	Regular and continuous engagement	<p>The scope of the engagement covers product quality, availability, accessibility and affordability.</p> <p>The Company also seeks feedback on new trends and customer preferences.</p>
Employees & workers	No	<ul style="list-style-type: none"> <li>• Online and offline trainings</li> <li>• Emails, newsletters &amp; intranet portals</li> <li>• Team and staff meetings</li> <li>• Open forums</li> <li>• Performance appraisal reviews</li> </ul>	Regular and continuous engagement	<p>The employees play a pivotal role in the development of the Company.</p> <p>The Company engages for a work environment that prioritizes the health, safety, fulfilment, and overall well-being of all employees and workers.</p>
Suppliers & distributor partners	No	<ul style="list-style-type: none"> <li>• Direct discussions</li> <li>• Conducting training and orientation programs</li> <li>• Supplier questionnaires and onboarding platform</li> <li>• E-mails and phone calls</li> <li>• Online &amp; offline Meetings</li> </ul>	Regular and continuous engagement	<p>Suppliers and distribution partners are an important catalyst for the Company to meet its commitments to customers.</p> <p>The Company actively fosters relationships with vendors to ensure a responsible and efficient supply chain.</p>



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	<ul style="list-style-type: none"> <li>Financial results</li> <li>Investor presentations</li> <li>Analyst presentations</li> <li>Annual General Meetings</li> <li>Investor relations section on Lux's website</li> <li>Press releases</li> <li>Annual reports</li> </ul>	Annually/Quarterly/ Need-based	As providers of capital, it is critical to keep the Company's investors informed of prospects and material developments impacting the Company
Government and regulatory authorities	No	<ul style="list-style-type: none"> <li>Statutory and regulatory audits and compliances</li> <li>Participation in industry bodies</li> <li>Involvement in government sponsored programs</li> </ul>	Regular and continuous engagement	<p>Closely following and contributing to the regulatory agenda and adhering to the compliance requirements drives the Company's ability to produce, market, and distribute the products</p> <p>The Company strives to comply with all current and evolving statutory requirements.</p>
Communities	Yes	<ul style="list-style-type: none"> <li>As a part of CSR, we engage with communities.</li> </ul>	Regular and on-going	The Company engages with communities through its CSR arm-Lux Foundation, which further engages with various registered trusts and/or section 8 companies.

## Leadership Indicators

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company management is actively involved in all aspects of the economic, environmental, and social aspects. As a part of this process, the Company engages with all the key internal and external stakeholders to understand their ideas, concerns, and incorporate their views into the business strategy and processes.

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company effectively uses stakeholder consultation to support the identification and management of environmental and social topics. For instance, the Company's clean energy initiatives, employee health, safety, and well-being programs, and CSR focus areas are a direct result of active engagement with stakeholders.

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company's CSR initiatives are designed to address the concerns of vulnerable and marginalized stakeholder groups, based on the feedback and insights gathered through discussions with local communities and implementation partners.

**PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS****Essential Indicator**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees workers covered (B)	% (B/A)	Total (C)	No. of employees workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	1,777	1,777	100%	-	-	-
Other than permanent	0	0	0	-	-	-
<b>Total Employees</b>	<b>1,777</b>	<b>1,777</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Workers</b>						
Permanent	1,278	1,278	100%	-	-	-
Other than permanent	0	0	0	-	-	-
<b>Total Workers</b>	<b>1,278</b>	<b>1,278</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>

2. Details of Minimum wages paid to Employees and workers in the following format

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wages		More than Minimum Wages		Total (D)	Equal to minimum wages		More than Minimum Wages	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	1,632	0	0%	1,632	100%	1,054	0	0%	1,054	100%
Female	145	0	0%	145	100%	94	0	0%	94	100%
<b>Total</b>	<b>1,777</b>	<b>0</b>	<b>0%</b>	<b>1,777</b>	<b>100%</b>	<b>1,148</b>	<b>0</b>	<b>0%</b>	<b>1,148</b>	<b>100%</b>
<b>Other than Permanent</b>										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Workers</b>										
<b>Permanent</b>										
Male	1,035	0	0%	1,035	100%	1,303	0	0%	1,303	100%
Female	243	0	0%	243	100%	227	0	0%	227	100%
<b>Total</b>	<b>1,278</b>	<b>0</b>	<b>0%</b>	<b>1,278</b>	<b>100%</b>	<b>1,530</b>	<b>0</b>	<b>0%</b>	<b>1,530</b>	<b>100%</b>
<b>Other than Permanent</b>										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

**3. Details of remuneration/salary/wages, in the following format:**

(Amount in ₹ /Per Annum)

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	1,80,00,000	-	-
Key Managerial Personnel	-	-	1	19,79,134
Employees other than BoD and KMP	1,626	2,90,250	144	2,47,308
Workers	1,035	1,55,000	243	1,39,331

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?**

Yes, the Company's human resources team works in close collaboration with relevant stakeholders to ensure compliance with all applicable laws and regulations related to human rights.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company places high priority on human rights issues. The Code of Conduct ensures that all the employees, suppliers, and vendors respect human rights not only among themselves but also within the communities in which they operate. The Company has an Internal Complaints Committee to address any sexual harassment cases at the workplace. The Company prohibits child labour, forced labour, and involuntary labour in the workplace. Through a proactive approach, the Company is committed to addressing any concerns related to human rights that may arise and take appropriate actions to mitigate them. The management regularly reviews and updates the scope of the human rights procedures to ensure that they remain aligned with industry standards and regulations.

**6. Number of Complaints on the following made by employees and workers:**

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour /Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company is committed to providing a work environment that ensures every employee is treated with dignity, respect and equality. The Company has zero tolerance towards sexual or any form of harassment. Any act of harassment invites serious disciplinary action. The Company has established policy against Sexual Harassment for its employees and workers. The Company has also constituted an internal complaint committee, for Prevention of Sexual Harassment. The policy allows any employee to freely report any such act without fear of retaliation and prompt action will be taken thereon. The employees can use multiple channels to raise any issue through email, letters and suggestion boxes or even directly approach the human resources team or the management.

**8. Do human rights requirements form part of your business agreements and contracts?**

The Company's contracts may not explicitly incorporate all clauses pertaining to human rights. But the Company actively engages and encourages all of its business partners – Suppliers / Distributors / NGO partners – to adopt responsible and ethical standards in all their practices and comply with all relevant laws and regulations.

**9. Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	Nil
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not Applicable

**Leadership Indicators****1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Not Applicable

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

Not Applicable

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

The Company ensures that its premises and offices doesn't cause inconvenience to the differently-abled visitors. Additionally, the Company orients its employees to be mindful and sensitive towards the needs of the differently-abled people at all times.

**4. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Child labour	Nil
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not Applicable.

**PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT**

**Essential Indicator**

**1. Details of total energy consumption (Giga Joules) and energy intensity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	31,181	30,245
Total fuel consumption (B)	4,334	5,349
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	<b>35,515</b>	<b>35,594</b>
Energy intensity per crore of turnover ( <i>Total energy consumption/ turnover in crores</i> )	15.11	15.75

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable.

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	3,677	3,547
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>3,677</b>	<b>3,547</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>3,677</b>	<b>3,547</b>
<b>Water intensity per crore rupee of turnover (Water consumed / Turnover in crores)</b>	1.56	1.57

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

No, the Company's usage of water is very minimal and is restricted to human consumption and sanitation purposes only. The Company ensures that water is consumed judiciously and that the waste water from offices and factories are not let into any fresh water bodies.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

The Company does not emit any significant emissions or pollutants.

Parameter*	Please specify unit	FY 2022-23	FY 2021-22
NOx	-	NA	NA
SOx	-	NA	NA
Particulate matter (PM)	-	NA	NA
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	NA	NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	347	420
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	6,066	5,763
<b>Total Scope 1 and Scope 2 t-Co<sub>2</sub>e emissions per Crore rupee of turnover</b>		2.73	2.74

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

The Company's fabric knitting, cutting, and stitching activities does not involve combustion of fossil fuels in its facilities. However, the Company is dedicated to minimizing its environmental impact. At Dankuni plant, one of the largest facilities, the Company has installed 1 MW of solar power capacity, which now contributes to about 35% of the energy consumption in the plant. Building on the success of this initiative, the Company continues exploring opportunities to reduce its reliance on grid-based electricity and further minimize its greenhouse gas emissions footprint.

The Company also manages vehicles more efficiently for freight and transportation, aiming to reduce trips and optimize bulk cargo to lower fuel consumption and resulting carbon emissions. Departmental managers are educated about the environmental impact of inefficient transportation. These efforts benefit the Company both economically and environmentally.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	76	85
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any.	1,734	2,486
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>1,810</b>	<b>2,571</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	1,810	2,571
<b>Total</b>	<b>1,810</b>	<b>2,571</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company's fabric knitting, cutting, and stitching activities do not involve dealing with any hazardous waste in its facilities. However, even for non-hazardous waste, we follow the principles of reduce, recycle and reuse. Our procurement practices and state-of-the-art computerized cutting processes aim to minimize waste at the source. The waste generated from these activities, such as cloth cuttings, is made from natural yarn and is easily recyclable. About 95% of this waste is sold to recyclers, who use it as input in other industries. The Company strives to minimize plastic in its packing, wherever possible, and any residual plastic is sold to authorized vendors. Other paper-based packing materials are recyclable and sold to responsible vendors.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	NA	NA	NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The Company is in compliance with all applicable environmental regulations and legislations				

## Leadership Indicators

1. Provide break-up of the total energy consumed (in Giga Joules) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources</b>		
Total electricity consumption (A)	3,538	3,982
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>3,538</b>	<b>3,982</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	27,643	26,263
Total fuel consumption (E)	4,334	5,349
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>31,977</b>	<b>31,612</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Provide the following details related to water discharged:

The Company's water usage is minimal and is limited to drinking and sanitation purposes.



**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

The Company doesn't operate any facilities in water stressed areas

**4. Please provide details of total Scope 3 emissions & its intensity**

Not Applicable

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Solar panel	-	Solar energy contributing about 35% of the energy consumption in the Dankuni plant.
2	Installation of capacitors	-	It improves the plant load factor and also helps in lowering the energy consumption.

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, the Company has a business continuity plan that is covered under risk management policy. The business continuity plan highlights the guidelines for dealing with disaster and processes to deal with the operations during such disruptions. The Company's BCP plan includes assessing the impact of disasters, the ideal response to such situations, and recouping mechanisms to bring the business function back on track with minimal disruption.

[http://s3.amazonaws.com/luxs/ckeditors/pictures/333/original/Risk\\_Management\\_Policy\\_With\\_Stamp\\_for\\_Website.pdf](http://s3.amazonaws.com/luxs/ckeditors/pictures/333/original/Risk_Management_Policy_With_Stamp_for_Website.pdf)

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

The Company has partnered with external vendors for washing and dyeing processes. It ensures that production is done through those units who are adhering to the norms of Pollution Control Board (PCB) and are using approved dyes and chemicals. The Company also prefers those units that have efficient water management either by way of better liquor ratio and permissible discharge of treated water. The management regularly discusses with vendors and educates them on the safe usage of materials and proper personal protective equipment and prefers to engage with only those that align with the Company's vision.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

The Company prioritizes working with vendors who have Oeko-Tex certifications. This ensures that the products are free from harmful chemicals, promoting customers well-being and satisfaction. The Company commits to sustainability by supporting responsible manufacturing practices and contributing to a healthier and greener supply chain.

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT****Essential Indicator****1. a. Number of affiliations with trade and industry chambers/ associations.**

The Company has 7 affiliations with trade and industry chambers/ associations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Bharat Chamber of Commerce	National
2	Merchant Chamber of Commerce	State
3	Indian Chamber of Commerce	National
4	Federation of Hosiery Manufacturers Association of India	National
5	West Bengal Hosiery Association	State
6	South India Hosiery Association	State
7	Federation of Indian Export Organisations	State

**2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name and brief details of project	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable. No such corrective action was taken as there were no such adverse orders from regulatory authorities on any issue related to anti-competitive conduct.		

**Leadership Indicator****1. Details of public policy positions advocated by the entity.**

Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
NO				

**PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT****Essential Indicator****1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NO					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.

The community engagement initiatives, driven by CSR partners, business leaders, and the Company volunteers, ensures local development and fosters trust-based relationships between the Company and the local communities. In addition, the Company management actively engages with community members, listens to their concerns, and addresses any grievances that may arise. This approach helps build trust, reduces conflicts, and promotes a collaborative and harmonious relationship between the Company and the communities where it operates.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers: :

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	4% Cotton, yarn, Fabric	-
Sourced directly from within the district and neighbouring districts	The Company predominately procures most of the yarn from vulnerable / marginalized group and gets the garment making job from the vicinity of where the plants are present.	-

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
No SIAs were conducted during the current financial year	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
NA			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

The Company prioritizes purchasing from suppliers who belong to marginalized or vulnerable groups. The Company strongly believes in promoting inclusivity and economic empowerment. To achieve this, the Company actively seeks out partnerships with small, tiny, and cottage units for our garment-making job work. By engaging these suppliers, we not only contribute to their growth and sustainability but also create opportunities for individuals from marginalized communities to participate in the supply chain. This approach aligns with our commitment to social responsibility and creating a more equitable business ecosystem.

- (b) From which marginalized /vulnerable groups do you procure?

The Company prefers to engage with individuals from socioeconomically weaker sections who may face barriers to employment and economic opportunities. The Company's procurement approach provides them with opportunities for economic well-being and social development.

**(c) What percentage of total procurement (by value) does it constitute?**

A significant part of our garment marking job is from small, tiny, and cottage units.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
NA				

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
NA		

**6. Details of beneficiaries of CSR Projects:**

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Promotion of education (Help us Help them)	1000+	100% towards Girls
2	Promotion of sports (Through Dhanuka Dhunseri Foundation)	100+	100% towards marginalized and vulnerable
3	Social welfare (Rest Room for economically backward people and other social welfare measures)	1000+	100% towards marginalized and vulnerable
4	Making available safe drinking water (Through installation of water filter at public place.)	1,00,000+	100% towards marginalized and vulnerable
5	Ensuring wellbeing for all people (Reaching healthcare through focused intervention areas. Providing OPD and IPD services to the economically underprivileged groups.)	1500+	100% towards marginalized and vulnerable

**PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER****Essential Indicator****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company has a well-established system in place for dealing with consumer feedback. Consumers are provided multiple options to connect with the Company through email, telephone, website, social media, etc.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

All the products of the Company carry information as per the statutory guidelines.

Parameter	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

**3. Number of consumer complaints in respect of the following:**

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	-	-	No customer complaints are pending in the past financial year. The complaints were successfully resolved.	-	-	No customer complaints are pending in the past financial year. The complaints were successfully resolved.
Advertising	-	-		-	-	
Cyber-security	-	-		-	-	
Delivery of essential services	-	-		-	-	
Restrictive Trade Practices	-	-		-	-	
Unfair Trade Practices	-	-		-	-	
Other	-	-		-	-	

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy**

The Company considers data privacy a critical aspect. A cyber security framework has been developed and is followed in order to take appropriate security measures.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

The corrective action is not warranted as there were no complaints.

**Leadership Indicators**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The Company discloses all relevant information about our products, business statutory information on its website and other social media platforms to ensure effective and continuous stakeholder engagement from time to time. The web link for our website is [www.luxinnerwear.com](http://www.luxinnerwear.com)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Company educates consumers by highlighting product information regarding its quality and features through labels which are available on products. Further, information is also highlighted on our Company's website and app.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Not Applicable

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, the Company displays all requisite product information on the product features and safe usage.

**5. Provide the following information relating to data breaches:**

a. Number of instances of data breaches along-with impact: Nil

b. Percentage of data breaches involving personally identifiable information of customers : Nil

## ANNEXURE 'K' TO BOARD'S REPORT

## Appointment and Remuneration of Managerial Personnel

- a. Pursuant to Section 197 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, and Company Secretary, during the Financial Year 2022-23, are as under:

Sr. No.	Name of the Director/KMP	Director Identification Number(DIN)	Designation	% increase of remuneration in the financial year 2022-23	Ratio of remuneration to MRE(i)
1	Ashok Kumar Todi <sup>^</sup>	00053599	Whole-Time Director	5	202.66
2	Pradip Kumar Todi <sup>^</sup>	00246268	Managing Director	5	202.66
3	Navin Kumar Todi#	00054370	Executive Director	17	81.07
4	Rahul Kumar Todi#	00054279	Executive Director	17	81.07
5	Saket Todi#	02821380	Executive Director	17	81.07
6	Udit Todi#	02017579	Executive Director	17	81.07
7	Saurabh Kumar Bhudolia*	AISPB8804D	Chief Financial Officer	55	51.79
8	Smita Mishra	BCLPM5354D	Company Secretary and Compliance Officer	10	8.91

<sup>^</sup> There is no change in remuneration of Mr. Ashok Kumar Todi and Mr. Pradip Kumar Todi in Financial year 2022-23. The percentage change in remuneration in financial year 22-23 is due to revision in remuneration for part of financial year 2021-22.

# Mr. Navin Kumar Todi, Mr. Rahul Kumar Todi, Mr. Saket Todi and Mr. Udit Todi were appointed as Executive directors w.e.f. 25.05.2021 in FY 2021-22 and their remunerations paid were for the part of the year. Their actual remuneration has not increased during FY 22-23.

\* Mr. Saurabh Kumar Bhudolia resigned as CFO w.e.f. 15.01.2023 and thus the increase in remuneration for the financial year 2022-23 is calculated on pro-rata basis.

- (1) MRE – Median Remuneration of employees based on annualised salary.
- (ii) Sitting fees paid to Non-executive Independent Directors during the year is not considered as remuneration for ratio calculation purpose. There was no change in the amount of sitting fees for every Board or Committee meeting attended by each Director.
- (2) The Median Remuneration of Employees (MRE) of the Company during the financial year was ₹ 2,22,042/-
- (3) In the financial year, there was increase of 110.45% in the Median Remuneration of Employees.
- (4) No. of permanent employees on the rolls of Company as on 31st March 2023 was 3,055.
- (5) Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year was 43% whereas the increase in the managerial personnel was 12%. 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.
- (6) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, and other Employees.

b. Pursuant to Section 197 and Rule 5(2 &3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the statement showing the list of top ten employees and their remuneration for the Financial Year 2022-23:

Sr. No.	Name of Employee	Designation	Remuneration received (₹ in crores)	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, if any	The percentage of equity shares held by the employee in the Company#	Whether such employee is a relative of any other director or manager of the Company	Nature of employment, whether contractual or otherwise
1	Ashok Kumar Todi	Chairman	4.50	Bachelor of Commerce, 43+ years of experience	21-Jul-95	64 years	NA	12.17%	Elder brother of Mr. Pradip Kumar Todi, Father of Mr. Saket Todi and Uncle of Mr. Udit Todi, Mr. Navin Kumar Todi and Mr. Rahul Kumar Todi	Permanent
2	Pradip Kumar Todi	Managing Director	4.50	Bachelor of Commerce, 40+ years of experience	21-Jul-95	60 years	NA	14.68%	Younger brother of Mr. Ashok Kumar Todi, Father of Mr. Udit Todi and Uncle of Mr. Saket Todi, Mr. Navin Kumar Todi and Mr. Rahul Kumar Todi	Permanent
3	Navin Kumar Todi	Executive Director	1.80	Bachelor of Commerce, 22+ years of experience	25-May-21	42 years	NA	1.08%	Nephew of Mr. Ashok Kumar Todi and Mr. Pradip Kumar Todi, Elder brother of Mr. Rahul Kumar Todi and Cousin of Mr. Saket Todi and Mr. Udit Todi	Permanent
4	Rahul Kumar Todi	Executive Director	1.80	Post Graduate (Marketing), 18 years of experience	25-May-21	41 years	NA	1.53%	Nephew of Mr. Ashok Kumar Todi and Mr. Pradip Kumar Todi, Younger brother of Mr. Navin Kumar Todi and Cousin of Mr. Saket Todi and Mr. Udit Todi	Permanent
5	Saket Todi®	Executive Director	1.80	Post Graduate (Brand Management), 10 years of experience	01-Apr-14	33 years	NA	2.64%	Son of Mr. Ashok Kumar Todi, Nephew of Mr. Pradip Kumar Todi, Cousin of Mr. Navin Kumar Todi, Mr. Rahul Kumar Todi and Mr. Udit Todi	Permanent
6	Udit Todi®	Executive Director	1.80	MSC in Finance, Economics (Hons.), 10 years of experience	01-Apr-14	33 years	NA	2.79%	Nephew of Mr. Ashok Kumar Todi, Son of Mr. Pradip Kumar Todi, Cousin of Mr. Navin Kumar Todi, Mr. Rahul Kumar Todi and Mr. Saket Todi	Permanent

Sr. No.	Name of Employee	Designation	Remuneration received (₹ in crores)	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, if any	The percentage of equity shares held by the employee in the Company#	Whether such employee is a relative of any other director or manager of the Company	Nature of employment, whether contractual or otherwise
7	Saurabh Kumar Bhudolia*	Chief Financial Officer (CFO)	1.15	CA, 19+ years of experience	18-Jan-21	40 years	Future Lifestyle Fashions Limited.	-	Not Applicable	Permanent
8	Udai Kumar Agarwal*	Chief Operating Officer (COO)	0.56	CA, CMA, 30+ years of experience	01-Jul-22	56 years	Anaadih Vincom Private Limited.	-	Not Applicable	Permanent
9	Jitendra Kumar Shah	Vice President-Finance	0.74	CA, 30+ years of experience	01-Jun-20	57 years	Duncan Industries Limited.	-	Not Applicable	Permanent
10	Bibeknanda Maity	Chief Information Officer (CIO)	0.48	MBA, PGDCA, MCA, 25+ years	02-Nov-15	53 years	Aryan Mining & Trading Corporation Limited.	-	Not Applicable	Permanent

#The percentage of equity shares held by the Employee in the Company is as on March 31, 2023.

@Mr. Saket Todi and Mr. Udit Todi joined the Company as President (Marketing) and President (Strategy) respectively and subsequently were appointed as Executive Directors of the Company w.e.f. 25th May, 2021.

\*Mr. Saurabh Kumar Bhudolia resigned from Company w.e.f. 15th January 2023.

\*Mr. Udai Kumar Agarwal joined as President Operations w.e.f. 01st July 2022 and was designated as Chief Operating Officer w.e.f. 15th November, 2022.

**Notes: -**

- Details of Employees employed throughout the financial year who were in receipt of the remuneration for that year which, in aggregate, was not less than ₹1.02 Crore are: 7 (as per table given above).
- Employees employed for a part of the financial year and who were in receipt of the remuneration during for that financial year at a rate not less than ₹8,50,000 per month: Nil.
- Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: Nil
- Employees posted and working in a country outside India, not being directors or their relatives, drawing more than sixty lakhs rupees per financial year or five lakh rupees per month: Nil.

**For and on behalf of the Board of Directors**

**Sd/-**  
**Ashok Kumar Todi**  
 Chairman  
 DIN: 000535599

Place: Kolkata  
 Date: May 30, 2023



## ANNEXURE 'L' TO BOARD'S REPORT

### 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

Sr. No.	Particulars	Details (₹ in crores, wherever applicable)
1	Name of the subsidiary	Artimas Fashions Private Limited
2	The date since when subsidiary was acquired	May 25, 2017
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
5	Equity Share capital	0.2
6	Reserves & surplus	(22.41)
7	Total assets	38.33
8	Total Liabilities	60.54
9	Investments	-
10	Turnover	24.72
11	Profit before taxation	(9.32)
12	Provision for taxation	(0.02)
13	Profit after taxation	(9.3)
14	Proposed Dividend	NIL
15	% of shareholding	50.97%

#### Notes: -

- Names of subsidiaries which are yet to commence operations: Not applicable.
- Names of subsidiaries which have been liquidated or sold during the year: Not applicable.

##### Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: The Company does not have any associates or no joint venture, therefore, the requirement under this part is not applicable to the Company

#### For and on behalf of the Board of Directors

May 30, 2023 Kolkata	Sd/- <b>Ashok Kumar Todi</b> Chairman (DIN - 00053599)	Sd/- <b>Pradip Kumar Todi</b> Managing Director (DIN - 00246268)	Sd/- <b>Smita Mishra</b> Company Secretary (Mem No - A26489)
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**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, 2023**

**A. CONSERVATION OF ENERGY****i) The steps taken or impact on conservation of energy:-**

Our Company continuously strives to conserve energy and source it from renewable sources. In our plants, we install energy-efficient LED lights for energy conservation.

Further, the maintenance and improvement of machinery and equipments are made from time to time keeping energy efficiency in mind. The Company has installed capacitors at its plants, which has helped Company reducing its energy consumption.

**ii) The steps taken by the Company for utilizing alternate source of energy:-**

The Company has installed 1 Mega-watt solar power plants at its Dankuni Unit located in West Bengal as an alternate renewable energy source. Additionally, it is in the process of upgrading other units with the same or other technology.

**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. However, Company prioritize investing as much as 20-30% in automated equipment over standard equipment for energy efficiency.

**B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION****a. Expenditure on Research & Development (R & D):-**

R & D are carried out separately by the Hosiery Association. There is therefore no expenditure incurred on this account.

**b. Technology absorption, adaptation and innovation:-**

(i) The efforts made towards technology absorption: The Company keeps a close watch on the technological developments pertaining to its industry. Up-gradation and replacement of old machines is done as and when required in order to maintain high quality of output.

(ii) The benefits derived through use of the machines: By using new technology, the Company is able to produce the finest quality of knitted products. It has enabled to reduce wastage, expedite the production process and reduction in the inventory of Work in Progress(WIP).

(iii) In case of imported technology [imported during the last three (3) years reckoned from the beginning of the financial year]:

(a) The Company has imported following machines with the latest and updated technology:-

- Sewing & Stitching Machine from Pegasus Sewing Machine Pte Ltd., Singapore
- Knitting Machine from United Texmac PTE, Singapore.
- Knitting Machine from Fujiyan Baiyuan, China.
- Cutting Machine, Morgan Tecnica, Italy.
- Cutting Machine, Tianjin Richpeace, China

- Sewing Machine, Sewing Solution, Hong Kong
- Sewing Machine, Juki Singapore Pte Ltd., Singapore
- Sewing Machine, Morimoto Singapore Pte Ltd, Singapore
- Sewing Machine, Brother Machinery (Asia) Ltd, Hong Kong.

(b) The year of import: F.Y. 2022-23.

(c) Whether technology has been fully absorbed: Yes.

### 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 Southeast Countries.

b. Information in respect of Foreign Exchange Earning and Outgo is given below: (₹ in crores)

Sl. No.	Particulars	Current Year	Previous Year
i)	<b>Earning</b>	181.71	158.68
ii)	<b>Outgo</b>		
	Capital Goods	17.31	8.18
	Raw material	7.29	Nil
	Others	4.87	5.66
	<b>Total</b>	<b>29.47</b>	<b>13.84</b>

For and on behalf of the Board of Directors

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

Place: Kolkata  
 Date: May 30, 2023

# Independent Auditor's Report

To the Members of  
**Lux Industries Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Lux Industries Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as 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 together with the 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 audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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><b>Revenue from sale of goods</b> (as described in note 22, to the standalone financial statements)</p> <p>The Company recognizes revenues 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. In determining the sales price, the Company considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• Considered the appropriateness of the Company's revenue recognition policy in terms of Ind AS 115 'Revenue from contracts with customers'.</li> <li>• Assessed the design and tested the operating effectiveness of internal financial controls related to revenue recognition.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>The risk is, therefore, that revenue may not be recognised in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it is determined to be a key audit matter in our audit of the standalone financial statements.</p>	<ul style="list-style-type: none"> <li>• Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized in accordance with Ind AS 115.</li> <li>• Selected sample of sales transactions made pre- and post-year end and tested the period of revenue recognition based on underlying documents.</li> <li>• Selected samples of rebates and discounts during the year, compared them with the supporting documents and performed re-calculation of those variable considerations as per scheme documents.</li> <li>• Assessed the adequacy of relevant disclosures made in the standalone financial statements.</li> </ul>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone 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 and, in doing so, consider whether such 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.

### Responsibilities of Management 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 financial statements

that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 standalone financial statements that give 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 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 control 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 Company has adequate internal financial controls with reference to financial statements 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 and Board of Directors.
- 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 Company's ability 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 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the standalone financial statements for the financial year ended March 31, 2023 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**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement

on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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, as amended 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 standalone financial statements – Refer Note 31 to the standalone 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
- iv. a) As represented by the management, to the best of its knowledge and belief, and as more fully disclosed in note 45 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) As represented by the management, to the best of its knowledge and belief, and as more fully disclosed in note 45 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate

Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Board of Directors has recommended final dividend for the financial year ended March 31, 2023 which is subject to approval of the shareholders in the Annual General Meeting. The final dividend declared is in accordance with section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit

log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For S K AGRAWAL AND CO  
CHARTERED ACCOUNTANTS LLP**

Chartered Accountants

ICAI Firm Registration Number: 306033E/E300272

**Sandeep Agrawal**

(Partner)

Membership Number: 058553

UDIN: 23058553BGYOHG3228

Place of Signature: Kolkata

Date: 30 May, 2023



## Annexure 1 referred to in paragraph under the heading “Report on other legal and regulatory requirements” of our report of even date

### Re: Lux Industries Limited (“the Company”)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification of all the Property, Plant and Equipment over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 4 to the standalone financial statements included in property, plant and equipment are held in the name of the Company except for the following:

Description of Property	Gross carrying value (amount in ₹ Crores)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Freehold land- Barasat	2.32	Ebell Fashions Private Limited	NA	21 September 2020	Ebell Fashions Private Limited has been merged with the Company w.e.f from 1 April 2020. Registration is pending in the name of the Company.
Office Building- Agra	0.26	J M Hosiery Co Limited	NA	21 December 2006	J M Hosiery Co Limited has been merged with the Company w.e.f from 1 April 2020. Registration is pending in the name of the Company.
Office Building- Tirupur Jm	3.27	J M Hosiery Co Limited	NA	1 April 2015	

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2023 and discrepancies were not noticed in respect of such confirmations. No discrepancies of 10% or more in aggregate for each class of inventory were noticed by the Company.
- (b) As disclosed in note 44 to the financial statements,

the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

- iii) (a) During the year, the Company has not provided fresh loans or advance in nature of loans, or stood guarantee, or provided security to any entity. . Balance outstanding as on 31 March 2023 in respect of corporate guarantee given on behalf of subsidiary company is INR 18.38 Cr.
- (b) Investment made during the year are prima facie not prejudicial to the interest of the Company. The Company has not provided loans or provided security or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.
- (c) The Company has not granted loan or advances in the nature of loans to firms, Limited Liability Partnerships or any other parties. Accordingly the requirement to report under the clause 3(iii) (c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.
- iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

- v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- 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) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. During the year, the Company did not have any undisputed dues towards sales-tax, service tax, duty of excise and value added tax. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (In Crores)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
West Bengal Sales Tax Act	Sales Tax	0.50	2003-04 & 2004-05	High Court, Kolkata
Punjab Vat Act, 2005	Sales Tax	0.12	2002-03 To 2005-06	Deputy Commissioner (Appeal) Ludhiana, Excise and Taxation
The Finance Act, 1994	Service Tax	1.36	2007-08 To 2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1994	Penalty	3.79	2011-12 & 2012-13	Customs, Excise and Service Tax Appellate Tribunal
WBGST/CGST ACT	GST	8.40	2022-23	Order pending before Deputy Commissioner of State Tax

- viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The term loans were applied for the purpose for which they were raised.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary company.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary company. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given by the management, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- xiv) (a) According to the information and explanations given by the management, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv) According to information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause

- (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs as part of the Group. Accordingly, the reporting under Clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses in the current year as well as in the immediately preceding financial year respectively.
- xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix) (a) On the basis of the financial ratios as disclosed in Note 43 to the standalone financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) As disclosed in Note 34 of the standalone financial statements, there are no unspent amount which is required to be transferred in compliance with Section 135(5) and 135(6) of the Companies Act, 2013

**For S K AGRAWAL AND CO  
CHARTERED ACCOUNTANTS LLP**

Chartered Accountants

ICAI Firm Registration Number: 306033E/E300272

**Sandeep Agrawal**

(Partner)

Membership Number: 058553

UDIN: 23058553BGYOHG3228

Place of Signature: Kolkata

Date: 30 May, 2023

## Annexure 2 to the Independent Auditor's report of even date on the standalone financial statements of Lux Industries Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Lux Industries Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone 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 the 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 judgement, 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 with reference to these standalone financial statements.

### Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements 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 controls with reference to standalone financial statements 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 With Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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, adequate internal financial controls with reference to standalone financial statements and such internal financial

controls with reference to standalone financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

**For S K AGRAWAL AND CO  
CHARTERED ACCOUNTANTS LLP**

Chartered Accountants

ICAI Firm Registration Number: 306033E/E300272

**Sandeep Agrawal**

(Partner)

Membership Number: 058553

UDIN: 23058553BGYOHG3228

Place of Signature: Kolkata

Date: 30 May, 2023

# Standalone Balance Sheet as at March 31, 2023

(₹ in crores)

	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>A Non-current assets</b>			
Property, plant and equipment	4	260.75	215.77
Capital work-in-progress	4	49.82	33.77
Other intangible assets	4	0.04	0.01
Right of use assets	4	22.81	15.17
Financial assets			
Investments	5	0.19	0.19
Other financial assets	6	6.93	5.52
Other non-current assets	7	8.11	17.16
<b>Total Non-current assets</b>		<b>348.65</b>	<b>287.59</b>
<b>B Current assets</b>			
Inventories	8	663.88	814.92
Financial assets			
Investments	8A	103.45	61.58
Trade receivables	9	793.48	636.28
Cash and cash equivalents	10	27.10	52.38
Bank balance other than above	11	0.10	16.56
Other financial assets	6	5.42	3.90
Current tax assets	12	6.60	1.28
Other current assets	13	135.90	97.31
<b>Total Current assets</b>		<b>1,735.93</b>	<b>1,684.21</b>
<b>TOTAL ASSETS</b>		<b>2,084.58</b>	<b>1,971.80</b>
<b>EQUITY AND LIABILITIES</b>			
<b>C Equity</b>			
Equity share capital	14	6.26	6.26
Other equity	15	1,456.98	1,310.24
<b>Total Equity</b>		<b>1,463.24</b>	<b>1,316.50</b>
<b>D Non-current liabilities</b>			
Financial liabilities			
Borrowings	16	7.02	13.89
Lease liabilities	17	21.06	14.51
Deferred tax liabilities (Net)	29	3.94	3.62
Provisions	18	9.07	7.19
<b>Total Non-current liabilities</b>		<b>41.09</b>	<b>39.21</b>
<b>E Current liabilities</b>			
Financial liabilities			
Borrowings	16	198.50	285.90
Lease liabilities	17	4.09	2.00
Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	19	41.07	4.89
B) total outstanding dues of creditors other than micro enterprises and small enterprises	19	276.19	272.83
Other financial liabilities	20	51.27	40.08
Provisions	18	1.52	1.15
Other current liabilities	21	7.61	9.24
<b>Total current liabilities</b>		<b>580.25</b>	<b>616.09</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,084.58</b>	<b>1,971.80</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 LLP**

Chartered Accountants

ICAI Firm Registration No. 306033E/E300272

**Sandeep Agrawal**

Partner

Membership no. 058553

Place : Kolkata

Dated: 30 May, 2023

**Ashok Kumar Todi**

Chairman

(DIN - 00053599)

**Pradip Kumar Todi**

Managing Director

(DIN - 00246268)

**Smita Mishra**

Company Secretary

(Mem No - A26489)

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

**Standalone Statement of Profit and Loss** for the year ended March 31, 2023

(₹ in crores)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
I. Revenue from operations	22	2,367.97	2,273.00
II. Other Income	23	18.79	16.99
<b>III. Total income (I+II)</b>		<b>2,386.76</b>	<b>2,289.99</b>
<b>IV. Expenses</b>			
Cost of raw materials consumed	24	1,053.69	1,185.15
Purchases of traded goods	24	57.06	17.64
(Increase) / decrease in inventories of finished goods, work-in-progress & traded goods	24	122.79	(336.05)
Employee benefit expense	25	116.43	84.94
Finance costs	26	21.79	13.89
Depreciation and amortization expense	27	19.09	17.58
Other expenses	28	797.72	847.57
<b>Total expenses (IV)</b>		<b>2,188.57</b>	<b>1,830.72</b>
<b>V. Profit Before Exceptional Item &amp; Tax (III - IV)</b>		<b>198.19</b>	<b>459.27</b>
<b>VI. Tax expense</b>			
(i) Current tax	29	51.09	116.88
(ii) Deferred tax	29	0.32	(0.73)
(iii) Income tax for earlier years		0.02	1.73
<b>Income tax expense (i+ii+iii)</b>		<b>51.43</b>	<b>117.88</b>
<b>VII. Profit for the Year (V-VI)</b>		<b>146.76</b>	<b>341.39</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)		(0.03)	0.68
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.01	(0.17)
<b>Other comprehensive income for the year (net of tax) (i-ii)</b>		<b>(0.02)</b>	<b>0.51</b>
<b>Total comprehensive income for the period, net of income tax (VII + VIII)</b>		<b>146.74</b>	<b>341.90</b>
<b>Profit for the year</b>		<b>146.76</b>	<b>341.39</b>
<b>Earnings per equity share [nominal value of share ₹ 2 (March 31, 2022 ₹ 2)]</b>			
Basic in ₹ per share	30	48.80	113.53
Diluted in ₹ per share	30	48.80	113.53
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**

Chartered Accountants

ICAI Firm Registration No. 306033E/E300272

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

**Sandeep Agrawal**

Partner

Membership no. 058553

Place : Kolkata

Dated: 30 May, 2023

**Ashok Kumar Todi**

Chairman

(DIN - 00053599)

**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, 2023

(₹ in crores)

	Year ended March 31, 2023 Audited	Year ended March 31, 2022 Audited
<b>Cash flows from operating activities</b>		
Profit before tax	198.19	459.27
<b>Adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expense	19.09	17.58
Interest on lease liability	1.96	1.58
Finance costs - others	19.83	12.31
Profit on sale of property, plant and equipment	(0.02)	(3.48)
Loss on sale of property, plant and equipment	1.20	0.01
Loss on discard of assets	0.09	0.08
Finance income	(4.42)	(8.03)
Provision for doubtful advances (net)	(1.72)	1.85
Bad debt (net)	0.34	0.69
Liabilities written back	(7.88)	-
Net gain on sale of current investments	(0.84)	(0.44)
Gain on investment carried at fair value through profit or loss	(0.18)	0.02
<b>Operating profit before working capital changes</b>	<b>225.64</b>	<b>481.44</b>
<b>Movements in working capital:</b>		
(Increase) / decrease in trade and other receivables	(155.82)	(185.05)
(Increase) / decrease in inventories	151.04	(351.28)
(Increase) / decrease in other assets	(41.68)	(44.38)
Increase / (decrease) in trade and other payables	47.42	2.32
Increase / (decrease) in other liabilities	11.84	6.38
<b>Cash generated from / (used in) operations</b>	<b>238.44</b>	<b>(90.57)</b>
Direct taxes paid (Net of refunds)	(56.43)	(134.46)
<b>Net cash flow from / (used in) operating activities</b>	<b>182.01</b>	<b>(225.03)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital advances)	(84.33)	(75.25)
Proceeds from sale of property, plant and equipment and intangible assets	15.64	8.36
Investment in equity shares of subsidiary company	-	-
Sale/(purchase) of investments (net)	(40.85)	14.14
(Increase)/decrease in term deposit	16.84	87.55
Finance income	4.27	9.38
<b>Net cash flow from / (used in) investing activities</b>	<b>(88.43)</b>	<b>44.18</b>

**Standalone Statement of Cash Flows** for the year ended March 31, 2023

(₹ in crores)

	<b>Year ended March 31, 2023 Audited</b>	<b>Year ended March 31, 2022 Audited</b>
<b>Cash flows from financing activities</b>		
Proceeds/ (repayment) of non-current borrowings	(6.87)	1.88
Proceeds/ (repayment) of current borrowings	(87.40)	198.84
Finance costs - others	(19.89)	(11.77)
Dividend Paid	-	(36.09)
Payment of lease liability - principal	(2.74)	(2.34)
Payment of lease liability - interest	(1.96)	(1.58)
<b>Net cash flow from / (used in) in financing activities</b>	<b>(118.86)</b>	<b>148.94</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(25.28)</b>	<b>(31.91)</b>
Cash and cash equivalents at the beginning of the year	52.38	84.29
Cash and cash equivalents at the end of the year	27.10	52.38
Components of Cash and cash equivalents		
Cash in hand	1.03	0.66
Balances with banks	26.07	51.72
<b>Total Cash and cash equivalents</b>	<b>27.10</b>	<b>52.38</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 LLP**

Chartered Accountants

ICAI Firm Registration No. 306033E/E300272

**Sandeep Agrawal**

Partner

Membership no. 058553

Place : Kolkata

Dated: 30 May, 2023

**Ashok Kumar Todi**

Chairman

(DIN - 00053599)

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

**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, 2023

## a. Equity share capital

	No. of shares	₹ in crores
Equity shares of ₹2 each issued, subscribed and fully paid		
As at March 31, 2021	2,52,53,000	5.30
Changes in equity share capital during the period	48,18,681	0.96
As at March 31, 2022	3,00,71,681	6.26
Changes in equity share capital during the period	-	-
As at March 31, 2023	3,00,71,681	6.26

## b. Other Equity

(₹ in crores)

	Capital Redemption Reserve	Securities premium	Capital Reserve	General reserve	Retained earnings	Total
Balance as at April 1, 2021	56.00	39.29	2.80	14.78	891.56	1,004.43
Add: Profit for the year	-	-	-	-	341.39	341.39
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-	-	-	0.51	0.51
Less: Dividend	-	-	-	-	36.09	36.09
Balance as at March 31, 2022	56.00	39.29	2.80	14.78	1,197.37	1,310.24
Add: Profit for the year	-	-	-	-	146.76	146.76
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-	-	-	(0.02)	(0.02)
Less: Dividend	-	-	-	-	-	-
Balance as at March 31, 2023	56.00	39.29	2.80	14.78	1,344.11	1,456.98

### Nature and Purpose Of Reserves:

- (A) **Capital Redemption Reserve:** This reserve has been created for 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.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**

Chartered Accountants

ICAI Firm Registration No. 306033E/E300272

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

**Sandeep Agrawal**

Partner

Membership no. 058553

Place : Kolkata

Dated: 30 May, 2023

**Ashok Kumar Todi**

Chairman

(DIN - 00053599)

**Pradip Kumar Todi**

Managing Director

(DIN - 00246268)

**Smita Mishra**

Company Secretary

(Mem No - A26489)

## Notes to the Standalone financial statements for the year ended March 31, 2023

### 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 (Punjab) and Tirupur, in the state of Tamil Nadu.

### 2. Basis of preparation of Standalone financial statements

#### (a) Statement of compliance

These Standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable.

The Standalone financial statements were approved for issue by the Board of Directors of the Company at their meeting held on May, 30, 2023. The details of the Company's accounting policies are included in Note 3.

#### (b) Functional and presentation currency

These Standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest crores, unless otherwise indicated.

#### (c) Basis of measurement

The Standalone financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

- (i) Certain financial assets and financial liabilities measured at fair value;
- (ii) Assets held for sale-measured at the lower of its carrying amount and fair value less costs to sell; and
- (iii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

#### (d) Use of estimates and judgments

The preparation of the Company's Standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Standalone financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the Standalone 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 the Standalone financial statements for the year ended March 31, 2023

### 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 38 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 35 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 29 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 31 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 the Standalone financial statements for the year ended March 31, 2023

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 39.

### 3. Significant accounting policies

#### (a) Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realized within 12 months after the reporting date; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be settled in the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within 12 months after the reporting date; or
- (iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

##### Operating cycle

For the purpose of current/ non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

#### (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 recognized in Statement of Profit and Loss.

## Notes to the Standalone financial statements for the year ended March 31, 2023

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the Statement of Profit and Loss in the period in which they arise.

### (c) Financial instruments

#### (i) Recognition and initial measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

#### (ii) Classification and subsequent measurement

##### Financial assets

##### (a) Financial assets at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (b) Financial assets at FVOCI

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

##### (c) Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### (iii) Derecognition

##### Financial assets

The Company derecognizes a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

##### Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on

## Notes to the Standalone financial statements for the year ended March 31, 2023

the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of Profit and Loss.

### (iv) Off setting

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### (d) Property, plant and equipment & Intangible assets

#### (i) Recognition and measurement

##### ● Tangible assets and Capital Work in Progress

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

Property, plant and equipment under construction and not yet ready for their intended use are disclosed as Capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other 'Non-Current Assets'.

##### ● Intangible assets:

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly. The Intangible assets include Computer Software. Amortization of Intangible Assets is made based on management's evaluation of duration of life cycle of intangible assets.

#### (ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

#### (iii) Depreciation & Amortization

Depreciation and amortization for the year is recognized in the Statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method in the manner specified in Part C of Schedule II to the Companies Act, 2013. Depreciation for the assets purchased/ sold during a period is proportionately charged.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate. The estimated useful lives of the assets are as follows:



## Notes to the Standalone financial statements for the year ended March 31, 2023

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 the Standalone financial statements for the year ended March 31, 2023

### (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.

### (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

## Notes to the Standalone financial statements for the year ended March 31, 2023

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 recognized 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 recognizes 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 recognized.

#### **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 recognized on passage of control as per the terms of contract / incoterms.

Variable consideration in the form of volume rebates is recognized 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.

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.

## Notes to the Standalone financial statements for the year ended March 31, 2023

### (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 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.

## Notes to the Standalone financial statements for the year ended March 31, 2023

### (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 Knitwears. The Company also believes that even geographically, the product of the Company faces similar risk and returns and there is no separate segment that can be identified for the purpose of reporting under Ind AS 108 on "Segment Reporting".

### (r) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization

## Notes to the Standalone financial statements for the year ended March 31, 2023

(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

Pursuant to adoption of Ind AS 116, the Company recognized right-of-use assets and lease liabilities for those leases which were previously classified as operating leases, except for short-term leases and leases of low-value assets.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes 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 recognizes 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 recognized, 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 amortized 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 recognizes 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

## Notes to the Standalone financial statements for the year ended March 31, 2023

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 recognized 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 recognized 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 recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The company as a lessor classifies a lease either as an operating lease or a finance lease. Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### (u) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

Based on preliminary assessment, the Company does not expect the amendments listed above to have any significant impact in its financial statements

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 4 - Property, plant and equipment, Intangible assets, Right of use assets

(₹ in crores)

Particulars	Gross Block				Depreciation/ Amortization				Net Block		
	As at April 1, 2022	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2023	As at April 1, 2022	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	
<b>Tangible Assets</b>											
Land	62.80	34.29	16.88	80.21	-	-	-	-	80.21	62.80	
Building	88.78	7.14	-	95.92	13.94	2.83	-	16.77	79.15	74.84	
Plant & Equipments	98.23	24.06	-	122.29	34.80	9.19	-	43.99	78.30	63.43	
Office Equipments	2.13	0.69	-	2.82	1.61	0.22	-	1.83	0.99	0.52	
Furniture & Fixture	9.32	6.96	-	16.28	4.45	0.98	-	5.43	10.85	4.87	
Vehicle	17.24	4.07	0.31	21.00	7.93	2.10	0.28	9.75	11.25	9.31	
	<b>278.50</b>	<b>77.21</b>	<b>17.19</b>	<b>338.52</b>	<b>62.73</b>	<b>15.32</b>	<b>0.28</b>	<b>77.77</b>	<b>260.75</b>	<b>215.77</b>	
Capital Work in Progress	33.77	18.49	2.44	49.82	-	-	-	-	49.82	33.77	
<b>Sub Total (A)</b>	<b>312.27</b>	<b>95.70</b>	<b>19.63</b>	<b>388.34</b>	<b>62.73</b>	<b>15.32</b>	<b>0.28</b>	<b>77.77</b>	<b>310.57</b>	<b>249.54</b>	
<b>Intangible Assets</b>											
Computer software	2.06	0.05	-	2.11	2.05	0.02	-	2.07	0.04	0.01	
<b>Sub Total (B)</b>	<b>2.06</b>	<b>0.05</b>	<b>-</b>	<b>2.11</b>	<b>2.05</b>	<b>0.02</b>	<b>-</b>	<b>2.07</b>	<b>0.04</b>	<b>0.01</b>	
<b>Right of use Assets</b>											
Building	22.59	12.52	4.73	30.38	7.42	3.74	3.59	7.57	22.81	15.17	
<b>Sub Total (C)</b>	<b>22.59</b>	<b>12.52</b>	<b>4.73</b>	<b>30.38</b>	<b>7.42</b>	<b>3.74</b>	<b>3.59</b>	<b>7.57</b>	<b>22.81</b>	<b>15.17</b>	
<b>Total (A+B+C)</b>	<b>336.92</b>	<b>108.27</b>	<b>24.36</b>	<b>420.83</b>	<b>72.20</b>	<b>19.08</b>	<b>3.87</b>	<b>87.41</b>	<b>333.42</b>	<b>264.72</b>	

#### a. Capital Work in Progress - Ageing Schedule as at March 31, 2023

(₹ in crores)

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	March 31, 2023
Projects in progress #	18.49	28.03	3.30	-	49.82

# All the projects in progress includes capital work-in progress, whose completion is neither overdue nor exceeded its cost compared to its original plan.

(1) There is no project as on reporting period where activity has been suspended

#### b. Title Deeds of immovable property not held in the name of the company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property Plant And Equipment	Freehold Land	2.32	Ebell Fashions Private Limited	NA	21-Sep-20	Ebell Fashions Private Limited has been merged with the Company w.e.f 1 April 2020. Consequential updation of name in Government records is pending.
Property Plant And Equipment	Office Building	0.26	J M Hosiery & Co. Limited	Yes	21-Dec-06	J M Hosiery & Co. Limited has been merged with the Company w.e.f 1 April 2020. Consequential updation of name in Government records is pending.
Property Plant And Equipment	Office Building	3.27	J M Hosiery & Co. Limited	NA	01-Apr-15	J M Hosiery & Co. Limited has been merged with the Company w.e.f 1 April 2020. Consequential updation of name in Government records is pending.



# Notes to the Standalone financial statements for the year ended March 31, 2023

## NOTE: 4 - Property, plant and equipment, Intangible assets, Right of use assets (Previous Year) (contd...)

(₹ in crores)

Particulars	Gross Block				Depreciation/ Amortization				Net Block	
	As at April 1, 2021	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2022	As at April 1, 2021	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
<b>Tangible Assets</b>										
Land	44.62	21.53	3.35	62.80	-	-	-	-	62.80	44.62
Building	87.10	1.68	-	88.78	11.31	2.63	-	13.94	74.84	75.79
Plant & Equipments	77.33	21.03	0.13	98.23	25.83	9.01	0.04	34.80	63.43	51.50
Office Equipments	2.05	0.08	-	2.13	1.38	0.23	-	1.61	0.52	0.67
Furniture & Fixtures	8.43	0.89	-	9.32	3.66	0.79	-	4.45	4.87	4.77
Vehicles	14.20	4.09	1.05	17.24	7.21	1.65	0.93	7.93	9.31	6.99
	<b>233.73</b>	<b>49.30</b>	<b>4.53</b>	<b>278.50</b>	<b>49.39</b>	<b>14.31</b>	<b>0.97</b>	<b>62.73</b>	<b>215.77</b>	<b>184.34</b>
Capital Work in Progress	9.23	25.95	1.41	33.77	-	-	-	-	33.77	9.23
<b>Sub Total (A)</b>	<b>242.96</b>	<b>75.25</b>	<b>5.94</b>	<b>312.27</b>	<b>49.39</b>	<b>14.31</b>	<b>0.97</b>	<b>62.73</b>	<b>249.54</b>	<b>193.57</b>
<b>Intangible Assets</b>										
Computer softwares	2.06	-	-	2.06	1.97	0.08	-	2.05	0.01	0.09
<b>Sub Total (B)</b>	<b>2.06</b>	<b>-</b>	<b>-</b>	<b>2.06</b>	<b>1.97</b>	<b>0.08</b>	<b>-</b>	<b>2.05</b>	<b>0.01</b>	<b>0.09</b>
<b>Right of use Assets</b>										
Building	14.43	8.38	0.22	22.59	4.40	3.19	0.17	7.42	15.17	10.03
<b>Sub Total (C)</b>	<b>14.43</b>	<b>8.38</b>	<b>0.22</b>	<b>22.59</b>	<b>4.40</b>	<b>3.19</b>	<b>0.17</b>	<b>7.42</b>	<b>15.17</b>	<b>10.03</b>
<b>Total (A+B+C)</b>	<b>259.45</b>	<b>83.63</b>	<b>6.16</b>	<b>336.92</b>	<b>55.76</b>	<b>17.58</b>	<b>1.14</b>	<b>72.20</b>	<b>264.72</b>	<b>203.69</b>

### a. Capital Work in Progress - Ageing Schedule as at March 31, 2022

(₹ in crores)

CWIP	Amount in CWIP for a period of		
	Less than 1 year	1-2 years	Total
Projects in progress #	28.03	5.74	33.77

# All the projects in progress includes capital work-in progress, whose completion is neither overdue nor exceeded its cost compared to its original plan.

(1) There is no Capital Work in Progress with ageing above 2 years

(2) There is no project as on reporting period where activity has been suspended

### b. Title Deeds of immovable property not held in the name of the company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property Plant And Equipment	Freehold Land	2.32	Ebell Fashions Private Limited	NA	21-Sep-20	Ebell Fashions Private Limited has been merged with the Company w.e.f 1 April 2020. Consequential updation of name in Government records is pending.
Property Plant And Equipment	Office Building	0.72	Pradip Kumar Todi	Promoter	25-Mar-21	Properties have been registered in the name of the Company on 30th May 2022
Property Plant And Equipment	Office Building	2.19	Ashok Kumar Todi	Promoter	25-Mar-21	
Property Plant And Equipment	Office Building	0.26	J M Hosiery & Co. Limited	Yes	21-Dec-06	J M Hosiery & Co. Limited has been merged with the Company w.e.f 1 April 2020. Consequential updation of name in Government records is pending.
Property Plant And Equipment	Office Building	3.27	J M Hosiery & Co. Limited	NA	01-Apr-15	

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 5 - Non-Current Investments

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Equity instruments carried at fair value through profit or loss (FVTPL) (Unquoted)</b>		
<b>West Bengal Hosiery Park Infrastructure Limited</b>	-	-
500 equity shares (PY - 500) (FV - ₹10 each)		
<b>Investment carried at Cost (Unquoted)</b>		
<b>Investment in Equity Instrument in Subsidiaries</b>		
<b>Artimas Fashions Private Limited</b>	0.19	0.19
1,02,000 equity shares (PY - 1,02,000) (FV - ₹10 each)		
<b>Total</b>	<b>0.19</b>	<b>0.19</b>
<b>Aggregate amount of Unquoted investments</b>	<b>0.19</b>	<b>0.19</b>
<b>Investments carried at costs</b>	<b>0.19</b>	<b>0.19</b>

### NOTE: 6 - Other Financial Assets

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<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)	1.89	2.27
Security deposit	5.04	3.25
	<b>6.93</b>	<b>5.52</b>
<b>Current</b>		
Interest accrued on Perpetual Bonds	1.05	0.90
Security deposit	1.37	1.00
Loans and advances to employees	3.00	2.00
	<b>5.42</b>	<b>3.90</b>
<b>Total</b>	<b>12.35</b>	<b>9.42</b>

Fixed Deposits pledged with Banks ₹1.76 crores (Previous Year - ₹1.68 crores)

### NOTE: 7 - Other Non-Current Assets

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<i>(Unsecured, considered good unless otherwise stated)</i>		
Capital advances	8.10	17.08
Others		
- Prepaid expenses	0.01	0.08
<b>Total</b>	<b>8.11</b>	<b>17.16</b>

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 8 - Inventories

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<i>(Valued at lower of cost and net realisable value)</i>		
Raw materials	49.02	71.58
Work-in-progress	218.76	218.91
Finished goods	326.75	455.52
Stock-in-trade	11.94	5.81
Packing materials	57.41	63.10
<b>Total</b>	<b>663.88</b>	<b>814.92</b>

### NOTE: 8A - Current Investments

(₹ in crores)

Particulars	No of units March 2023	No of units March 2022	As at March 31, 2023	As at March 31, 2022
<b>Investments in Mutual Fund - Unquoted</b>				
<b>(at fair value through profit or loss (FVTPL))</b>				
Axis Liquid Fund - Regular Growth (CFGPG)	21,536	-	5.35	-
SBI Magnum Medium Duration Fund Regular Growth	11,75,695	-	5.05	-
<b>Investments in Perpetual bonds - Quoted</b>				
<b>(at amortised cost)</b>				
8.85% HDFC Bank Limited SR 1-BD Perpetual Bond (FV ₹ 0.10 Crores)	-	90	-	9.03
8.15% State Bank of India SR-IV BD Perpetual Bond (FV ₹ 0.10 Crores)	-	3	-	0.30
9.56% State Bank of India Series 1 NCD Perpetual Bond (FV ₹ 0.10 Crores)	8	8	0.87	0.84
9.15% ICICI Bank Limited Perpetual Bond (FV ₹ 0.10 Crores)	250	-	26.16	-
8.75% State Bank of India Perpetual Bond (FV ₹ 0.10 Crores)	250	-	26.16	-
<b>Investments in Debentures- Quoted</b>				
<b>(at amortised cost)</b>				
Embassy Property - MLD Series I		-	-	1.41
Shriram Finance Company Limited	90	-	10.25	-
Piramal Enterprise Limited	20	-	2.29	-
Mindspace Business Parks REIT	150	-	16.63	-
L&T Finance Limited	348	-	7.69	-
ICICI Home Finance Company Limited	30	-	3.00	-

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 8A - Current Investments (contd...)

(₹ in crores)

Particulars	No of units March 2023	No of units March 2022	As at March 31, 2023	As at March 31, 2022
Fixed Deposit with maturity more than 3 months but less than 12 months (at Amortised Cost)				
LIC Housing Finance Ltd	-	-	-	50.00
<b>Total</b>	<b>11,98,377</b>	<b>101</b>	<b>103.45</b>	<b>61.58</b>
Aggregate amount of Unquoted investments			10.40	50.00
Investment in quoted investment :				
Aggregate book value			93.05	11.58
Aggregate market value			93.05	11.58

### NOTE: 9 - Trade Receivables

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(Carried at amortised cost)		
Unsecured		
- Considered good	793.48	636.28
- Considered doubtful	2.84	4.56
Less: Loss for allowances		
- Provision for doubtful debt	(2.84)	(4.56)
	793.48	636.28
<b>Total</b>	<b>793.48</b>	<b>636.28</b>

### Trade Receivables ageing schedule - As at March 31, 2023

(₹ in crores)

Particulars	Current but not due	Outstanding for the following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i. Undisputed Trade Receivable - Considered good	560.39	192.43	19.24	20.59	0.83	0.00	793.48
ii. Undisputed Trade Receivable - Considered doubtful	-	-	-	-	0.92	1.92	2.84

### Trade Receivables ageing schedule - As at March 31, 2022

(₹ in crores)

Particulars	Current but not due	Outstanding for the following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i. Undisputed Trade Receivable - Considered good	525.64	98.92	10.89	0.83	-	-	636.28
ii. Undisputed Trade Receivable - Considered doubtful	-	-	-	0.92	1.02	2.61	4.56

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 10 - Cash and Cash Equivalents

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
Current/Cash Credit accounts	25.76	32.70
Fixed Deposit with maturity less than 3 months	0.31	19.02
Cash on hand	1.03	0.66
<b>Total</b>	<b>27.10</b>	<b>52.38</b>

### NOTE: 11 - Bank Balances Other than Cash and Cash Equivalents

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
Unpaid dividend - earmarked balances with Bank	0.10	0.10
Fixed Deposit with maturity more than 3 months but less than 12 months	-	16.46
<b>Total</b>	<b>0.10</b>	<b>16.56</b>

### NOTE: 12 - Current Tax Assets

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax assets	6.60	1.28
<b>Total</b>	<b>6.60</b>	<b>1.28</b>

### NOTE: 13 - Other Current Assets

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances to supplier		
- Unsecured, considered good	26.73	9.19
- Unsecured, considered doubtful	0.16	0.60
	26.89	9.79
Less: Provision for doubtful advances	(0.16)	(0.60)
	26.73	9.19
Others		
Prepaid expenses	9.18	1.72
Balance with government authorities	95.47	76.90
Incentive / duty drawback receivable	4.52	9.50
<b>Total</b>	<b>135.90</b>	<b>97.31</b>

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 14 - Equity Share Capital

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
<b>Authorised:</b>		
8,37,50,000 Equity shares of ₹ 2/- each	16.75	16.75
(31.03.2022: 8,37,50,000 Equity shares of ₹ 2/- each)		
56,00,000 Preference shares of ₹ 100/- each	56.00	56.00
(31.03.2022: 56,00,000 Equity shares of ₹ 100/- each)		
<b>Issued and subscribed equity share capital</b>		
3,25,56,181 Equity shares of ₹ 2/- each	6.51	6.51
(31.03.2022: 3,25,56,181 Equity shares of ₹ 2/- each)		
<b>Paid up equity share capital</b>		
3,00,71,681 Equity shares of ₹ 2/- each	6.01	6.01
(31.03.2022: 3,00,71,681 Equity shares of ₹ 2/- each)		
<b>Forfeited equity share capital</b>		
Add: 24,84,500 equity shares (Paid-up)	0.25	0.25
(31.03.2022: 24,84,500 Equity shares (Paid-up))		
<b>Total</b>	<b>6.26</b>	<b>6.26</b>

Particulars	No. of shares	₹ in crores
<b>Reconciliation of number of equity shares outstanding:</b>		
<b>As at March 31, 2021</b>	<b>2,52,53,000</b>	<b>5.30</b>
Increase during the year	48,18,681	0.96
<b>As at March 31, 2022</b>	<b>3,00,71,681</b>	<b>6.26</b>
Increase during the year	-	-
<b>As at March 31, 2023</b>	<b>3,00,71,681</b>	<b>6.26</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, 2023

### NOTE: 14 - Equity Share Capital (contd...)

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Ashok Kumar Todi	36,58,654	12.17	36,58,654	12.17
Pradip Kumar Todi	44,15,290	14.68	44,15,290	14.68
Bimla Devi Todi	34,85,070	11.59	34,85,070	11.59
Shobha Devi Todi	27,32,570	9.09	27,32,570	9.09
Prabha Devi Todi	36,65,920	12.19	36,65,920	12.19
Hollyfield Traders Private Limited	18,59,141	6.18	17,34,793	5.77

### Equity shares held by promoters at the end of the year - As at March 31, 2023

Promoter name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Pradip Kumar Todi HUF	13,340	0.04	13,340	0.04	-
Ashok Kumar Todi HUF	11,310	0.04	11,310	0.04	-
Prabha Devi Todi	36,65,920	12.19	36,65,920	12.19	-
Ashok Kumar Todi	36,58,654	12.17	36,58,654	12.17	-
Pradip Kumar Todi	44,15,290	14.68	44,15,290	14.68	-
Navin Kumar Todi	3,25,363	1.08	3,25,363	1.08	-
Rahul Kumar Todi	4,60,653	1.53	4,60,653	1.53	-
Bimla Devi Todi	34,85,070	11.59	34,85,070	11.59	-
Shobha Devi Todi	27,32,570	9.09	27,32,570	9.09	-
Udit Todi	8,38,876	2.79	8,38,876	2.79	-
Saket Todi	7,94,876	2.64	7,94,876	2.64	-
Rohit Poddar	-	-	51,425	0.17	(0.17)
Upendra Samriya	50,030	0.17	50,000	0.17	-
Hollyfield Traders Private Limited	18,59,141	6.18	17,34,793	5.77	0.41
	<b>2,23,11,093</b>	<b>74.19</b>	<b>2,22,38,140</b>	<b>73.95</b>	<b>0.24</b>

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 14 - Equity Share Capital (contd...)

Equity shares held by promoters at the end of the year - As at March 31, 2022

Promoter name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Pradip Kumar Todi HUF	13,340	0.04	-	-	0.04
Ashok Kumar Todi HUF	11,310	0.04	-	-	0.04
Prabha Devi Todi	36,65,920	12.19	36,23,000	14.35	(2.16)
Ashok Kumar Todi	36,58,654	12.17	34,67,834	13.73	(1.56)
Pradip Kumar Todi	44,15,290	14.68	42,26,500	16.74	(2.06)
Navin Kumar Todi	3,25,363	1.08	-	-	1.08
Rahul Kumar Todi	4,60,653	1.53	-	-	1.53
Bimla Devi Todi	34,85,070	11.59	32,80,000	12.99	(1.40)
Shobha Devi Todi	27,32,570	9.09	25,27,500	10.01	(0.92)
Udit Todi	8,38,876	2.79	1,86,000	0.74	2.05
Saket Todi	7,94,876	2.64	1,42,000	0.56	2.08
Rohit Poddar	51,425	0.17	-	-	0.17
Upendra Samriya	50,000	0.17	-	-	0.17
Hollyfield Traders Private Limited	17,34,793	5.77	-	-	5.77
Neha Poddar	-	-	50,000	0.20	(0.20)
Shilpa Agarwal Samriya	-	-	50,000	0.20	(0.20)
<b>Total</b>	<b>2,22,38,140</b>	<b>73.95</b>	<b>1,75,52,834</b>	<b>69.51</b>	<b>4.44</b>

### NOTE: 15 - Other Equity

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Redemption Reserve	56.00	56.00
Securities premium	39.29	39.29
Capital reserve	2.80	2.80
General reserve	14.78	14.78
Retained earnings	1,344.11	1,197.37
<b>Total</b>	<b>1,456.98</b>	<b>1,310.24</b>



## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 16 - Financial Liabilities - Borrowings

#### (a) Non-current borrowings

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<i>(Carried at amortised cost)</i>		
<b>Secured</b>		
Term Loans from Banks	13.88	21.60
Less: Current maturity of long term debts (Refer Note b)	6.86	7.71
	7.02	13.89
<b>Total non-current borrowings</b>	<b>7.02</b>	<b>13.89</b>

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

(₹ in crores)

Name of the Bank / Instrument	March 31, 2023	March 31, 2022	Nature of Security	Repayment Terms
<b>Secured</b>				
Indian Bank	7.88	13.79	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 KMP.	Repayable in quarterly installments. Interest @ 1 year MCLR is serviced on monthly basis.
HDFC Bank	0.38	0.89	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 KMP.	Repayable in quarterly installments. Interest @ 9.5% is serviced on monthly basis.
HDFC Bank	4.53	5.44	Exclusive Hypothecation charge over the machinery/equipments acquired under facilities out of the said loan and secured by personal guarantee of KMP.	Repayable in quarterly installments. Interest @ 3m Repo + 185 bps is serviced on monthly basis.
HDFC Bank	1.08	1.48	Exclusive Hypothecation charge over the machinery/equipments acquired under facilities out of the said loan and secured by personal guarantee of KMP.	Repayable in quarterly installments. Interest @ 1 year MCLR + 20 bps is serviced on monthly basis.

**Notes to the Standalone financial statements** for the year ended March 31, 2023**NOTE: 16 - Financial Liabilities - Borrowings** (contd...)**(b) Current borrowings**

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(Carried at amortised cost)		
<b>From Banks (Secured) (refer note i)</b>		
<b>i) Loan repayable on demand</b>		
Cash Credit Facilities	21.59	0.98
Working Capital Demand Loan (WC DL)	90.27	225.08
<b>ii) Packing credit</b>	79.78	52.13
<b>iii) Current maturity of long term debts</b>	6.86	7.71
<b>Total current borrowings</b>	<b>198.50</b>	<b>285.90</b>

- i) The above credit facilities from banks are secured against hypothecation of entire stocks, book debts and other current assets, both present and future, of the Company. It is additionally secured by personal guarantee of the KMP/relatives of KMP. It is additionally secured by 1st pari-passu charge on entire fixed assets of the Company.

**NOTE: 17 - Lease Liabilities**

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Non-Current	21.06	14.51
b) Current	4.09	2.00
<b>Total</b>	<b>25.15</b>	<b>16.51</b>

**NOTE: 18 - Provisions**

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Provision for employee benefits (Refer note 35)</b>		
a) Non-Current	9.07	7.19
b) Current	1.52	1.15
<b>Total</b>	<b>10.59</b>	<b>8.34</b>

**NOTE: 19 - Trade Payables**

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(Carried at amortised cost)		
MSMED [refer note (a) below]	41.07	4.89
Other trade payables	276.19	272.83
<b>Total</b>	<b>317.26</b>	<b>277.72</b>

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 19 - Trade Payables (contd...)

#### (a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

Particulars	As at March 31, 2023	As at March 31, 2022
(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	41.07	4.89
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 based on the information available with the Company in respect of the registration status of its vendors/suppliers.

#### Trade Payables ageing schedule - As at March 31, 2023

(₹ in crores)

Particulars	Current but not due	Outstanding for the following periods from due date of payment				
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	41.07	-	-	-	-	41.07
ii. Others	144.46	127.85	1.45	0.85	1.58	276.19

#### Trade Payables ageing schedule - As at March 31, 2022

(₹ in crores)

Particulars	Current but not due	Outstanding for the following periods from due date of payment				
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	4.89	-	-	-	-	4.89
ii. Others	183.22	78.68	1.74	1.17	8.01	272.83

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 20 - Current Financial Liabilities - Others

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<i>(Carried at amortised cost)</i>		
Deposits from Dealers/ agents	32.94	27.73
Unclaimed dividend	0.09	0.09
Interest accrued but not due	0.59	0.65
Other payables	17.65	11.61
<b>Total</b>	<b>51.27</b>	<b>40.08</b>

### NOTE: 21 - Other Current Liabilities

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	4.57	5.74
Advance from customers	3.04	3.50
<b>Total</b>	<b>7.61</b>	<b>9.24</b>

### NOTE: 22 - Revenue From Operations

(₹ in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	2,350.27	2,260.28
<b>Sale of Services</b>		
Job Work	0.33	0.29
<b>Other Operating Revenue</b>		
Insurance claim received	4.23	0.23
Export and other incentive	13.14	12.20
<b>Total</b>	<b>2,367.97</b>	<b>2,273.00</b>

### NOTE: 23 - Other Income

(₹ in crores)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
<b>Interest Income from Financial Assets at amortized cost:</b>				
i) On fixed deposits	2.59		5.45	
ii) From financial assets at amortized cost	1.67		2.42	
iii) On debentures	0.16	4.42	0.16	8.03
Rent received		-		-
Profit on Sale of Property, plant and equipment		0.02		3.48
Foreign currency fluctuation gain (net)		4.57		3.98
<b>Income from Current Investments :</b>				
Net gain on fair valuation of mutual fund units		0.18		(0.02)
Net gain on sale of current investments		0.84		0.44
Liabilities written back		7.88		-
Others		0.88		1.08
<b>Total</b>		<b>18.79</b>		<b>16.99</b>

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 24 - Cost of Raw Material Consumed

(₹ in crores)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
<b>Yarn Consumed</b>				
Opening stock	71.58		63.31	
Add : Purchases during the year	812.33		941.71	
	883.91		1,005.02	
Less: Yarn sale	1.48		1.21	
Less: Closing stock	49.02	833.41	71.58	932.23
<b>Packing Materials Consumed</b>				
Opening stock	63.10		56.14	
Add: Purchases during the year	214.09		244.00	
	277.19		300.14	
Less: Closing stock	57.41	219.78	63.10	237.04
<b>Consumption of Fabrics</b>		0.50		15.88
<b>Total</b>		<b>1,053.69</b>		<b>1,185.15</b>
Purchase of stock-in-trade		57.06		17.64
<b>Total</b>		<b>57.06</b>		<b>17.64</b>
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>				
<b>Finished Goods</b>				
Opening stock	455.52		192.23	
Closing stock	326.75	128.77	455.52	(263.29)
<b>Work-in-progress</b>				
Opening stock	218.91		150.31	
Closing stock	218.76	0.15	218.91	(68.60)
<b>Stock in trade</b>				
Opening stock	5.81		1.65	
Closing stock	11.94	(6.13)	5.81	(4.16)
<b>Total</b>		<b>122.79</b>		<b>(336.05)</b>

### NOTE: 25 - Employee Benefit Expense

(₹ in crores)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Salaries, wages & bonus	106.24		77.60	
Provision for employment benefit	2.95	109.19	2.19	79.79
Contribution to provident & other funds		3.10		2.36
Staff welfare expenses		4.14		2.79
<b>Total</b>		<b>116.43</b>		<b>84.94</b>

### NOTE: 26 - Finance Cost

(₹ in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense	18.21	11.45
Interest on lease obligation	1.96	1.58
Bank charges	1.62	0.86
<b>Total</b>	<b>21.79</b>	<b>13.89</b>

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 27 - Depreciation & Amortization Expense

(₹ in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	15.33	14.31
Amortization of intangible assets	0.02	0.08
Depreciation on lease assets	3.74	3.19
<b>Total</b>	<b>19.09</b>	<b>17.58</b>

### NOTE: 28 - Other Expenses

(₹ in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores & spare parts	3.37	4.24
Power & fuel	8.60	8.65
Rent	8.50	4.08
Repairs		
Repairs to buildings	2.07	1.07
Repairs to machinery	1.04	0.68
Repairs to other	3.98	2.38
Insurance	2.07	2.02
Rates & taxes	1.05	0.71
Selling expenses	34.06	19.13
Royalty	0.08	0.08
Advertisement & publicity	180.63	147.63
Commission	17.49	17.67
Freight & other handling charges	47.51	46.72
Bad debts(net)	0.34	0.69
Provision for doubtful debts/ advance	(1.72)	1.85
Processing expense	444.48	561.23
Prior period items	0.02	-
Loss on sale of property, plant and equipment	1.20	0.01
Loss on discard of assets	0.09	0.08
Miscellaneous expenses	42.52	28.25
Payment to auditors :		
- Statutory audit fees	0.30	0.35
- Certification and other services	0.04	0.05
<b>Total</b>	<b>797.72</b>	<b>847.57</b>

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 29 - Income Tax

#### A. Amount recognized in profit or loss (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current Tax</b>		
Current period	51.09	116.88
Changes in respect of current income tax of previous years	0.02	1.73
<b>(a)</b>	<b>51.11</b>	<b>118.61</b>
<b>Deferred Tax</b>		
Attributable to -		
Origination and reversal of temporary differences	0.32	(0.73)
<b>(b)</b>	<b>0.32</b>	<b>(0.73)</b>
<b>Tax expenses reported in the Standalone Statement of Profit and Loss (a+b)</b>	<b>51.43</b>	<b>117.88</b>

#### B. Income tax recognized in Other Comprehensive Income (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax relating to items recognized in other comprehensive income during the year	(0.01)	0.17
<b>Income tax expense charged to Other Comprehensive Income</b>	<b>(0.01)</b>	<b>0.17</b>

#### C. Reconciliation of tax expense and the accounting profit for March 31, 2023 and March 31, 2022: (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Accounting profit before income tax	198.19	459.27
Tax at the applicable India tax rate of 25.168% (25.168%)	49.88	115.59
<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	(0.18)	0.10
Other adjustments	1.73	2.19
<b>(a)</b>	<b>51.43</b>	<b>117.88</b>

#### D. Reconciliation of applicable tax rate and effective tax rate: (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Applicable tax rate	25.17%	25.17%
Tax effect of difference between depreciation as per IT Act and depreciation as per books	-0.09%	0.02%
Tax effect of other adjustments	0.87%	0.48%
<b>Effective tax rate</b>	<b>25.95%</b>	<b>25.67%</b>

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 29 - Income Tax (contd...)

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

(₹ in crores)

Particulars	Balance as on March 31, 2022	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2023
Property, plant and equipment	(8.12)	(1.13)	-	(9.26)
Right of use assets	(3.82)	(1.92)	-	(5.74)
Trade receivables	1.15	(0.43)	-	0.71
Other assets	0.56	0.08	-	0.64
Provisions	2.05	0.56	0.01	2.62
Other liabilities	4.23	2.45	-	6.68
Unused tax losses on Capital Assets	0.33	0.08	-	0.41
<b>Total</b>	<b>(3.62)</b>	<b>0.31</b>	<b>0.01</b>	<b>(3.94)</b>

(₹ in crores)

Particulars	Balance as on March 31, 2021	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2022
Property, plant and equipment	(8.40)	0.28	-	(8.12)
Right of use assets	(2.85)	(0.97)	-	(3.82)
Trade receivables	0.83	0.32	-	1.15
Other assets	0.50	0.06	-	0.56
Provisions	1.55	0.67	(0.17)	2.05
Other liabilities	4.31	(0.08)	-	4.23
Unused tax losses on Capital Assets	(0.14)	0.47	-	0.33
<b>Total</b>	<b>(4.20)</b>	<b>0.75</b>	<b>(0.17)</b>	<b>(3.62)</b>

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

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	11.07	8.32
Deferred tax liabilities	(15.00)	(11.94)
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(3.93)</b>	<b>(3.62)</b>



## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 30 - Earnings per share (EPS) (Ind AS 33)

(₹ in crores)

Sl. No	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1	Profit for the year	146.76	341.39
2	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS	3,00,71,681	3,00,71,681
3	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	3,00,71,681	3,00,71,681
4	Nominal Value per share (₹)	2/-	2/-
5	Earning per shares		
	Basic	48.80	113.53
	Diluted	48.80	113.53

### NOTE: 31 - Particulars of Contingent Liabilities and Commitments

#### I. Contingent Liabilities

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as liabilities in respect of:		
Sales Tax Matters	0.62	0.62
Customs and Excise matters	3.79	3.56
Service tax matters	1.36	1.36
Provident Fund matters	9.73	9.73
Goods & Services Tax	8.40	-
Guarantee Given	28.74	22.86

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) ₹ 8.56 Crores (Previous year ₹18.91 Crores). The company has other commitments, for purchase/ sales orders which are issued after considering requirements per operating cycle for purchase/ sale of goods and services, in normal course of business.
- The company did not have any long term commitments/ contracts including derivative contracts for which there will be any material foreseeable losses.

### NOTE: 32 - Related party disclosure (Ind AS 24)

#### A. List of related parties where control exists:

Name of the subsidiary	Country of incorporation	Percentage of holding	
		As at March 31, 2023	As at March 31, 2022
Artimas Fashions Private Limited	India	50.97%	50.97%

**Notes to the Standalone financial statements** for the year ended March 31, 2023**NOTE: 32 - Related party disclosure (Ind AS 24) (contd...)****B. Key management personnel**

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Mr Ashok Kumar Todi, Executive Chairman

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Mr Pradip Kumar Todi, Managing Director

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Mr Saket Todi - Executive Director (w.e.f. May 25, 2021)

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Mr Udit Todi - Executive Director (w.e.f. May 25, 2021)

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Mr Rahul Kumar Todi - Executive Director (w.e.f. May 25, 2021)

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Mr Navin Kumar Todi - Executive Director (w.e.f. May 25, 2021)

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Mr Saurabh Kumar Bhudolia, Chief Financial Officer (upto January 15, 2023)

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Mrs Smita Mishra, Company Secretary

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**C. Other directors**

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Mr Nandanandan Mishra - Independent director

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Mr Kamal Kishore Agrawal - Independent director

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Mr Snehasish Ganguly - Independent director

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Mrs Rusha Mitra - Independent director

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Mr Rajnish Rikhy - Independent director (w.e.f. May 25, 2021)

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Mrs Ratnabali Kakkar - Independent director (w.e.f. May 25, 2021)

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**D. Relatives of Key management personnel**

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Mr Sourav Ganguly

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Mrs Prabha Devi Todi

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Mrs Shobha Devi Todi

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Mrs Bimla Devi Todi

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Mrs Shilpa Agarwal Samriya

---

Mrs Neha Poddar

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Mrs Sonika Bhudolia

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Mr Rakesh Mishra

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**E. Entities where Key management personnel and their relative have significant influence**

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Biswanath Hosiery Mills Limited

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Biswanath Real Estate Private Limited

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Hollyfield Traders Private Limited

---

P.G.Infometric Private Limited

---

Prominent Suppliers Private Limited

---

Century Plyboards (India) Limited

---

Moustache Industries Private Limited

---

MJ Print Packaging Private Limited

---

Exquisite Print And Pack Private Limited

---

Todi Exports (India)

---

Lux Foundation

---

Jaytee Exports

---

Ashok Kumar Todi (HUF)

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Pradip Kumar Todi (HUF)

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## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 32 - Related party disclosure (Ind AS 24) (contd...)

F. The following transactions were carried out with the related parties in the ordinary course of business: (₹ in crores)

Sl. No	Name of related party	Year ended March 31, 2023	Year ended March 31, 2022
<b>1</b>	<b>Sale of goods</b>		
	Artimas Fashions Private Limited	9.30	1.00
	Moustache Industries Private Limited	3.11	-
	Prominent Suppliers Private Limited	0.07	-
<b>2</b>	<b>Rent received</b>		
	Artimas Fashions Private Limited	-	0.00
<b>3</b>	<b>Paid towards services</b>		
	MJ.Print Packaging Private Limited - Job Work	0.56	-
<b>4</b>	<b>Purchase of goods</b>		
	MJ Print Packaging Private Limited	7.82	-
	Prominent Suppliers Private Limited	7.60	-
	Artimas Fashions Private Limited	4.73	2.09
	Exquisite Print And Pack Private Limited	2.46	-
<b>5</b>	<b>Sitting fees</b>		
	Mr Nandannandan Mishra	0.07	0.09
	Mr Kamal Kishore Agrawal	0.09	0.12
	Mr Snehasish Ganguly	0.04	0.04
	Mrs Rusha Mitra	0.03	0.06
	Mr Rajnish Rikhy	0.04	0.05
	Mrs Ratnabali Kakkar	0.04	0.04
<b>6</b>	<b>CSR expenditure</b>		
	Lux Foundation	2.85	3.62
<b>7</b>	<b>Rent payment</b>		
	Biswanath Real Estate Private Limited	0.83	-
	Hollyfield Traders Private Limited	0.02	0.02
	P.G.Infometric Private Limited	0.55	0.55
	Mrs Prabha Devi Todi	0.22	0.18
	Mr Navin Kumar Todi	0.29	0.24
	Mr Rahul Kumar Todi	0.22	0.18
<b>8</b>	<b>Other services payment</b>		
	P.G. Infometric Private Limited - Data processing charges	0.66	0.48
	Biswanath Hosiery Mills Limited - Royalty	0.08	0.08
	Horizon Consulting India LLP - Consultancy Charges	0.93	-
	Biswanath Real Estate Private Limited - Maintenance Expenses	0.59	-
	Mr Sourav Ganguly - Advertisement Expenses	-	1.30

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 32 - Related party disclosure (Ind AS 24) (contd...)

(₹ in crores)

Sl. No	Name of related party	Year ended March 31, 2023	Year ended March 31, 2022
<b>9</b>	<b>Lease rental payments</b>		
	Mrs Sonika Bhudolia	0.09	0.12
	Mr Rakesh Mishra	0.02	-
<b>10</b>	<b>Dividend payment</b>		
	Mr Ashok Kumar Todi	-	4.39
	Mr Pradip Kumar Todi	-	5.30
	Mrs Prabha Devi Todi	-	4.40
	Mrs Bimla Devi Todi	-	4.18
	Mrs Shobha Devi Todi	-	3.28
	Mr Saket Todi	-	0.95
	Mr Udit Todi	-	1.01
	Mr Navin Kumar Todi	-	0.55
	Mr Rahul Kumar Todi	-	0.55
	Mrs Shilpa Agarwal Samriya	-	0.06
	Mrs Neha Poddar	-	0.06
	Ashok Kumar Todi (HUF)	-	0.01
	Pradip Kumar Todi (HUF)	-	0.02
	Hollyfield Traders Private Limited	-	2.08
<b>11</b>	<b>Director's Remuneration</b>		
	Mr Ashok Kumar Todi	4.50	4.28
	Mr Pradip Kumar Todi	4.50	4.28
	Mr Saket Todi	1.80	1.53
	Mr Udit Todi	1.80	1.53
	Mr Navin Kumar Todi	1.80	1.53
	Mr Rahul Kumar Todi	1.80	1.53
<b>12</b>	<b>Salary</b>		
	Mr Saket Todi	-	0.25
	Mr Udit Todi	-	0.25
	Mr Navin Kumar Todi	-	0.13
	Mr Rahul Kumar Todi	-	0.13
	Mr Saurabh Kumar Bhudolia (CFO) upto 15.01.2023	1.15	0.77
	Mrs Smita Mishra (CS)	0.20	0.18
<b>13</b>	<b>Reimbursement of expenses</b>		
	Mr Nandannandan Mishra	0.02	0.01
	Mr Kamal Kishore Agrawal	0.02	0.00
	Mr Saurabh Kumar Bhudolia (CFO)	0.01	0.00

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 32 - Related party disclosure (Ind AS 24) (contd...)

(₹ in crores)

Sl. No	Name of related party	Year ended March 31, 2023	Year ended March 31, 2022
<b>14</b>	<b>Loan repayment</b>		
	Mr Navin Kumar Todi	-	0.51
	Mr Rahul Kumar Todi	-	0.05
<b>15</b>	<b>Advances Given</b>		
	Biswanath Real Estate Private Limited	0.19	-
<b>16</b>	<b>Payment of security deposit</b>		
	Biswanath Real Estate Private Limited	2.44	-

### G. Outstanding balances:

(₹ in crores)

Sl. No	Name of related party	As at March 31, 2023	As at March 31, 2022
<b>1</b>	<b>Trade Payables</b>		
	P.G.Infometric Private Limited	0.20	0.56
	Biswanath Hosiery Mills Limited	-	0.08
	MJ Print Packaging Private Limited	3.47	-
	Prominent Suppliers Private Limited	1.20	-
	Exquisite Print And Pack Private Limited	0.80	-
	Biswanath Real Estate Private Limited	0.07	-
	Artimas Fashions Private Limited	-	0.93
<b>2</b>	<b>Trade Recievables</b>		
	Artimas Fashions Private Limited	3.74	-
	Moustache Industries Private Limited	1.12	-
	Hollyfield Traders Private Limited	0.00	-
	Century Plyboards (India) Limited	0.00	-
<b>3</b>	<b>Advances recoverable in cash or value</b>		
	P.G.Infometric Private Limited	0.10	-
	Todi Exports (India)	0.50	0.50
<b>4</b>	<b>Security deposit</b>		
	Biswanath Real Estate Private Limited	2.44	-
	P.G.Infometric Private Limited	2.17	2.17
<b>5</b>	<b>Investment in shares</b>		
	Artimas Fashions Private Limited	0.19	0.19
<b>6</b>	<b>Other payables</b>		
	Mrs Sonika Bhudolia	-	0.02
	Mr Nandannandan Mishra	-	0.00
<b>7</b>	<b>Corporate Guarantee Given</b>		
	Artimas Fashions Private Limited	18.38	18.38

**Notes to the Standalone financial statements** for the year ended March 31, 2023**NOTE: 33 - 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: 34 - Corporate Social Responsibility**

The details relating to Corporate Social Responsibility (CSR) expenditure are as follows:

As per Section 135 of the Companies Act, 2013, a CSR committee had been formed by the Company. The funds are utilized on the activities which are specified in Schedule VII of the Act. The utilization is done by way of contribution towards various activities.

a. Amount spent during the year on:		(₹ in Crores)	
Particulars	2022-23	2021-22	
1. Gross amount required to be spent by the Company during the year	6.62	4.58	
2. Amount Spent as Below			
- Education and Skill development	1.71	2.23	
- Health Care	0.55	0.97	
- Sports for Development	1.50	-	
- Others	3.05	1.38	
<b>TOTAL</b>	<b>6.81</b>	<b>4.58</b>	
3. Shortfall at the end of the year	-	-	
4. Total of previous years' shortfall	-	-	
5. Details of Related Party Transaction in relation to CSR expenditure as per relevant Accounting Standard			
- Lux Foundation	2.85	3.62	

**NOTE: 35 - Employee Benefits****1. Defined Contribution Plan:****a. Provident fund:**

In accordance with Indian law eligible employees of Lux Industries Limited are entitled to receive benefits in respect of provident fund a defined contribution plan in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).

		(₹ in Crores)	
Sl. No	Particulars	2022-23	2021-22
1	Contribution to Provident/ Pension funds	2.22	1.59
	<b>TOTAL</b>	<b>2.22</b>	<b>1.59</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.

## Notes to the Standalone financial statements for the year ended March 31, 2023

- (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 Crores)

Particulars	Gratuity		Leave Enchashment	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
Present Value of Obligation at the beginning of the year	7.58	6.94	0.77	0.68
Current Service Cost	1.59	1.36	0.51	0.28
Interest Cost	0.54	0.48	0.06	0.05
Actuarial Losses / (Gain) recognized in other comprehensive income	-0.17	-0.63	0.20	-0.06
Benefit Paid	-0.21	-0.58	-0.29	-0.18
<b>Present Value of Obligation at the end of the year</b>	<b>9.33</b>	<b>7.57</b>	<b>1.25</b>	<b>0.77</b>

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

(₹ in Crores)

Particulars	Gratuity		Leave Enchashment	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
Current service cost	1.59	1.36	0.51	0.28
Interest cost	0.54	0.48	0.06	0.05
<b>Total</b>	<b>2.13</b>	<b>1.84</b>	<b>0.57</b>	<b>0.33</b>

- (c) Remeasurements recognized in Consolidated Other Comprehensive Income:

(₹ in Crores)

Particulars	Gratuity		Leave Enchashment	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
Actuarial loss/ (gain) arising on defined benefit obligation from				
- financial assumptions	0.11	0.03	-0.02	-0.01
- experience adjustments	-0.28	-0.66	0.22	-0.04
<b>Total</b>	<b>-0.17</b>	<b>-0.63</b>	<b>0.20</b>	<b>-0.05</b>

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

(₹ in Crores)

Particulars	Gratuity		Leave Enchashment	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
Discount Rate	7.30%	7.10%	7.30%	7.10%
Rate of increase in Salaries	6.00%	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	23.87	25.21	20.99	21.59
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 the Standalone financial statements for the year ended March 31, 2023

(e) Sensitivity analysis – Revised defined benefit obligation due to change in assumptions (₹ in Crores)

Particulars	Gratuity		Leave Enchashment	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
Under Base scenario	9.33	7.58	1.26	0.78
Salary Escalation (Up by 1%)	10.28	8.36	1.38	0.86
Salary Escalation (Down by 1%)	8.55	6.91	1.15	0.71
Withdrawal Rates (Up by 1%)	9.44	7.64	1.27	0.78
Withdrawal Rates (Down by 1%)	9.25	7.50	1.24	0.77
Discount Rates (Up by 1%)	8.55	6.90	1.16	0.71
Discount Rates (Down by 1%)	10.30	8.38	2.89	0.85

(f) Expected Cash flow for following years (₹ in Crores)

Particulars	Gratuity		Leave Enchashment	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
1 Year	1.35	1.06	0.17	0.09
2 to 5 Years	0.63	1.91	0.18	0.29
6 to 10 Years	1.58	2.67	0.26	0.33

### NOTE: 36 - Distribution of Dividend

- The Board of Directors has recommended dividend of 250% (₹ 5/- per equity share of ₹ 2/- each) for the financial year ended March 31, 2023 which is subject to approval of the shareholders in the Annual General Meeting.
- The Company has paid Interim dividend for the year ended 31.03.2023 ₹ NIL per share (31.03.2022 :- ₹ 12 per share)

**Note:** The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

### NOTE: 37

Disclosures pursuant to Securities and Exchange Board of India( Listing obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013.

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a) Investment by the Company in the shares of another Company</b>		
<b>i) Artimas Fashions Private Limited -</b>		
Balance at the year end	0.19	0.19
Maximum amount outstanding at any time during the year	0.19	0.19
<b>b) Guarantee by the Company given to another Company</b>		
<b>i) Artimas Fashions Private Limited -</b>		
Balance at the year end	18.38	18.38
Maximum amount outstanding at any time during the year	18.38	18.38



## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 38 - 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, 2023 are as follows:

(₹ in crores)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
<b>Financial assets:</b>				
Investments	93.24	10.40	103.64	103.64
Trade Receivables	793.48	-	793.48	793.48
Cash and cash equivalents	27.10	-	27.10	27.10
Other bank balances	0.10	-	0.10	0.10
Other financial assets	12.35	-	12.35	12.35
<b>Financial liabilities:</b>				
Long Term Borrowings	7.02	-	7.02	7.02
Other Long Term Financial Liability	21.06	-	21.06	21.06
Short Term Borrowings	198.50	-	198.50	198.50
Trade Payables	317.26	-	317.26	317.26
Other Short Term Financial Liability	55.36	-	55.36	55.36

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet as at March 31, 2022 are as follows:

(₹ in crores)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
<b>Financial assets:</b>				
Investments	61.77	-	61.77	61.77
Trade Receivables	636.28	-	636.28	636.28
Cash and cash equivalents	52.38	-	52.38	52.38
Other bank balances	16.56	-	16.56	16.56
Other financial assets	9.42	-	9.42	9.42
<b>Financial liabilities:</b>				
Long Term Borrowings	13.89	-	13.89	13.89
Other Long Term Financial Liability	14.51	-	14.51	14.51
Short Term Borrowings	285.90	-	285.90	285.90
Trade Payables	277.72	-	277.72	277.72
Other Short Term Financial Liability	42.08	-	42.08	42.08

## Notes to the Standalone financial statements for the year ended March 31, 2023

### NOTE: 39 - 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 as of March 31, 2023 and March 31, 2022 :

(₹ in crores)			
As at March 31, 2023	Level 1	Level 2	Level 3
<b>Financial Assets:</b>			
Investment in Mutual Funds (Unquoted)	10.40	-	-
<b>Total</b>	<b>10.40</b>	<b>-</b>	<b>-</b>

(₹ in crores)			
As at March 31, 2022	Level 1	Level 2	Level 3
<b>Financial Assets:</b>			
Investment in Mutual Funds (Unquoted)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 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.
- There are no transfers between levels during the year.

### NOTE: 40 - 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

## Notes to the Standalone financial statements for the year ended March 31, 2023

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.

The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 793.48 Crores (PY – ₹ 636.28 Crores) and advance to suppliers stood at ₹ 26.73 Crores (PY – ₹ 9.19 Crores)

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Company are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	5.16	3.32
Add: Provisions made	-	1.84
Less: Provisions reversed	-17.05	-
<b>Closing provisions</b>	<b>22.21</b>	<b>5.16</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.

March 31, 2023	Less than 1 year	More than 1 year	Total
Borrowings	198.50	7.02	205.52
Trade payables	317.26	-	317.26
Other financial liabilities	55.36	21.06	76.42

March 31, 2022	Less than 1 year	More than 1 year	Total
Borrowings	285.90	13.89	299.79
Trade payables	277.72	-	277.72
Other financial liabilities	42.08	14.51	56.59

### 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

**Notes to the Standalone financial statements** for the year ended March 31, 2023

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 crores)

Particulars		As at March 31, 2023	As at March 31, 2022
Amount receivable in Foreign currency on account of	US\$	0.89	0.62
Trade receivables	INR	73.73	45.99
Amount payable in Foreign currency on account of	US\$	0.02	0.03
Trade payables	INR	1.42	2.50

(₹ in crores)

Particulars	Change in USD rate	Effect on profit before tax	Effect on post tax equity
March 31, 2023	10%	7.23	5.41
	-10%	-7.23	-5.41
March 31, 2022	10%	4.35	3.25
	-10%	-4.35	-3.25

**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.

**NOTE: 41 - 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.

## Notes to the Standalone financial statements for the year ended March 31, 2023

The Company's policy is aimed at combination of short-term and long-term borrowings so as to maintain an optimum capital structure to reduce the cost of capital and maximize shareholders value and provide benefits to other stakeholders.

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total debt (Bank and Other Borrowings)	205.52	299.79
Equity	1,463.24	1,316.50

### NOTE: 42 - Company as a Lessee

#### Carrying amount of lease assets or liabilities

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>		
Right of Use Assets (Refer Note No. 4(c))	22.81	15.17
<b>Liabilities</b>		
Lease Liabilities (Refer Note No. 17)	25.15	16.51

#### Amount recognized in Statement of Cash Flows

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Payment of principal portion of lease liabilities	2.74	2.34
Payment of Interest portion of lease liabilities	1.96	1.58
<b>Net Cash flows used in financial activities</b>	<b>4.70</b>	<b>3.92</b>

The Company has lease contracts for Warehouse and office spaces used in its operations. Lease terms vary between 1 and 9 years.

The effective interest rate for lease liabilities is 10.49%.

#### The following are the amounts recognised in statement of Profit and Loss:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation expense of right-of used assets	3.74	3.19
Interest expenses on lease liabilities	1.96	1.58
Expense relating to other leases (included in other expenses)	8.50	4.08
<b>Total amount recognised in Statement of Profit and Loss</b>	<b>14.20</b>	<b>8.85</b>

#### Maturity analysis of lease liabilities are as follows:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Within 1 year	4.09	2.00
2-5 years	11.62	5.62
5 years and above	9.44	8.89

**Notes to the Standalone financial statements** for the year ended March 31, 2023**NOTE: 43 - Ratios**

Sl. No	Ratios	Numerator	Denominator	Mar'23	Mar'22	Variance	Reference
a.	Current Ratio	Current Assets	Current Liabilities	2.99	2.74	9%	-
b.	Debt-Equity Ratio	Total Debt	Shareholders Equity	0.14	0.23	-38%	(i)
c.	Debt Service Coverage Ratio	Total Operating Income	Debt Service Coverage	9.70	36.61	-74%	(ii)
d.	Return on Equity Ratio	Net Income	Shareholders Equity	10%	26%	-61%	(ii)
e.	Inventory Turnover Ratio	COGS	Average Inventory	2.27	2.23	2%	-
f.	Trade Receivable Turnover Ratio	Net Credit Sales	Average Receivables	3.29	4.15	-21%	-
g.	Trade Payable Turnover Ratio	Net Credit Purchase	Average Payables	3.45	4.35	-21%	-
h.	Net Capital Turnover Ratio	Total Sales	Working Capital	2.11	1.93	10%	-
i.	Net Profit Ratio	Net Profit	Total Revenue	6%	15%	-59%	(ii)
j.	Return on Capital Employed	EBIT	Total Assets - Current Liabilities	15%	35%	-58%	(ii)
k.	Return on Investment	Total Income Generated	Average Invested Funds	5%	5%	-9%	-

**Note :** Explanation for change in ratios beyond 25%

(i) The decrease in Debt-Equity Ratio is due to reduction in borrowings and effective working capital management.

(ii) Increase in COGS due to high raw material cost leading to reduced profitability and weaker ratios.

**NOTE: 44 - Quarterly Statement to Bank**

The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, and the same are in agreement with the books of accounts.

**NOTE: 45 - Other Statutory Information**

- i. The Company do not have any Benami Property, where any proceedings has been initiated or pending against the Company for holding any Benami property.
- ii. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iii. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iv. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies):
  - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company(Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

## Notes to the Standalone financial statements for the year ended March 31, 2023

- v. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961.
- vii. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- viii. The Company has complied with the number of layers prescribed under clause(87) of section 2 of the Act read with the Companies(Restriction on Number of Layers) Rules, 2017.
- ix. There are no events or transactions after the reporting period which is required to be disclosed under Ind AS 10.
- x. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India.

### NOTE: 46

Balances of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/ confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year.

### NOTE: 47

Previous year figures have been recast/ regrouped whenever necessary to conform to the current year's presentation.

### The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**

Chartered Accountants

ICAI Firm Registration No. 306033E/E300272

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

**Sandeep Agrawal**

*Partner*

Membership no. 058553

Place : Kolkata

Dated: 30 May, 2023

**Ashok Kumar Todi**

*Chairman*

(DIN - 00053599)

**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 the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of Lux Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Financial Statements, including a summary of 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 and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity 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), as 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 together with the 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 audit opinion on the Consolidated Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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
<b>Revenue from sale of goods</b> (as described in note 22 to the consolidated financial statements) The Group recognizes revenues 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. In determining the sales price, the Group considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"> <li>• Considered the appropriateness of the Group's revenue recognition policy in terms of Ind AS 115 'Revenue from contracts with customers'.</li> <li>• Assessed the design and tested the operating effectiveness of internal financial controls related to revenue recognition.</li> </ul>



Key audit matters	How our audit addressed the key audit matter
<p>The risk is, therefore, that revenue may not be recognised in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it is determined to be a key audit matter in our audit of the consolidated financial statements.</p>	<ul style="list-style-type: none"> <li>• Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized in accordance with Ind AS 115.</li> <li>• Selected sample of sales transactions made pre- and post-year end and tested the period of revenue recognition based on underlying documents.</li> <li>• Selected samples of rebates and discounts during the year, compared them with the supporting documents and performed re-calculation of those variable considerations as per scheme documents.</li> <li>• Assessed the adequacy of relevant disclosures made in the Consolidated Financial Statements.</li> </ul>

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated 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 and, in doing so, consider whether such other information is materially inconsistent with the Consolidated 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.

### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards)

Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 ability of the Group 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.

Those 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 the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 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 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 control 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 adequate internal financial controls with reference to financial statements 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 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 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 Financial Statements, including the disclosures, and whether the Consolidated 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 of which we are the independent auditors, 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 entity 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 the Consolidated Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of ₹38.32

crores as at March 31, 2023, and total revenues of ₹24.91 crores and net cash outflows of ₹0.02 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management.

Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of such other auditor.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, based on our audit of the standalone financial statement and on the consideration of report of the other auditor on separate financial statements of the subsidiary company as noted in the 'Other Matter' paragraph, we report that there are no qualifications or adverse remarks in these CARO reports.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have

been kept so far as it appears from our examination of those books;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of 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 books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 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 with reference to Consolidated Financial Statements of the Holding Company, its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary company, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial

statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:

- i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group in its Consolidated Financial Statements – Refer Note 31 to the Consolidated Financial Statements;
- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary, during the year ended March 31, 2023.
- iv. a) The respective managements of the Holding Company and subsidiary company whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary that, to the best of its knowledge and belief, and as more fully disclosed in the note 43 to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and subsidiary company whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary that, to the best of its knowledge and belief, and as more fully disclosed in the note 43 to the Consolidated Financial Statements, no funds have been received by the respective Holding Company or such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The Board of Directors of the Holding Company has recommended final dividend for the financial year ended March 31, 2023 which is subject to approval of the shareholders in the Annual General Meeting. The final dividend declared is in accordance with section 123 of the Act.

**For S K AGRAWAL AND CO  
CHARTERED ACCOUNTANTS LLP**

Chartered Accountants

ICAI Firm Registration Number: 306033E/E300272

**Sandeep Agrawal**

Partner

Membership Number: 058553

UDIN: 23058553BGYOHH7381

Place of Signature: Kolkata

Date: 30 May, 2023

# Annexure 1 to the Independent Auditor's report of even date on the consolidated financial statements of Lux Industries Limited

## 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 Lux Industries Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the 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.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated Financial Statements 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, 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 judgement, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.

## Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements 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 With Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated Financial Statements 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 Group, have, maintained in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated

Financial Statements were operating effectively as at March 31,2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, in so far as it relates to One (1) subsidiary, is based on the corresponding report of the auditor of such subsidiary, incorporated in India.

### **For S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**

Chartered Accountants

ICAI Firm Registration Number: 306033E/E300272

### **Sandeep Agrawal**

Partner

Membership Number: 058553

UDIN: 23058553BGYOHH7381

Place of Signature: Kolkata

Date: 30 May, 2023

# Consolidated Balance Sheet as at March 31, 2023

(₹ in crores)

	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>A Non-current assets</b>			
Property, plant and equipment	4	263.11	218.33
Capital work-in-progress	4	49.82	33.77
Other intangible assets	4	0.05	0.02
Right of use assets	4	24.73	17.50
Financial assets			
Investments	5	0.00	0.00
Other financial assets	6	7.12	5.70
Other non-current assets	7	8.11	17.16
<b>Total Non-current assets</b>		<b>352.94</b>	<b>292.48</b>
<b>B Current assets</b>			
Inventories	8	682.07	835.53
Financial assets			
Investments	8A	103.45	61.58
Trade receivables	9	800.75	646.90
Cash and cash equivalents	10	27.15	52.45
Bank balance other than above	11	0.09	16.56
Other financial assets	6	5.42	3.90
Current tax assets	12	6.60	1.28
Other current assets	13	140.37	101.54
<b>Total Current assets</b>		<b>1,765.90</b>	<b>1,719.74</b>
<b>TOTAL ASSETS</b>		<b>2,118.84</b>	<b>2,012.22</b>
<b>EQUITY AND LIABILITIES</b>			
<b>C Equity</b>			
Equity share capital	14	6.26	6.26
Other equity	15	1,445.50	1,303.44
Non-controlling interest		(10.89)	(6.35)
<b>Total Equity</b>		<b>1,440.87</b>	<b>1,303.35</b>
<b>D Non-current liabilities</b>			
Financial liabilities			
Borrowings	16	26.31	17.20
Lease liabilities	17	23.08	16.94
Deferred tax liabilities (Net)	29	3.93	3.62
Provisions	18	9.15	7.30
<b>Total Non-current liabilities</b>		<b>62.47</b>	<b>45.06</b>
<b>E Current liabilities</b>			
Financial liabilities			
Borrowings	16	213.90	313.02
Lease liabilities	17	4.50	2.36
Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	19	41.11	4.92
B) total outstanding dues of creditors other than micro enterprises and small enterprises	19	285.03	285.19
Other financial liabilities	20	60.91	47.07
Provisions	18	1.52	1.15
Other current liabilities	21	8.53	10.10
<b>Total current liabilities</b>		<b>615.50</b>	<b>663.81</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,118.84</b>	<b>2,012.22</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 LLP**

Chartered Accountants

ICAI Firm Registration No. 306033E/E300272

**Sandeep Agrawal**

Partner

Membership no. 058553

Place : Kolkata

Dated: 30 May, 2023

**Ashok Kumar Todi**

Chairman

(DIN - 00053599)

**Pradip Kumar Todi**

Managing Director

(DIN - 00246268)

**Smita Mishra**

Company Secretary

(Mem No - A26489)

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

**Consolidated Statement of Profit and Loss** for the year ended March 31, 2023

(₹ in crores)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
I. Revenue from operations	22	2,378.66	2,295.88
II. Other Income	23	18.97	17.04
III. <b>Total income (I+II)</b>		<b>2,397.63</b>	<b>2,312.92</b>
IV. <b>Expenses</b>			
Cost of raw materials consumed	24	1,046.85	1,196.73
Purchases of traded goods	24	63.90	17.74
(Increase) / decrease in inventories of finished goods, work-in-progress & traded goods	24	123.57	(341.78)
Employee benefit expense	25	120.79	88.91
Finance costs	26	24.49	16.01
Depreciation and amortisation expense	27	19.78	18.34
Other expenses	28	809.37	861.05
<b>Total expenses (IV)</b>		<b>2,208.75</b>	<b>1,857.00</b>
V. <b>Profit Before Exceptional Item &amp; Tax (III - IV)</b>		<b>188.88</b>	<b>455.92</b>
Exceptional Item		-	-
V. <b>Profit Before Tax (III - IV)</b>		<b>188.88</b>	<b>455.92</b>
VI. <b>Tax expense</b>			
(i) Current tax	29	51.09	116.88
(ii) Deferred tax	29	0.30	(0.75)
(iii) Income tax for earlier years		0.02	1.73
<b>Income tax expense (i+ii+iii)</b>		<b>51.41</b>	<b>117.86</b>
VII. <b>Profit before minority interest and other comprehensive income (V-VI)</b>		<b>137.47</b>	<b>338.06</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)		0.04	0.77
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.01)	(0.19)
<b>Other comprehensive income for the year (net of tax) (i-ii)</b>		<b>0.03</b>	<b>0.58</b>
<b>Total comprehensive income for the period, net of income tax (VII + VIII)</b>		<b>137.50</b>	<b>338.64</b>
<b>Profit for the year</b>		<b>146.76</b>	<b>341.39</b>
<b>Attributable to:</b>			
(i) Shareholders of the Company		142.03	339.67
(ii) Non controlling interest		(4.56)	(1.61)
<b>Total comprehensive income for the year, net of income tax</b>			
<b>Attributable to:</b>			
(i) Shareholders of the Company		142.04	340.22
(ii) Non controlling interest		(4.54)	(1.58)
<b>Earnings per equity share [nominal value of share ₹ 2 (March 31, 2022 ₹ 2)]</b>			
Basic in ₹ per share	30	47.23	112.95
Diluted in ₹ per share	30	47.23	112.95
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**

Chartered Accountants

ICAI Firm Registration No. 306033E/E300272

**Sandeep Agrawal**

Partner

Membership no. 058553

Place : Kolkata

Dated: 30 May, 2023

**Ashok Kumar Todi**

Chairman

(DIN - 00053599)

**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, 2023

(₹ in crores)

	Year ended March 31, 2023 Audited	Year ended March 31, 2022 Audited
<b>Cash flows from operating activities</b>		
Profit before tax	188.88	455.92
<b>Adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expense	19.78	18.34
Interest on lease liability	2.24	1.85
Finance costs - others	22.25	14.16
Profit on sale of property, plant and equipment	(0.02)	(3.53)
Loss on sale of property, plant and equipment	1.20	0.01
Loss on discard of assets	0.09	0.08
Finance income	(4.42)	(8.03)
Provision for doubtful advances (net)	(1.27)	1.85
Bad debt (net)	0.34	0.69
Liabilities written back	(8.00)	-
Net gain on sale of current investments	(0.84)	(0.44)
Gain on investment carried at fair value through profit or loss	(0.18)	0.02
<b>Operating profit before working capital changes</b>	<b>220.05</b>	<b>480.92</b>
<b>Movements in working capital:</b>		
(Increase) / decrease in trade and other receivables	(152.92)	(191.44)
(Increase) / decrease in inventories	153.46	(358.42)
(Increase) / decrease in other assets	(41.92)	(45.67)
Increase / (decrease) in trade and other payables	44.03	10.38
Increase / (decrease) in other liabilities	14.55	10.21
<b>Cash generated from / (used in) operations</b>	<b>237.25</b>	<b>(94.02)</b>
Direct taxes paid (Net of refunds)	(56.43)	(134.46)
<b>Net cash flow from / (used in) operating activities</b>	<b>180.82</b>	<b>(228.47)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital advances)	(84.35)	(74.28)
Proceeds from sale of property, plant and equipment and intangible assets	15.64	7.15
Sale/(purchase) of investments (net)	(40.85)	14.14
(Increase)/decrease in term deposit	16.84	87.41
Finance income	4.26	9.38
<b>Net cash flow from / (used in) investing activities</b>	<b>(88.46)</b>	<b>43.80</b>

**Consolidated Statement of Cash Flows** for the year ended March 31, 2023

(₹ in crores)

	<b>Year ended March 31, 2023 Audited</b>	<b>Year ended March 31, 2022 Audited</b>
<b>Cash flows from financing activities</b>		
Proceeds/ (repayment) of non-current borrowings	9.11	1.72
Proceeds/ (repayment) of current borrowings	(99.12)	204.90
Finance costs - others	(22.31)	(13.63)
Dividend Paid	-	(36.09)
Payment of lease liability - principal	(3.10)	(2.62)
Payment of lease liability - interest	(2.24)	(1.85)
<b>Net cash flow from / (used in) in financing activities</b>	<b>(117.66)</b>	<b>152.43</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(25.30)</b>	<b>(32.24)</b>
Cash and cash equivalents at the beginning of the year	52.45	84.69
<b>Cash and cash equivalents at the end of the year</b>	<b>27.15</b>	<b>52.45</b>
<b>Components of Cash and cash equivalents</b>		
Cash in hand	1.03	0.68
Balances with banks - in current account	26.12	51.77
<b>Total Cash and cash equivalents</b>	<b>27.15</b>	<b>52.45</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 LLP**

Chartered Accountants

ICAI Firm Registration No. 306033E/E300272

**Sandeep Agrawal**

Partner

Membership no. 058553

Place : Kolkata

Dated: 30 May, 2023

**Ashok Kumar Todi**

Chairman

(DIN - 00053599)

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

**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, 2023

## a. Equity share capital

	No. of shares	₹ in crores
Equity shares of ₹ 2 each issued, subscribed and fully paid		
As at March 31, 2021	2,52,53,000	5.30
Changes in equity share capital during the period	48,18,681	0.96
As at March 31, 2022	3,00,71,681	6.26
Changes in equity share capital during the period	-	-
As at March 31, 2023	3,00,71,681	6.26

## b. Other Equity

(₹ in crores)

	Capital Redemption Reserve	Securities premium	Capital Reserve	General reserve	Retained earnings	Total
Balance as at April 1, 2021	56.00	39.29	2.80	14.78	886.43	999.30
Add: Profit for the year	-	-	-	-	338.06	338.06
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-	-	-	0.58	0.58
Less: Transferred to minority	-	-	-	-	(1.58)	(1.58)
Less: Dividend	-	-	-	-	36.09	36.09
Balance as at March 31, 2022	56.00	39.29	2.80	14.78	1,190.56	1,303.44
Add: Profit for the year	-	-	-	-	137.47	137.47
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-	-	-	0.03	0.03
Less: Transferred to minority	-	-	-	-	(4.56)	(4.56)
Balance as at March 31, 2023	56.00	39.29	2.80	14.78	1,332.62	1,445.50

### 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.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**

Chartered Accountants

ICAI Firm Registration No. 306033E/E300272

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

**Sandeep Agrawal**

Partner

Membership no. 058553

Place : Kolkata

Dated: 30 May, 2023

**Ashok Kumar Todi**

Chairman

(DIN - 00053599)

**Pradip Kumar Todi**

Managing Director

(DIN - 00246268)

**Smita Mishra**

Company Secretary

(Mem No - A26489)

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### 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 (Punjab) and Tirupur, in the state of Tamil Nadu.

### 2. Basis of preparation of Consolidated financial statements

#### (a) Statement of compliance

These Consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable.

The Consolidated financial statements were approved for issue by the Board of Directors of the Company at their meeting held on May 30, 2023. The details of the Group's accounting policies are included in Note 3.

#### (b) Functional and presentation currency

These Consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All amounts have been rounded off to the nearest crores, unless otherwise indicated.

#### (c) Basis of measurement

The Consolidated financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

- (i) Certain financial assets and financial liabilities measured at fair value;
- (ii) Assets held for sale-measured at the lower of its carrying amount and fair value less costs to sell; and
- (iii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

#### (d) Use of estimates and judgments

The preparation of the Group's Consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Consolidated financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware 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 the Consolidated financial statements for the year ended March 31, 2023

## 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 37 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 35 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 29 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 31 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 the Consolidated financial statements for the year ended March 31, 2023

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 38.

### (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 2023	As at March 31 2022
Artimas Fashions Private Limited	India	50.97%	50.97%

#### (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 2023.

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 unrealized income and expenses arising from intragroup transactions, are eliminated. Unrealized gains arising from transactions with subsidiary are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized 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.

# Notes to the Consolidated financial statements for the year ended March 31, 2023

## 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 realized 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 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 Group's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within 12 months after the reporting date; or
- (iv) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### Operating cycle

For the purpose of current/ non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

### (b) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the Statement of Profit and Loss in the period in which they arise.

### (c) Financial instruments

#### (i) Recognition and initial measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are

## Notes to the Consolidated financial statements for the year ended March 31, 2023

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 derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of Profit and Loss.

### (iv) Off setting

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when, and only when, the 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 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



## Notes to the Consolidated financial statements for the year ended March 31, 2023

price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Consolidated Statement of Profit and Loss.

Property, plant and equipment under construction and not yet ready for their intended use are disclosed as Capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other 'Non-Current Assets'.

### ● Intangible assets:

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly. The Intangible assets include Computer Software. Amortization of Intangible Assets is made based on management's evaluation of duration of life cycle of intangible assets.

### (ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

### (iii) Depreciation & Amortization

Depreciation and amortization for the year is recognized in the Consolidated Statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method in the manner specified in Part C of Schedule II to the Companies Act, 2013. Depreciation for the assets purchased/ sold during a period is proportionately charged.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

Class of assets	Useful lives of the assets (Years)
Factory buildings	30
Non factory buildings	60
Plant and equipment	10 to 15
Computer and data processing equipment	3
Office equipment	5
Furniture and fixtures	10
Vehicles	8 to 10
Computer software	2.5
Brand	5

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### (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 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 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 recognized is recognized 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.

#### (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

## Notes to the Consolidated financial statements for the year ended March 31, 2023

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 Consolidated 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 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 recognized 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. Remeasurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

#### **(iv) Other long term employee benefits**

The Group treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Group has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

### **(h) Provision, Contingent Liabilities and Contingent Assets**

A provision is recognized if, as a result of past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provisions in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

During the financial year the Group has made provision for doubtful debts and doubtful advances to the extent of 100% of the total amount identified as doubtful debts and advances.

## Notes to the Consolidated financial statements for the year ended March 31, 2023

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 recognized 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 recognizes 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 recognized.

#### 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 recognized on passage of control as per the terms of contract / incoterms.

Variable consideration in the form of volume rebates is recognized 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.

### (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.

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### (k) Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognized in the Consolidated 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 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 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 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 realized simultaneously.

### (l) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

### (m) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Group.

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### (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 Knitwears. 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 for providing complete information to the stake holder / financial statement 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. 33.

### (r) Fair value measurement

The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

## Notes to the Consolidated financial statements for the year ended March 31, 2023

For assets and liabilities that are recognized 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 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 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 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 recognize most leases on the balance sheet.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes 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 recognizes 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 recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land & Building 2 to 10 years

Leasehold Land is amortised over the period of lease ranging from 30 to 99 years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

#### ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value

## Notes to the Consolidated financial statements for the year ended March 31, 2023

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 recognized 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 recognized 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 recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The Group as a lessor classifies a lease either as an operating lease or a finance lease. Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### (u) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

Based on preliminary assessment, the Company does not expect the amendments listed above to have any significant impact in its financial statements.



## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 4 - Property, plant and equipment, Intangible assets, Right of use assets

(₹ in crores)

Particulars	Gross Block				Depreciation/ Amortization				Net Block	
	As at April 1, 2022	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2023	As at April 1, 2022	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
<b>Tangible Assets</b>										
Land	62.80	34.29	16.88	80.21	-	-	-	-	80.21	62.80
Building	88.78	7.14	-	95.92	13.94	2.83	-	16.77	79.15	74.84
Plant & Equipments	100.61	24.11	-	124.72	35.25	9.38	-	44.63	80.09	65.36
Office Equipments	2.18	0.69	-	2.87	1.63	0.23	-	1.86	1.01	0.55
Furniture & Fixture	10.09	6.98	-	17.07	4.62	1.05	-	5.67	11.40	5.47
Vehicle	17.24	4.07	0.31	21.00	7.93	2.10	0.28	9.75	11.25	9.31
	<b>281.70</b>	<b>77.28</b>	<b>17.19</b>	<b>341.79</b>	<b>63.37</b>	<b>15.59</b>	<b>0.28</b>	<b>78.68</b>	<b>263.11</b>	<b>218.33</b>
Capital Work in Progress	33.77	18.49	2.44	49.82	-	-	-	-	49.82	33.77
<b>Sub Total (A)</b>	<b>315.47</b>	<b>95.77</b>	<b>19.63</b>	<b>391.61</b>	<b>63.37</b>	<b>15.59</b>	<b>0.28</b>	<b>78.68</b>	<b>312.93</b>	<b>252.10</b>
<b>Intangible Assets</b>										
Computer software	2.09	0.05	-	2.14	2.08	0.02	-	2.10	0.04	0.01
Brand	0.01	-	-	0.01	-	-	-	-	0.01	0.01
<b>Sub Total (B)</b>	<b>2.10</b>	<b>0.05</b>	<b>-</b>	<b>2.15</b>	<b>2.08</b>	<b>0.02</b>	<b>-</b>	<b>2.10</b>	<b>0.05</b>	<b>0.02</b>
<b>Right of use Assets</b>										
Building	25.74	12.52	4.73	33.53	8.24	4.15	3.59	8.80	24.73	17.50
<b>Sub Total (C)</b>	<b>25.74</b>	<b>12.52</b>	<b>4.73</b>	<b>33.53</b>	<b>8.24</b>	<b>4.15</b>	<b>3.59</b>	<b>8.80</b>	<b>24.73</b>	<b>17.50</b>
<b>Total (A+B+C)</b>	<b>343.31</b>	<b>108.34</b>	<b>24.36</b>	<b>427.29</b>	<b>73.69</b>	<b>19.76</b>	<b>3.87</b>	<b>89.58</b>	<b>337.71</b>	<b>269.62</b>

#### a. Capital Work in Progress - Ageing Schedule as at March 31, 2023

(₹ in crores)

CWIP	Amount in CWIP for a period of				March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress #	18.49	28.03	3.30	-	49.82

# All the projects in progress includes capital work-in progress, whose completion is neither overdue nor exceeded its cost compared to its original plan.

(1) There is no project as on reporting period where activity has been suspended

**Notes to the Consolidated financial statements** for the year ended March 31, 2023**NOTE: 4 - Property, plant and equipment, Intangible assets, Right of use assets (Previous Year) (contd...)**

(₹ in crores)

Particulars	Gross Block				Depreciation/ Amortization				Net Block	
	As at April 1, 2021	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2022	As at April 1, 2021	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
<b>Tangible Assets</b>										
Land	44.62	21.53	3.35	62.80	-	-	-	-	62.80	44.62
Building	87.10	1.68	-	88.78	11.31	2.63	-	13.94	74.84	75.79
Plant & Equipments	79.50	21.39	0.28	100.61	26.10	9.19	0.04	35.25	65.36	53.40
Office Equipments	2.09	0.09	-	2.18	1.39	0.24	-	1.63	0.55	0.70
Furniture & Fixtures	9.14	0.95	-	10.09	3.76	0.87	0.01	4.62	5.47	5.38
Vehicles	14.20	4.09	1.05	17.24	7.21	1.65	0.93	7.93	9.31	6.99
	<b>236.65</b>	<b>49.73</b>	<b>4.68</b>	<b>281.70</b>	<b>49.77</b>	<b>14.58</b>	<b>0.98</b>	<b>63.37</b>	<b>218.33</b>	<b>186.88</b>
Capital Work in Progress	9.23	25.95	1.41	33.77	-	-	-	-	33.77	9.23
<b>Sub Total (A)</b>	<b>245.88</b>	<b>75.68</b>	<b>6.09</b>	<b>315.47</b>	<b>49.77</b>	<b>14.58</b>	<b>0.98</b>	<b>63.37</b>	<b>252.10</b>	<b>196.11</b>
<b>Intangible Assets</b>										
Computer softwares	2.08	0.01	-	2.09	1.99	0.09	-	2.08	0.01	0.09
Brand	0.01	-	-	0.01	-	-	-	-	0.01	0.01
<b>Sub Total (B)</b>	<b>2.09</b>	<b>0.01</b>	<b>-</b>	<b>2.10</b>	<b>1.99</b>	<b>0.09</b>	<b>-</b>	<b>2.08</b>	<b>0.02</b>	<b>0.10</b>
<b>Right of use Assets</b>										
Building	17.61	8.97	0.84	25.74	5.12	3.67	0.55	8.24	17.50	12.49
<b>Sub Total (C)</b>	<b>17.61</b>	<b>8.97</b>	<b>0.84</b>	<b>25.74</b>	<b>5.12</b>	<b>3.67</b>	<b>0.55</b>	<b>8.24</b>	<b>17.50</b>	<b>12.49</b>
<b>Total (A+B+C)</b>	<b>265.58</b>	<b>84.66</b>	<b>6.93</b>	<b>343.31</b>	<b>56.88</b>	<b>18.34</b>	<b>1.53</b>	<b>73.69</b>	<b>269.62</b>	<b>208.70</b>

**a. Capital Work in Progress - Ageing Schedule as at March 31, 2022**

(₹ in crores)

CWIP	Amount in CWIP for a period of		
	Less than 1 year	1-2 years	Total
Projects in progress #	28.03	5.74	33.77

# All the projects in progress includes capital work-in progress, whose completion is neither overdue nor exceeded its cost compared to its original plan.

(1) There is no Capital Work in Progress with ageing above 2 years

(2) There is no project as on reporting period where activity has been suspended

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 5 - Non-Current Investments

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity instruments carried at fair value through profit or loss (FVTPL)		
<b>Unquoted</b>		
West Bengal Hosiery Park Infrastructure Limited	0.00	0.00
500 equity shares (PY - 500) (FV - ₹ 10 each)		
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Aggregate amount of Unquoted investments</b>	<b>0.00</b>	<b>0.00</b>

### NOTE: 6 - Other Financial Assets

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<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)	2.06	2.44
Interest accrued on fixed deposit	0.01	-
Security deposit	5.05	3.26
	<b>7.12</b>	<b>5.70</b>
<b>Current</b>		
Interest accrued on Perpetual Bonds	1.05	0.90
Security deposit	1.37	1.00
Loans and advances to employees	3.00	2.00
	<b>5.42</b>	<b>3.90</b>
<b>Total</b>	<b>12.54</b>	<b>9.60</b>

Fixed Deposits pledged with Banks ₹ 1.76 crores (Previous Year - ₹ 1.68 crores)

### NOTE: 7 - Other Non-Current Assets

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<i>(Unsecured, considered good unless otherwise stated)</i>		
Capital advances	8.10	17.08
Others		
Prepaid expenses	0.01	0.08
<b>Total</b>	<b>8.11</b>	<b>17.16</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 8 - Inventories

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<i>(Valued at lower of cost and net realisable value )</i>		
Raw materials	49.02	71.59
Work-in-progress	220.07	224.36
Finished goods	340.89	466.37
Stock-in-trade	12.13	5.93
Packing materials	59.96	67.28
<b>Total</b>	<b>682.07</b>	<b>835.53</b>

### NOTE: 8A - Current Investments

(₹ in crores)

Particulars	No of units March 2023	No of units March 2022	As at March 31, 2023	As at March 31, 2022
<b>Investments in mutual funds - Unquoted</b>				
<b>(at fair value through profit or loss (FVTPL))</b>				
Axis Liquid Fund - Regular Growth (CFGPG)	21,536	-	5.35	-
SBI Magnum Medium Duration Fund Regular Growth	11,75,695	-	5.05	-
<b>Investments in Perpetual bonds - Quoted</b>				
<b>(at amortised cost)</b>				
8.85% HDFC Bank Limited SR 1-BD Perpetual Bond (FV ₹ 0.10 Crores)	-	90	-	9.03
8.15% State Bank of India SR-IV BD Perpetual Bond (FV ₹ 0.10 Crores)	-	3	-	0.30
9.56% State Bank of India Series 1 NCD Perpetual Bond (FV ₹ 0.10 Crores)	8	8	0.87	0.84
9.15% ICICI Bank Limited Perpetual Bond (FV ₹ 0.10 Crores)	250	-	26.16	-
8.75% State Bank of India Perpetual Bond (FV ₹ 0.10 Crores)	250	-	26.16	-
<b>Investments in debentures- Quoted</b>				
<b>(at amortised cost)</b>				
Embassy Property - MLD Series I	-	-	-	1.41
Shriram Finance Company Limited	90	-	10.25	-
Piramal Enterprise Limited	20	-	2.29	-
Mindspace Business Parks REIT	150	-	16.63	-
L&T Finance Limited	348	-	7.69	-
ICICI Home Finance Company Limited	30	-	3.00	-

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 8A - Current Investments (contd...)

(₹ in crores)

Particulars	No of units March 2023	No of units March 2022	As at March 31, 2023	As at March 31, 2022
Fixed Deposit with maturity more than 3 months but less than 12 months (at Amortised Cost)				
LIC Housing Finance Ltd	-	-	-	50.00
<b>Total</b>	<b>1,198,377</b>	<b>101</b>	<b>103.45</b>	<b>61.58</b>
Aggregate amount of Unquoted investments			10.40	50.00
Investment in quoted investment :				
Aggregate book value			93.05	11.58
Aggregate market value			93.05	11.58

### NOTE: 9 - Trade Receivables

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(Carried at amortised cost)		
Unsecured		
- Considered good	800.75	646.90
- Considered doubtful	3.29	4.56
Less: Loss for allowances		
- Provision for doubtful debt	(3.29)	(4.56)
	800.75	646.90
<b>Total</b>	<b>800.75</b>	<b>646.90</b>

### Trade Receivables ageing schedule - As at March 31, 2023

(₹ in crores)

Particulars	Current but not due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivable - Considered good	560.39	198.71	19.81	21.00	0.83	0.00	800.75
ii. Undisputed Trade Receivable - Considered doubtful	-	-	-	0.45	0.92	1.92	3.29

### Trade Receivables ageing schedule - As at March 31, 2022

(₹ in crores)

Particulars	Current but not due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivable - Considered good	525.64	108.52	11.25	1.08	0.41	-	646.90
ii. Undisputed Trade Receivable - Considered doubtful	-	-	-	0.92	1.02	2.61	4.56

**Notes to the Consolidated financial statements** for the year ended March 31, 2023**NOTE: 10 - Cash and Cash Equivalents**

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
Current/Cash Credit accounts	25.81	32.75
Fixed Deposit with maturity less than 3 months	0.31	19.02
Cash on hand	1.03	0.68
<b>Total</b>	<b>27.15</b>	<b>52.45</b>

**NOTE: 11 - Bank Balances Other than Cash and Cash Equivalents**

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
Unpaid dividend - earmarked balances with Bank	0.09	0.10
Fixed Deposit with maturity more than 3 months but less than 12 months	-	16.46
<b>Total</b>	<b>0.09</b>	<b>16.56</b>

**NOTE: 12 - Current Tax Assets**

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax assets	6.60	1.28
<b>Total</b>	<b>6.60</b>	<b>1.28</b>

**NOTE: 13 - Other Current Assets**

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances to supplier		
- Unsecured, considered good	26.98	9.24
- Unsecured, considered doubtful	0.16	0.60
	27.14	9.84
Less: Provision for doubtful advances	(0.16)	(0.60)
	26.98	9.24
Others		
Prepaid expenses	9.20	1.74
Balance with government authorities	99.60	81.01
Incentive / duty drawback receivable	4.59	9.50
Prepaid Taxes	-	0.05
<b>Total</b>	<b>140.37</b>	<b>101.54</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 14 - Equity Share Capital

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised:</b>		
8,37,50,000 Equity shares of ₹ 2/- each	16.75	16.75
(31.03.2022: 8,37,50,000 Equity shares of ₹ 2/- each)		
56,00,000 Preference shares of ₹ 100/- each	56.00	56.00
(31.03.2022: 56,00,000 Equity shares of ₹ 100/- each)		
<b>Issued and subscribed equity share capital</b>		
3,25,56,181 Equity shares of ₹ 2/- each	6.51	6.51
(31.03.2022: 3,25,56,181 Equity shares of ₹ 2/- each)		
<b>Paid up equity share capital</b>		
3,00,71,681 Equity shares of ₹ 2/- each	6.01	6.01
(31.03.2022: 3,00,71,681 Equity shares of ₹ 2/- each)		
<b>Forfeited equity share capital</b>		
Add: 24,84,500 equity shares (Paid-up)	0.25	0.25
(31.03.2022: 24,84,500 Equity shares (Paid-up))		
<b>Total</b>	<b>6.26</b>	<b>6.26</b>

Particulars	No. of shares	₹ in crores
<b>Reconciliation of number of equity shares outstanding:</b>		
<b>As at March 31, 2021</b>	<b>2,52,53,000</b>	<b>5.30</b>
Increase during the year	48,18,681	0.96
<b>As at March 31, 2022</b>	<b>3,00,71,681</b>	<b>6.26</b>
Increase during the year	-	-
<b>As at March 31, 2023</b>	<b>3,00,71,681</b>	<b>6.26</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 Consolidated financial statements for the year ended March 31, 2023

### NOTE: 14 - Equity Share Capital (contd...)

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Ashok Kumar Todi	36,58,654	12.17	36,58,654	12.17
Pradip Kumar Todi	44,15,290	14.68	44,15,290	14.68
Bimla Devi Todi	34,85,070	11.59	34,85,070	11.59
Shobha Devi Todi	27,32,570	9.09	27,32,570	9.09
Prabha Devi Todi	36,65,920	12.19	36,65,920	12.19
Hollyfield Traders Private Limited	18,59,141	6.18	17,34,793	5.77

### Equity shares held by promoters at the end of the year - As at March 31, 2023

Promoter name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Pradip Kumar Todi HUF	13,340	0.04	13,340	0.04	-
Ashok Kumar Todi HUF	11,310	0.04	11,310	0.04	-
Prabha Devi Todi	36,65,920	12.19	36,65,920	12.19	-
Ashok Kumar Todi	36,58,654	12.17	36,58,654	12.17	-
Pradip Kumar Todi	44,15,290	14.68	44,15,290	14.68	-
Navin Kumar Todi	3,25,363	1.08	3,25,363	1.08	-
Rahul Kumar Todi	4,60,653	1.53	4,60,653	1.53	-
Bimla Devi Todi	34,85,070	11.59	34,85,070	11.59	-
Shobha Todi	27,32,570	9.09	27,32,570	9.09	-
Udit Todi	8,38,876	2.79	8,38,876	2.79	-
Saket Todi	7,94,876	2.64	7,94,876	2.64	-
Rohit Poddar	-	-	51,425	0.17	(0.17)
Upendra Samriya	50,030	0.17	50,000	0.17	-
Hollyfield Traders Private Limited	18,59,141	6.18	17,34,793	5.77	0.41
<b>Total</b>	<b>2,23,11,063</b>	<b>74.19</b>	<b>2,22,38,140</b>	<b>73.95</b>	<b>0.24</b>



## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 14 - Equity Share Capital (contd...)

Equity shares held by promoters at the end of the year - As at March 31, 2022

Promoter name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Pradip Kumar Todi HUF	13,340	0.04	-	-	0.04
Ashok Kumar Todi HUF	11,310	0.04	-	-	0.04
Prabha Devi Todi	36,65,920	12.19	36,23,000	12.05	0.14
Ashok Kumar Todi	36,58,654	12.17	34,67,834	11.53	0.64
Pradip Kumar Todi	44,15,290	14.68	42,26,500	14.05	0.63
Navin Kumar Todi	3,25,363	1.08	-	-	1.08
Rahul Kumar Todi	4,60,653	1.53	-	-	1.53
Bimla Devi Todi	34,85,070	11.59	32,80,000	10.91	0.68
Shobha Todi	27,32,570	9.09	25,27,500	8.40	0.69
Udit Todi	8,38,876	2.79	1,86,000	0.62	2.17
Saket Todi	7,94,876	2.64	1,42,000	0.47	2.17
Rohit Poddar	51,425	0.17	-	-	0.17
Upendra Samriya	50,000	0.17	-	-	0.17
Hollyfield Traders Private Limited	17,34,793	5.77	-	-	5.77
Neha Poddar	-	-	50,000	0.17	(0.17)
Shilpa Agarwal Samriya	-	-	50,000	0.17	(0.17)
<b>Total</b>	<b>2,22,38,140</b>	<b>73.95</b>	<b>1,75,52,834</b>	<b>69.51</b>	<b>4.44</b>

### NOTE: 15 - Other Equity

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Redemption Reserve	56.00	56.00
Securities premium	39.29	39.29
Capital reserve (Refer Note 44)	2.80	2.80
General reserve	14.78	14.78
Retained earnings	1,332.63	1,190.57
<b>Total</b>	<b>1,445.50</b>	<b>1,303.44</b>

**Notes to the Consolidated financial statements** for the year ended March 31, 2023**NOTE: 16 - Financial Liabilities - Borrowings****(a) Non-current borrowings**

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<i>(Carried at amortised cost)</i>		
<b>Secured</b>		
Term Loans from Banks	15.17	23.58
Less: Current maturity of long term debts (Refer Note b)	7.66	8.38
	7.51	15.20
<b>Total non-current borrowings</b>	<b>7.51</b>	<b>15.20</b>
<b>Unsecured</b>		
Non Convertible Redeemable Preference Shares	2.00	2.00
2,00,000 Preference Shares of ₹ 100/- each		
(31.03.2022: 2,00,000 Preference Shares of ₹ 100/- each)		
<b>From Others (Unsecured)</b>		
From related parties (Refer Note 32)	16.80	-
<b>Total</b>	<b>18.80</b>	<b>2.00</b>
<b>Total non-current borrowings</b>	<b>26.31</b>	<b>17.20</b>

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

(₹ in crores)

Name of the Bank / Instrument	March 31, 2023	March 31, 2022	Nature of Security	Repayment Terms
<b>Secured</b>				
Indian Bank	7.88	13.79	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 KMP.	Repayable in quarterly installments. Interest @ 1 year MCLR is serviced on monthly basis.
HDFC Bank	0.38	0.89	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 KMP.	Repayable in quarterly installments. Interest @ 9.5% is serviced on monthly basis.
HDFC Bank	4.53	5.44	Exclusive Hypothecation charge over the machinery/equipments acquired under facilities out of the said loan and secured by personal guarantee of KMP.	Repayable in quarterly installments. Interest @ 3m Repo + 185 bps is serviced on monthly basis.

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 16 - Financial Liabilities - Borrowings (contd...)

(i) Repayment terms and nature of securities given for term loan as follows : (contd...) (₹ in crores)

Name of the Bank / Instrument	March 31, 2023	March 31, 2022	Nature of Security	Repayment Terms
HDFC Bank	1.08	1.48	Exclusive Hypothecation charge over the machinery/equipments acquired under facilities out of the said loan and secured by personal guarantee of KMP.	Repayable in quarterly installments. Interest @ 1 year MCLR + 20 bps is serviced on monthly basis.
HDFC Bank	1.29	1.98	Exclusive Hypothecation charge over the machinery/equipments acquired under facilities out of the said loan and secured by personal guarantee of KMP.	Repayable in quarterly installments. Interest @ 1 year MCLR + 50 bps is serviced on monthly basis.

### (ii) Terms / rights attached to Non convertible Redeemable Preference Shares:

The Subsidiary Company has only one class of Non-convertible Redeemable Preference shares having a face value of ₹ 100/- each. It carries dividend of 5% p.a. and the dividend will be on cumulative basis. It does not carry any voting rights except in accordance with the provisions of Section 47(2) of the Companies Act, 2013. It shall be redeemed at Par within 10 years or earlier from the date of their allotment as may be decided by the Board of Directors of the Subsidiary Company. Any part redemption will be permissible as may be approved by the Board of Directors of the Subsidiary Company.

### (b) Current borrowings

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<i>(Carried at amortised cost)</i>		
<b>From Banks (Secured) (refer note a)</b>		
<b>i) Loan repayable on demand</b>		
Cash Credit Facilities	22.69	7.17
Working Capital Demand Loan (WC DL)	90.27	225.08
<b>ii) Packing credit</b>	79.78	52.13
<b>iii) Current maturity of long term debts</b>	7.66	8.38
<b>From Others (Unsecured)</b>		
i) From related parties (Refer Note 32)	13.50	20.26
<b>Total current borrowings</b>	<b>213.90</b>	<b>313.02</b>

a) The above credit facilities from banks are secured against hypothecation of entire stocks, book debts and other current assets, both present and future of Company. It is additionally secured by personal guarantee of the KMP/relatives of KMP. It is additionally secured by 1st pari-passu charge on entire fixed assets of the company.

### NOTE: 17 - Lease Obligation

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Non-Current	23.08	16.94
b) Current	4.50	2.36
<b>Total</b>	<b>27.58</b>	<b>19.30</b>

**Notes to the Consolidated financial statements** for the year ended March 31, 2023**NOTE: 18 - Provisions**

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Provision for employee benefits (Refer note 35)</b>		
a) Non-Current	9.15	7.30
b) Current	1.52	1.15
<b>Total</b>	<b>10.67</b>	<b>8.45</b>

**NOTE: 19 - Trade Payables**

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<i>(Carried at amortised cost)</i>		
MSMED [refer note (a) below]	41.11	4.92
Other trade payables	285.03	285.19
<b>Total</b>	<b>326.14</b>	<b>290.11</b>

**(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006**

Particulars	As at March 31, 2023	As at March 31, 2022
(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	41.11	4.92
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 based on the information available with the Company in respect of the registration status of its vendors/suppliers.

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 19 - Trade Payables (contd...)

Trade Payables ageing schedule - As at March 31, 2023

(₹ in crores)

Particulars	Current but not due	Outstanding for the following periods from due date of payment				
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	41.11	-	-	-	-	41.11
ii. Others	140.58	135.98	5.48	1.13	1.87	285.03

Trade Payables ageing schedule - As at March 31, 2022

(₹ in crores)

Particulars	Current but not due	Outstanding for the following periods from due date of payment				
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	4.89	0.03	-	-	-	4.92
ii. Others	183.22	90.57	1.94	1.44	8.01	285.19

### NOTE: 20 - Current Financial Liabilities - Others

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<i>(Carried at amortised cost)</i>		
Deposits from Dealers/ agents	38.07	33.64
Unclaimed dividend	0.09	0.09
Interest accrued but not due	0.60	0.66
Other payables	22.15	12.68
<b>Total</b>	<b>60.91</b>	<b>47.07</b>

### NOTE: 21 - Other Current Liabilities

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	4.65	6.16
Advance from customers	3.82	3.94
Other liabilities	0.06	-
<b>Total</b>	<b>8.53</b>	<b>10.10</b>

**Notes to the Consolidated financial statements** for the year ended March 31, 2023**NOTE: 22 - Revenue From Operations**

(₹ in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	2,360.96	2,283.16
<b>Sale of Services</b>		
Job Work	0.33	0.29
<b>Other Operating Revenue</b>		
Insurance claim Receivable	4.23	0.23
Export and other incentive	13.14	12.20
<b>Total</b>	<b>2,378.66</b>	<b>2,295.88</b>

**NOTE: 23 - Other Income**

(₹ in crores)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Interest Income from Financial Assets at amortized cost:				
i) On fixed deposits	2.59		5.45	
ii) From financial assets at amortized cost	1.67		2.42	
iii) On debentures	0.16	4.42	0.16	8.03
Profit on Sale of Property, plant and equipment		0.02		3.53
Foreign currency fluctuation gain (net)		4.57		3.98
<b>Income from Current Investments :</b>				
Net gain on fair valuation of mutual fund units		0.18		(0.02)
Net gain on sale of current investments		0.84		0.44
Liabilities written back		8.00		-
Others		0.94		1.08
<b>Total</b>		<b>18.97</b>		<b>17.04</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 24 - Cost of Raw Material Consumed

(₹ in crores)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
<b>Yarn Consumed</b>				
Opening stock	71.59		63.33	
Add : Purchases during the year	798.30		941.71	
	869.89		1,005.04	
Less: Yarn sale	1.48		1.22	
Less: Closing stock	49.03	819.38	71.59	932.23
<b>Packing Materials Consumed</b>				
Opening stock	67.28		58.91	
Add: Purchases during the year	216.58		249.49	
	283.86		308.40	
Less: Closing stock	59.96	223.90	67.28	241.12
<b>Consumption of Fabrics</b>		3.57		23.38
<b>Total</b>		<b>1,046.85</b>		<b>1,196.73</b>
Purchase of stock-in-trade		63.90		17.74
<b>Total</b>		<b>63.90</b>		<b>17.74</b>
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>				
<b>Finished Goods</b>				
Opening stock	466.37		195.97	
Closing stock	340.89	125.48	466.37	(270.40)
<b>Work-in-progress</b>				
Opening stock	224.36		157.13	
Closing stock	220.07	4.29	224.36	(67.23)
<b>Stock in trade</b>				
Opening stock	5.93		1.78	
Closing stock	12.13	(6.20)	5.93	(4.15)
<b>Total</b>		<b>123.57</b>		<b>(341.78)</b>

### NOTE: 25 - Employee Benefit Expense

(₹ in crores)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Salaries, wages & bonus	110.45		81.39	
Provision for employment benefit	2.99	113.44	2.28	83.67
Contribution to provident & other funds		3.18		2.43
Staff welfare expenses		4.17		2.81
<b>Total</b>		<b>120.79</b>		<b>88.91</b>

### NOTE: 26 - Finance Cost

(₹ in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense	20.27	13.06
Interest on Trade Deposit	0.36	0.24
Interest on lease obligation	2.24	1.85
Bank charges	1.62	0.86
<b>Total</b>	<b>24.49</b>	<b>16.01</b>

**Notes to the Consolidated financial statements** for the year ended March 31, 2023**NOTE: 27 - Depreciation & Amortization Expense**

(₹ in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	15.19	14.58
Amortization of intangible assets	0.03	0.09
Depreciation on lease assets	4.56	3.67
<b>Total</b>	<b>19.78</b>	<b>18.34</b>

**NOTE: 28 - Other Expenses**

(₹ in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores & spare parts	3.38	4.29
Power & fuel	8.81	8.80
Rent	8.55	4.12
Repairs		
Repairs to buildings	2.07	1.07
Repairs to machinery	1.06	0.71
Repairs to other	4.06	2.47
Insurance	2.10	2.04
Rates & taxes	1.05	0.71
Selling expenses	34.73	19.86
Royalty	0.08	0.08
Advertisement & publicity	185.30	152.57
Commission	18.22	18.25
Freight & other handling charges	48.58	48.21
Bad debts(net)	0.34	0.69
Provision for doubtful debts/ advance	(1.27)	1.85
Processing expense	446.44	565.21
Prior period items	0.02	-
Loss on sale of property, plant and equipment	1.20	0.01
Loss on discard of assets	0.09	0.08
Miscellaneous expenses	44.22	29.62
Payment to auditors :		
- Statutory audit fees	0.30	0.36
- Certification and other services	0.04	0.05
<b>Total</b>	<b>809.37</b>	<b>861.05</b>



## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 29 - Income Tax

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

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current Tax</b>		
Current period	51.09	116.88
Changes in respect of current income tax of previous years	0.02	1.73
<b>(a)</b>	<b>51.11</b>	<b>118.61</b>
<b>Deferred Tax</b>		
Attributable to -		
Origination and reversal of temporary differences	0.30	(0.75)
<b>(b)</b>	<b>0.30</b>	<b>(0.75)</b>
<b>Tax expenses reported in the Standalone Statement of Profit and Loss (a+b)</b>	<b>51.41</b>	<b>117.86</b>

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

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax relating to items recognized in other comprehensive income during the year	(0.01)	(0.19)
<b>Income tax expense charged to Other Comprehensive Income</b>	<b>(0.01)</b>	<b>(0.19)</b>

#### C. Reconciliation of tax expense and the accounting profit for March 31, 2023 and March 31, 2022:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Accounting profit before income tax	188.88	455.92
Tax at the applicable India tax rate of 25.168% (25.168%)	47.54	114.75
<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	(0.07)	0.29
Other adjustments	3.94	2.83
<b>(a)</b>	<b>51.41</b>	<b>117.86</b>

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

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Applicable tax rate	25.17%	25.17%
Tax effect of difference between depreciation as per IT Act and depreciation as per books	-0.03%	0.06%
Tax effect of other adjustments	2.08%	0.62%
<b>Effective tax rate</b>	<b>27.22%</b>	<b>25.85%</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 29 - Income Tax (contd...)

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

(₹ in crores)

Particulars	Balance as on April 1, 2022	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2023
Property, plant and equipment	(8.32)	(1.13)	-	(9.45)
Right of use assets	(4.42)	(1.82)	-	(6.24)
Trade receivables	1.15	(0.44)	-	0.71
Other assets	0.56	0.08	-	0.64
Provisions	2.08	0.57	(0.01)	2.64
Other liabilities	4.96	2.35	-	7.31
Unused tax losses on Capital Assets	0.38	0.08	-	0.46
<b>Total</b>	<b>(3.61)</b>	<b>(0.31)</b>	<b>(0.01)</b>	<b>(3.93)</b>

(₹ in crores)

Particulars	Balance as on April 1, 2021	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2022
Property, plant and equipment	(7.92)	(0.40)	-	(8.32)
Right of use assets	(3.17)	(1.25)	-	(4.42)
Trade receivables	0.71	0.44	-	1.15
Other assets	0.51	0.05	-	0.56
Provisions	1.52	0.75	(0.19)	2.08
Other liabilities	4.28	0.68	-	4.96
Unused tax losses on Capital Assets	(0.08)	0.46	-	0.38
<b>Total</b>	<b>(4.16)</b>	<b>0.73</b>	<b>(0.19)</b>	<b>(3.61)</b>

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

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	11.76	9.12
Deferred tax liabilities	(15.69)	(12.74)
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(3.93)</b>	<b>(3.62)</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 30 - Earnings per share (EPS) (Ind AS 33)

(₹ in crores)

Sl. No	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1	Profit for the year	142.03	339.67
2	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS	3,00,71,681	3,00,71,681
3	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	3,00,71,681	3,00,71,681
4	Nominal Value per share (₹)	2/-	2/-
5	Earning per shares		
	Basic	47.23	112.95
	Diluted	47.23	112.95

### NOTE: 31 - Particulars of Contingent Liabilities and Commitments

#### I. Contingent Liabilities

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the Group not acknowledged as liabilities in respect of:		
Sales Tax Matters	0.62	0.62
Goods & Service Tax matters	8.40	-
Customs and Excise matters	3.79	3.56
Service tax matters	1.36	1.36
Provident Fund matters	9.73	9.73
Guarantee Given	28.74	22.86

The Group 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 Group's financial position and results of operations.

#### II. Commitments:

- Estimated amount of contracts to be executed on capital account (Net of Advances) ₹ 8.56 Crores (Previous year ₹18.91 Crores). The group 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 Group did not have any long term commitments/ contracts including derivative contracts for which there will be any material foreseeable losses.

**Notes to the Consolidated financial statements** for the year ended March 31, 2023**NOTE: 32 - Related party disclosure (Ind AS 24)****A. Key management personnel**


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Mr Ashok Kumar Todi, Executive Chairman

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Mr Pradip Kumar Todi, Managing Director

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Mr Saket Todi - Executive Director (w.e.f. May 25, 2021)

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Mr Udit Todi - Executive Director (w.e.f. May 25, 2021)

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Mr Rahul Kumar Todi - Executive Director (w.e.f. May 25, 2021)

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Mr Navin Kumar Todi - Executive Director (w.e.f. May 25, 2021)

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Mr Saurabh Kumar Bhudolia, Chief Financial Officer (upto January 15, 2023)

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Mrs Smita Mishra, Company Secretary

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**B. Other directors**


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Mr Nandanandan Mishra - Independent director

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Mr Kamal Kishore Agrawal - Independent director

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Mr Snehasish Ganguly - Independent director

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Mrs Rusha Mitra - Independent director

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Mr Rajnish Rikhy - Independent director (w.e.f. May 25, 2021)

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Mrs Ratnabali Kakkar - Independent director (w.e.f. May 25, 2021)

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**C. Relatives of Key management personnel**


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Mr. Sourav Ganguly

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Mrs Prabha Devi Todi

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Mrs Shobha Devi Todi

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Mrs Bimla Devi Todi

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Mrs Shilpa Pankajkumar

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Mrs Neha Poddar

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Mrs Sonika Bhudolia

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Mr. Rakesh Mishra

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**D. Entities where Key management personnel and their relative have significant influence**


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Biswanath Hosiery Mills Limited

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Biswanath Real Estate Private Limited

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Hollyfield Traders Private Limited

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P.G.Infometric Private Limited

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Prominent Suppliers Private Limited

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Century Plyboards (India) Limited

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Moustache Industries Private Limited

---

MJ Print Packaging Private Limited

---

Exquisite Print And Pack Private Limited

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Todi Exports (India)

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Lux Foundation

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Jaytee Exports

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Ashok Kumar Todi (HUF)

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Pradip Kumar Todi (HUF)

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## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 32 - 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 crores)

Sl. No	Name of related party	Year ended March 31, 2023	Year ended March 31, 2022
<b>1</b>	<b>Sale of goods</b>		
	Moustache Industries Private Limited	3.11	-
	Prominent Suppliers Private Limited	0.07	-
<b>2</b>	<b>Paid towards services</b>		
	MJ.Print Packaging Private Limited - Job Work	0.56	-
<b>3</b>	<b>Purchase of goods</b>		
	MJ Print Packaging Private Limited	7.82	-
	Prominent Suppliers Private Limited	7.60	-
	Exquisite Print And Pack Private Limited	2.46	-
<b>4</b>	<b>Sitting fees</b>		
	Mr Nandannandan Mishra	0.07	0.09
	Mr Kamal Kishore Agrawal	0.09	0.12
	Mr Snehasish Ganguly	0.04	0.04
	Mrs Rusha Mitra	0.03	0.06
	Mr Rajnish Rikhy	0.04	0.05
	Mrs Ratnabali Kakkar	0.04	0.04
<b>5</b>	<b>CSR expenditure</b>		
	Lux Foundation	2.85	3.62
<b>6</b>	<b>Rent payment</b>		
	Biswanath Real Estate Private Limited	0.83	-
	Hollyfield Traders Private Limited	0.02	0.02
	P.G.Infometric Private Limited	0.55	0.55
	Mrs Prabha Devi Todi	0.22	0.18
	Mr Navin Kumar Todi	0.29	0.24
	Mr Rahul Kumar Todi	0.22	0.18
<b>7</b>	<b>Other services payment</b>		
	Horizon Consulting India LLP - Consultancy Charges	0.93	-
	P.G. Infometric Private Limited - Data processing charges	0.66	0.48
	Biswanath Hosiery Mills Limited - Royalty	0.08	0.08
	Biswanath Real Estate Private Limited - Maintenance Expenses	0.59	-
	Mr. Sourav Ganguly - Advertisement Expenses	-	1.30
<b>8</b>	<b>Leasing rental payments</b>		
	Mrs Sonika Bhudolia	0.09	0.12
	Mr. Rakesh Mishra	0.02	-
<b>9</b>	<b>Dividend payment</b>		
	Mr Ashok Kumar Todi	-	4.39
	Mr Pradip Kumar Todi	-	5.30
	Mrs Prabha Devi Todi	-	4.40

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 32 - Related party disclosure (Ind AS 24) (contd...)

(₹ in crores)

Sl. No	Name of related party	Year ended March 31, 2023	Year ended March 31, 2022
	Mrs Bimla Devi Todi	-	4.18
	Mrs Shobha Devi Todi	-	3.28
	Mr Saket Todi	-	0.95
	Mr Udit Todi	-	1.01
	Mrs Shilpa Agarwal Samriya	-	0.06
	Mrs Neha Poddar	-	0.06
	Mr Navin Kumar Todi	-	0.55
	Mr Rahul Kumar Todi	-	0.55
	Ashok Kumar Todi (HUF)	-	0.01
	Pradip Kumar Todi (HUF)	-	0.02
	Hollyfield Traders Private Limited	-	2.08
<b>10</b>	<b>Director's Remuneration</b>		
	Mr Ashok Kumar Todi	4.50	4.28
	Mr Pradip Kumar Todi	4.50	4.28
	Mr Saket Todi	1.80	1.53
	Mr Udit Todi	1.80	1.53
	Mr Navin Kumar Todi	1.80	1.53
	Mr Rahul Kumar Todi	1.80	1.53
<b>11</b>	<b>Salary</b>		
	Mr Saket Todi	-	0.25
	Mr Udit Todi	-	0.25
	Mr Navin Kumar Todi	-	0.13
	Mr Rahul Kumar Todi	-	0.13
	Mr Saurabh Kumar Bhudolia (CFO)	1.15	0.77
	Mrs Smita Mishra (CS)	0.20	0.18
<b>12</b>	<b>Interest paid</b>		
	Chitragupta Sales & Services Private Limited	0.12	-
	Rotex Intertrade Private Limited	0.77	0.48
	Hollyfield Traders Private Limited	0.09	0.31
<b>13</b>	<b>Reimbursement of expenses</b>		
	Mr Nandannandan Mishra	0.02	0.01
	Mr Kamal Kishore Agrawal	0.02	0.00
	Mr Saurabh Kumar Bhudolia (CFO)	0.01	0.00
<b>14</b>	<b>Advance given</b>		
	Biswanath Real Estate Private Limited	0.19	-
<b>15</b>	<b>Loan received</b>		
	Rotex Intertrade Private Limited	7.20	-
	Chitragupta Sales & Services Private Limited	14.50	-
	Hollyfield Traders Private Limited	2.00	14.50

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 32 - Related party disclosure (Ind AS 24) (contd...)

(₹ in crores)

Sl. No	Name of related party	Year ended March 31, 2023	Year ended March 31, 2022
<b>16</b>	<b>Loan repayment</b>		
	Hollyfield Traders Private Limited	14.20	6.50
	Mr Navin Kumar Todi	-	0.51
	Mr Rahul Kumar Todi	-	0.05
<b>17</b>	<b>Payment of security deposit</b>		
	Biswanath Real Estate Private Limited	2.44	-

### F. Outstanding balances:

(₹ in crores)

Sl. No	Name of related party	As at March 31, 2023	As at March 31, 2022
<b>1</b>	<b>Trade Payables</b>		
	MJ Print Packaging Private Limited	3.47	-
	Prominent Suppliers Private Limited	1.20	-
	P.G.Infometric Private Limited	0.20	0.56
	Biswanath Hosiery Mills Limited	-	0.08
	Biswanath Real Estate Private Limited	0.07	-
	Exquisite Print And Pack Private Limited	0.80	-
<b>2</b>	<b>Trade Recievables</b>		
	Moustache Industries Private Limited	1.12	-
	Hollyfield Traders Private Limited	0.00	-
	Century Plyboards (India) Limited	0.00	-
<b>3</b>	<b>Other Payables</b>		
	Mrs Sonika Bhudolia	-	0.02
	Mr Nandannandan Mishra	-	0.00
<b>4</b>	<b>Unsecured Loans Taken</b>		
	Chitragupta Sales & Services Private Limited	14.59	-
	Rotex Intertrade Private Limited	15.71	8.04
	Hollyfield Traders Private Limited	-	12.23
<b>5</b>	<b>Advances recoverable in cash or value</b>		
	Jaytee Exports	-	-
	P.G.Infometric Private Limited	0.10	-
	Todi Exports (India)	0.50	0.50
<b>6</b>	<b>Security deposit</b>		
	Biswanath Real Estate Private Limited	2.44	-
	P.G.Infometric Private Limited	2.17	2.17

**Notes to the Consolidated financial statements** for the year ended March 31, 2023**NOTE: 33 - Segment Reporting**

The management has considered that the Group has a single reportable segment based on nature of products, production process, regulatory environment, customers and distribution methods. Further the Group is engaged in a single business line, viz., "Manufacturing and sales of knitwear".

The Group primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and overseas operations as under:

		(₹ in crores)	
Sl. No	Particulars	2022-23	2021-22
<b>1</b>	<b>Segment Revenue</b>		
	-Within India	2,194.07	2,130.02
	-Outside India *	184.59	165.86
	<b>Total</b>	<b>2,378.66</b>	<b>2,295.88</b>
<b>2</b>	<b>Segment Assets</b>		
	-Within India	2,045.11	1,964.45
	-Outside India *	73.73	47.77
	<b>Total</b>	<b>2,118.84</b>	<b>2,012.22</b>
<b>3</b>	<b>Capital Expenditure</b>		
	-Within India	108.34	84.66
	-Outside India *	-	-
	<b>Total</b>	<b>108.34</b>	<b>84.66</b>

\* Revenue and carrying amount of assets from no individual country is material.

The Group is not reliant on revenues from any single external customer amounting to 10% or more of its revenues.

**NOTE: 34 - 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.

<b>a. Amount spent during the year on:</b>		(₹ in Crores)	
Particulars	2022-23	2021-22	
1. Gross amount required to be spent by the Company during the year	6.62	4.58	
2. Amount Spent as Below			
- Education and Skill development	1.71	2.23	
- Health Care	0.55	0.97	
- Sports for Development	1.50	-	
- Others	3.05	1.38	
<b>TOTAL</b>	<b>6.81</b>	<b>4.58</b>	
3. Shortfall at the end of the year	-	-	
4. Total of previous years' shortfall	-	-	
5. Details of Related Party Transaction in relation to CSR expenditure as per relevant Accounting Standard			
- Lux Foundation	2.85	3.62	



## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 35 - Employee Benefits

#### 1. Defined Contribution Plan:

##### a. Provident fund:

In accordance with Indian law, eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).

(₹ in Crores)			
Sl. No	Particulars	2022-23	2021-22
1	Contribution to Provident/ Pension funds	2.27	1.64
	<b>TOTAL</b>	<b>2.27</b>	<b>1.64</b>

#### 2. Defined benefits plan:

##### a. Gratuity and leave encashment:

The Group 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 Group has not funded the scheme.

The Group 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 Group 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 summarizes the components of the net benefit expenses recognized in the profit and loss account and amounts recognized in the balance sheet for respective plans.

(₹ in Crores)				
Particulars	Gratuity		Leave Encashment	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
<b>Present Value of Obligation at the beginning of the year</b>	7.68	7.08	0.77	0.68
Current Service Cost	1.63	1.42	0.51	0.28
Interest Cost	0.55	0.49	0.06	0.05
Actuarial Losses / (Gain) recognized in other comprehensive income	-0.24	-0.72	0.20	-0.06
Benefit Paid	-0.21	-0.58	-0.29	-0.18
<b>Present Value of Obligation at the end of the year</b>	<b>9.41</b>	<b>7.69</b>	<b>1.25</b>	<b>0.77</b>

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

(₹ in Crores)				
Particulars	Gratuity		Leave Encashment	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
Current service cost	1.63	1.42	0.51	0.28
Interest cost	0.55	0.49	0.06	0.05
<b>Total</b>	<b>2.18</b>	<b>1.91</b>	<b>0.57</b>	<b>0.33</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2023

(c) Remeasurements recognized in Consolidated Other Comprehensive Income: (₹ in Crores)

Particulars	Gratuity		Leave Enchashment	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
Actuarial loss/ (gain) arising on defined benefit obligation from				
- financial assumptions	0.12	0.05	-0.02	-0.01
- experience adjustments	-0.36	-0.77	0.22	-0.04
<b>Total</b>	<b>-0.24</b>	<b>-0.72</b>	<b>0.20</b>	<b>-0.05</b>

(d) Principle assumptions used in the determining gratuity obligation for the group are shown below: (₹ in Crores)

Particulars	Gratuity		Leave Enchashment	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
Discount Rate	7.30%	7.10%	7.30%	7.10%
Rate of increase in Salaries	6.00%	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	23.87	23.92	20.99	20.5
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees			

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

(e) Sensitivity analysis – Revised defined benefit obligation due to change in assumptions (₹ in Crores)

Particulars	Gratuity		Leave Enchashment	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
Under Base scenario	9.41	7.68	1.26	0.78
Salary Escalation (Up by 1%)	10.37	8.47	1.38	0.86
Salary Escalation (Down by 1%)	8.61	7.00	1.15	0.71
Withdrawal Rates (Up by 1%)	9.52	7.74	1.27	0.78
Withdrawal Rates (Down by 1%)	9.32	7.60	1.24	0.77
Discount Rates (Up by 1%)	8.62	6.99	1.16	0.71
Discount Rates (Down by 1%)	10.38	8.49	2.89	0.85

(f) Expected Cash flow for following years (₹ in Crores)

Particulars	Gratuity		Leave Enchashment	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
1 Year	1.35	1.07	0.17	0.09
2 to 5 Years	0.63	1.94	0.18	0.29
6 to 10 Years	1.59	2.72	0.26	0.33

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 36 - Distribution of Dividend

- i) The Board of Directors has recommended dividend of 250% (₹ 5/- per equity share of ₹ 2/- each) for the financial year ended March 31, 2023 which is subject to approval of the shareholders in the Annual General Meeting.
- ii) The Company has paid Interim dividend for the year ended 31.03.2023 ₹ NIL per share (31.03.2022 :- ₹ 12 per share).

**Note:** The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

### NOTE: 37 - 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, 2023 are as follows:

(₹ in crores)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
<b>Financial assets:</b>				
Investments	93.05	10.40	103.45	103.45
Trade Receivables	800.75	-	800.75	800.75
Cash and cash equivalents	27.15	-	27.15	27.15
Other bank balances	0.09	-	0.09	0.09
Other financial assets	12.54	-	12.54	12.54
<b>Financial liabilities:</b>				
Long Term Borrowings	26.31	-	26.31	26.31
Other Long Term Financial Liability	23.08	-	23.08	23.08
Short Term Borrowings	213.90	-	213.90	213.90
Trade Payables	326.14	-	326.14	326.14
Other Short Term Financial Liability	65.41	-	65.41	65.41

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet as at March 31, 2022 are as follows:

(₹ in crores)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
<b>Financial assets:</b>				
Investments	61.58	-	61.58	61.58
Trade Receivables	646.90	-	646.90	646.90
Cash and cash equivalents	52.45	-	52.45	52.45
Other bank balances	16.56	-	16.56	16.56
Other financial assets	9.60	-	9.60	9.60
<b>Financial liabilities:</b>				
Long Term Borrowings	17.20	-	17.20	17.20
Other Long Term Financial Liability	16.94	-	16.94	16.94
Short Term Borrowings	313.02	-	313.02	313.02
Trade Payables	290.11	-	290.11	290.11
Other Short Term Financial Liability	49.43	-	49.43	49.43

**Notes to the Consolidated financial statements** for the year ended March 31, 2023**NOTE: 38 - 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 Group 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 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; an
- 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 as of March 31, 2023 and March 31, 2022 :

(₹ in crores)			
As at March 31, 2023	Level 1	Level 2	Level 3
<b>Financial Assets:</b>			
Investment in Mutual Funds (Unquoted)	10.40	-	-
<b>Total</b>	<b>10.40</b>	<b>-</b>	<b>-</b>

(₹ in crores)			
As at March 31, 2022	Level 1	Level 2	Level 3
<b>Financial Assets:</b>			
Investment in Mutual Funds (Unquoted)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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.
- There are no transfers between levels during the year.

**NOTE: 39 - Financial risk management**

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board. The Group 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 Group'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 Group 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 Group 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

## Notes to the Consolidated financial statements for the year ended March 31, 2023

increase in credit risk the Group 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:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

The Group's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 800.75 Crores (PY – ₹ 646.90 Crores ) and advance to suppliers stood at ₹ 27.14 Crores (PY – ₹9.84 Crores).

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Group are as under:

	(₹ in crores)	
	As at March 31, 2023	As at March 31, 2022
Opening balance	5.16	3.32
Add: Provisions made	-	1.84
Less: Provisions reversed	1.71	-
<b>Closing provisions</b>	<b>3.45</b>	<b>5.16</b>

### 2. Liquidity Risk

Liquidity risk refers to the risk that the Group 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 Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

(₹ in crores)			
March 31, 2023	Less than 1 year	More than 1 year	Total
Borrowings	213.90	26.31	240.21
Trade payables	326.14	-	326.14
Other financial liabilities	65.41	23.08	88.49

(₹ in crores)			
March 31, 2022	Less than 1 year	More than 1 year	Total
Borrowings	313.02	17.20	330.22
Trade payables	290.11	-	290.11
Other financial liabilities	49.43	16.94	66.37

### 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.

**Notes to the Consolidated financial statements** for the year ended March 31, 2023**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 Group's cost of imports and cost of borrowings and consequently may increase the cost of financing the Group's capital expenditures. The Group'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 Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group'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 crores)

Particulars		As at March 31, 2023	As at March 31, 2022
Amount receivable in Foreign currency on account of	US\$	0.89	0.64
Trade receivables	INR	73.73	45.99
Amount payable in Foreign currency on account of	US\$	0.02	0.03
Trade payables	INR	1.42	2.50

(₹ in crores)

Particulars	Change in USD rate	Effect on profit before tax	Effect on post tax equity
March 31, 2023	10%	7.23	5.41
	-10%	-7.23	-5.41
March 31, 2022	10%	4.35	3.25
	-10%	-4.35	-3.25

**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 Group's exposure to the risk of changes in market interest rates are limited as the borrowings by the Group carry fixed interest rates. However, the Group still constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

**NOTE: 40 - Capital Management**

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Group.

The Group 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 Group's policy is aimed at combination of short-term and long-term borrowings so as to maintain an optimum capital structure to reduce the cost of capital and maximize shareholders value and provide benefits to other stakeholders.

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total debt (Bank and Other Borrowings)	240.21	330.22
Equity	1,440.87	1,303.35

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### NOTE: 41 - Leases

Company as a Lessee

Carrying amount of lease assets or liabilities

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>		
Right of Use Assets (Refer Note No. 4(c))	24.73	17.50
<b>Liabilities</b>		
Lease Liabilities (Refer Note No. 17)	27.58	19.30

Amount recognized in Statement of Cash Flows

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Payment of principal portion of lease liabilities	3.10	2.62
Payment of Interest portion of lease liabilities	2.24	1.85
<b>Net Cash flows used in financial activities</b>	<b>5.34</b>	<b>4.47</b>

The Group has lease contracts for Warehouse and office spaces used in its operations. Lease terms vary between 1 and 10 years.

The effective interest rate for lease liabilities is 10.49%.

The following are the amounts recognised in statement of Profit and Loss:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation expense of right-of used assets	4.15	3.67
Interest expenses on lease liabilities	2.24	1.85
Expense relating to other leases (included in other expenses)	8.55	4.12
<b>Total amount recognised in Statement of Profit and Loss</b>	<b>14.94</b>	<b>9.64</b>

Maturity analysis of lease liabilities are as follows:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Within 1 year	4.50	2.36
2-5 years	12.99	7.40
5 years and above	10.09	9.54

### NOTE: 42 - Other Statutory Information

- The Group does not have any Benami Property, where any proceedings has been initiated or pending against the Group for holding any Benami property.
- The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

**Notes to the Consolidated financial statements** for the year ended March 31, 2023

- iv. The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies):
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- v. The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- vii. The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- viii. The Group has complied with the number of layers prescribed under clause(87) of section 2 of the Act read with the Companies(Restriction on Number of Layers) Rules, 2017.
- ix. There are no events or transactions after the reporting period which is required to be disclosed under Ind AS 10.
- x. The Group is not a Core Investment Group as defined in the regulations made by Reserve Bank of India.

**NOTE: 43**

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: 44**

Previous year figures have been recast/ regrouped whenever necessary to conform to the current Year's presentation.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**

Chartered Accountants

ICAI Firm Registration No. 306033E/E300272

**Sandeep Agrawal**

*Partner*

Membership no. 058553

Place : Kolkata

Dated: 30 May, 2023

**Ashok Kumar Todi**

*Chairman*

(DIN - 00053599)

**Pradip Kumar Todi**

*Managing Director*

(DIN - 00246268)

**Smita Mishra**

*Company Secretary*

(Mem No - A26489)

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



# NOTICE

*Dear Members,*

Notice is hereby given that the 28th (Twenty-Eighth) Annual General Meeting ("AGM") of the members of Lux Industries Limited ("The Company") will be held on Friday, 29th day of September 2023 at 11.00 a.m. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following:

## ORDINARY BUSINESS

### 1. To consider and adopt:

- (a) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, and the Reports of Board of Directors and the Auditors thereon, and;
  - (b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, and the Report of the Auditors thereon.
2. To declare dividend of ₹5.00 per Equity Shares (250%) of face value of ₹2 each, for the financial year ended March 31, 2023.
  3. To appoint Mr. Rahul Kumar Todi (DIN: 00054279), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment as a director.
  4. To appoint Mr. Saket Todi (DIN: 02821380), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment as a director.

## SPECIAL BUSINESS

### 5. Re-appointment of Mrs. RUSHA MITRA (DIN: 08402204) as an Independent Director of the Company for the second term of five years.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149,150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulations 16(1)(b), 17,

25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations"), (as amended from time to time), the Articles of Association of the Company, Mrs. Rusha Mitra (DIN 08402204), who was appointed as an independent director of the Company for a term of 5 (five) consecutive years commencing from March 29, 2019 up to March 28, 2024, and who being eligible for re-appointment as an independent director, has given her consent along with a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of an Independent Director, and based on the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from March 29, 2024 up to March 28, 2029 (both days inclusive)"

**"RESOLVED FURTHER THAT** the Board of Directors or the Company Secretary of the Company is hereby authorised to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution."

**By order of the Board of Directors  
Lux Industries Limited**

**Sd/-**

**Smita Mishra**

*Company Secretary & Compliance Officer*

M.No.- ACS 26489

### Registered Office:

39, Kali Krishna Tagore Street  
Kolkata-700007

Date: August 14, 2023

Place: Kolkata

## Notes:

1. The Ministry of Corporate Affairs ("MCA") inter-alia vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as "MCA Circulars") and SEBI vide its circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 05, 2023 (collectively referred to as "SEBI Circulars") has permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") or through other audio-visual means ("OAVM"), without the physical presence of the Members at a common venue. Hence, in compliance with the above-mentioned Circulars, the AGM of the Company is being held through VC.

The deemed venue of the AGM, for the purpose of technical compliance as per Section 96(2) of the Companies Act, 2013 ("The Act"), shall be the Registered Office of the Company at 39, Kali Krishna Tagore Street, Kolkata- 700007.

2. Pursuant to the provisions of section 105 of the Companies Act, 2013 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 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. Hence, the proxy form, attendance slip and route map of the AGM are not annexed with the notice of the AGM.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM, is annexed herewith. The brief details of the directors, who are being re-appointed, is annexed to the Notice as per the requirements of regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General meetings issued by the Institute of Company Secretaries of India.
4. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the

quorum under Section 103 of the Act. Institutional shareholders are encouraged to attend and vote at the AGM.

5. Members are requested to address all correspondence, to the Company's Registrar and Share Transfer Agent ('RTA'), **KFin Technologies Limited** (Formerly known as KFin Technologies Private Limited), **Unit: Lux Industries Limited**, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda Serilingampally, Mandal, Hyderabad 500032. Mail id: einward.ris@kfintech.com.
6. In compliance with the MCA Circular dated May 5, 2022 and December 28, 2022 and SEBI Circular dated May 13, 2022 and January 05, 2023 the requirement of sending physical copy of Annual Report is dispensed with. Accordingly, the Annual Report of the Company including the Notice of the 28th Annual General Meeting, 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 for the financial year 2022-23 will also be available on the Company's website [www.luxinnerwear.com](http://www.luxinnerwear.com), website of the Stock Exchanges viz BSE and NSE at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of KFin Technologies Limited, <https://evoting.kfintech.com>.

7. The Notice along with Annual Report will be sent through e-mail to those members/ beneficial owners, whose name will appear in the register of members/ list of beneficiaries received from the depositories, as on August 18, 2023.
8. In compliance with the MCA and SEBI Circulars, the Company has published a public notice on August 19, 2023 by way of an advertisement before the date of circulation of Annual Report alongwith AGM Notice by email, in English Newspaper (Business Standard) having a nationwide circulation and also one in Bengali Newspaper (Ei Samay), inter alia, advising members whose e-mail ids are not registered with the Company, its RTA or Depository Participant(s) (DPs), as the case may be, to register their e-mail ids with them.

9. The Register of Members and the Share Transfer book of the Company will remain closed from September 23, 2023 to September 29, 2023 (both days inclusive) for annual closing and determining the entitlement of the shareholders for the payment of dividend for Financial year 2022-2023.

**10. Dividend related information:**

- a. The final dividend of ₹5.00/- per share (i.e. 250%), as recommended by the Board of Directors, if approved at the AGM, will be paid within 30 days of declaration to those members whose names appear on the Register of members/ beneficial owners as provided by the Depositories as on the Record Date, being September 22, 2023 subject to deduction of tax at source.
- b. Shareholders may note that as per Income Tax Act, 1961, (the 'IT Act'), dividends paid or distributed by a Company shall be taxable in the hands of shareholders. Accordingly, the Company would be required to deduct applicable Tax at Source ('TDS') in respect of payment of approved dividend to its shareholders (resident as well as non-resident).
- c. To enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company/Registrars and Transfer Agents by sending documents through e-mail on or before September 22, 2023 to enable the Company to determine the appropriate TDS/withholding tax rate applicable, verify the documents and provide exemption. A separate communication in this regard has been sent to the registered email address of the members by the Company.

**i. For Resident Shareholders:**

Tax shall be deducted at source under section 194 of the IT Act at the rate of 10% on the amount of dividend declared and paid by the Company during financial year 2023-24. However, in the following cases, TDS at the rate of 20% would be applicable as per IT Act:

- Section 206AA of IT Act- In case where, PAN is not available/ submitted, or PAN submitted is invalid or PAN is not linked with Aadhar; or

- Section 206AB of IT Act - Non-filing of return of income tax of previous year (i.e., FY 2021-22) and aggregate of TDS and TCS in said previous year is ₹ 50,000 or more.

No tax shall be deducted at source on the dividend payable to a resident individual if the total dividend to be received by the said resident individual from the Company during a financial year does not exceed ₹5,000; or if an eligible resident shareholder provides a valid declaration in Form 15G/Form 15H or other documents as may be applicable to different categories of shareholders.

Further, if a shareholder has obtained a lower or Nil withholding tax certificate from the tax authorities and provides a copy of the same to the Company, tax shall be deducted on the dividend payable to such shareholder at the rate specified in the said certificate.

**ii. Non-resident Shareholders:**

Tax is required to be deducted at source in the case of non-resident shareholders in accordance with the provisions of section 195 of the IT Act at the rates in force. As per the relevant provisions of the IT Act, the tax shall be deducted at the rate of 20% or applicable rate plus applicable surcharge and health & education cess on the amount of dividend payable to the non-resident shareholders.

For Foreign Institutional Investors ('FII')/ Foreign Portfolio Investors ('FPI') shareholders, TDS will be deducted under section 196D read with section 206AB of the IT Act.

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') read with applicable Multilateral Instrument ('MLI') provisions, if they are more beneficial to them.

- d. A list of documents/ declarations required to be provided by the resident shareholders and list of documents/ declarations required to claim the benefit of DTAA by the non-resident shareholders are being made available on the Company's website at <https://www.luxinnerwear.com/>

investors/company-announcement. Kindly note that the documents should be uploaded with KFin, the Registrar and Share Transfer Agent of the Company at <https://ris.kfintech.com/form15> or email at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

- e. No communication on the tax determination/ deduction shall be entertained after September 22, 2023.
- f. The documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the IT Act.
- g. In addition to the above, please note the following:
  - In case you hold shares under multiple accounts under different status/ category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
  - In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.

It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the required details/ documents from the shareholders, the shareholders may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted.

- h. The Company shall arrange to e-mail the soft copy of the TDS certificate, if applicable, to shareholders at the e-mail ID registered with KFin within the prescribed time as per IT Act. The amount of TDS can also be viewed in Form 26AS on the website of the Income Tax department of India <https://www.incometax.gov.in/iec/foportal/>
- i. In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company, and also provide the Company with

all information/ documents and co-operation in any assessment/ appellate proceedings before the Tax/ Government authorities.

11. As per Section 113(1)(a) of the Act, 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](mailto:goenkamohan@gmail.com) or 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.."
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). 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, Members are hereby informed that pursuant to the SEBI Circular dated April 20, 2018 and March 16, 2023, the Company has already sent intimations along with the requisite forms to the identified shareholders of the Company holding shares in physical form for mandatory furnishing/ updating of PAN, KYC details and Nomination through letters dated May 28, 2018 and May 31, 2023 respectively, mentioning the requirement of mandatory updating of PAN and bank details against the shareholding of each shareholder along with the specified format and list of other documents required for this process. Folios wherein any of the above information are not registered on or after October 1, 2023 shall be frozen by the RTA in compliance with SEBI Circular dated March 16, 2023.

13. Regulation 40 of the SEBI Listing Regulations, 2015 mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in dematerialised mode. Further, SEBI, vide its Circular dated January 25, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in dematerialised mode

while processing investor service requests pertaining to issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission, transposition etc.

The shareholders may approach the nearest Depository Participant for further clarification in this regard. Shareholders are requested to contact the Company's RTA, KFin Technologies Ltd for any queries in regard or contact Mrs. Smita Mishra, Company Secretary and Compliance Officer of the Company at the Corporate Office of the Company at P.S. Srijan Tech Park, DN -52, Sector-V, 10th Floor, Salt Lake City, Kolkata – 700 091 (Phone:033-4040-2121; Email:cs@luxinnerwear.com) for further assistance.

14. Members who hold shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to send the share certificates to the Company's RTA for consolidation into single folio.
15. 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 with their shareholding maintained under Section 170 of the Companies Act, 2013 (read with rules issued thereunder), will be available for inspection in electronic mode from the date of circulation of this Notice up to date of the AGM, i.e. September 29, 2023. Members can inspect the same by sending an email to investors@luxinnerwear.com
16. Relevant documents referred to in the Notice are open for inspection by the Members at the Registered Office of the Company on all working days from 2.00 P.M. to 5.00 P.M. up to the date of AGM.
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 at least 10 days before the AGM so as to enable the management to keep the information ready for replying at the meeting.
18. 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.

#### 19. **Transfer to Investor Education and Protection Fund:**

##### **(i) Transfer of unclaimed dividend**

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") including any statutory modification(s) or re-enactment thereof for the time being in force, dividend for the financial year ended March 31, 2015 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 ₹78,780/- for Financial Year 2014-15 to the Investor Education and Protection Fund (IEPF).

##### **(ii) Transfer of shares to IEPF**

Further pursuant to the provisions of Section 124(6) of the Companies Act, 2013, Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments thereof) read with Ministry of Corporate Affairs Circular No. 12/2017 dated October 16, 2017, all the shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company in the name of Investors Education and Protection Fund (IEPF).

The details of those Members who have not claimed dividend for consecutive period of seven years or more and the relevant details of shares due to be transferred to the IEPF Authority, is available on

Company's website at [www.luxinnerwear.com](http://www.luxinnerwear.com) The Company has given a public notice on June 06, 2023 and August 03, 2023, published in Business Standard (English Newspaper) and Ei Samay (Bengali Newspaper). Individual notice was sent to the concerned Members, informing them, that their shares are liable to be transferred to IEPF Authority.

**(iii) Claim from IEPF Authority**

The shareholders who have not claimed/encashed the dividend in the last seven consecutive years from Financial Year 2015-16 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.

20. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations, the Company is pleased to inform that all the resolutions as stated in the notice can be transacted by electronic voting system and the Company has provided facility to the members to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means through e-voting services provided by KFin Technologies 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 on August 18, 2023.

**21. Process for registering e-mail addresses to receive this notice along with credentials for remote e-voting: -**

**For shareholder holding securities in physical mode:**

Shareholders holding shares in physical form are hereby notified that based on the SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It

shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. They can also register/update the contact details, bank details through submitting the requisite Form **ISR-1** along with the supporting documents. ISR-1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>. The detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

**Members holding shares in dematerialized mode:**

Members are requested to register/ update their email address or KYC details with their relevant Depository Participant.

**22. Procedure For Remote E-Voting And E-Voting at the AGM:**

- i) In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act, Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.
- ii) The Members attending the AGM who have not cast their vote by remote e-voting shall be entitled to vote at AGM through e-voting system. Facility to cast vote at the AGM will be made available on the Video Conferencing screen and will remain active throughout the Meeting.
- iii) The members can opt for only one mode of voting i.e., remote e-voting or e-voting at the AGM. The Members who have cast their vote by remote e-voting may also attend the AGM.
- iv) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- v) The remote e-voting facility will be available during the following period:

**Commencement of remote e-voting: From 9:00 a.m. (IST) on September 25, 2023(Monday)**

**End of remote e-voting: Upto 5:00 p.m. (IST) on September 28, 2023(Thursday).**

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFIN upon expiry of the aforesaid period.

23. The voting rights of Members for remote e-voting and for e-voting at AGM shall be in proportion to the paid-up value of their shares in the equity share capital of the Company, as recorded in the register of members or in the register of beneficial owners maintained by the depositories, as on cut-off date i.e., September 22, 2023 shall only be entitled to avail the facility of remote e-voting / e-voting at AGM. The person who is not a member/ beneficial owner as on the cut-off date should treat this Notice for information purpose only. Any person who becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date, may obtain the User ID and password in the manner as mentioned below:

- i. If the mobile number of the member is registered against Folio No./ DPID Client ID, the Member may send SMS: **MYEPWD<space>** E-Voting Event Number +Folio no. or DPID Client ID to +91-9212993399

<b>Example for NSDL:</b>	MYEPWD<SPACE>IN12345612345678
<b>Example for CDSL:</b>	MYEPWD<SPACE>1402345612345678
<b>Example for Physical:</b>	MYEPWD<SPACE> XXXX1234567890

- ii. If e-mail address or mobile number of the member is registered against Folio No. / DPID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.
- iii. Member may Call KFin's Toll free number 1-800-3094-001
- iv. Member may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com)

24. If the member is already registered with KFin for e-voting, he can use his existing User ID and Password for casting the vote through remote e-voting.

25. In case of any query pertaining to e-voting, please visit Help & FAQs section available at KFIN website (<https://evoting.kfintech.com>). In case of any other queries/ grievances connected to remote e-voting or shares, you may contact Mr. Ravuri Vijay, an official of KFIN, at telephone number: 040-67162222 or the toll-free number 1800-309-4001 or at email: [evoting@kfintech.com](mailto:evoting@kfintech.com).

26. The Board of Directors in their meeting held on August 14, 2023 had appointed Mr. Mohan Ram Goenka, Partner of M/s. MR & Associates, Company Secretaries, as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the same purpose.

27. The Scrutinizer, after scrutinizing the voting through e-voting at AGM and through remote e-voting shall, within two working days from conclusion of the AGM, make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and submit the same to the Chairperson of the meeting. The Chairperson shall declare the results. The declared results shall be available on the website of the Company ([www.luxinnerwear.com](http://www.luxinnerwear.com)) and on the website of KFIN (<https://evoting.kfintech.com>) and shall also be displayed on the notice board at the registered office and the corporate office of the Company. The results shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

28. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, KFin Technologies Limited at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com), to receive copies of the Annual Report 2022-23 in electronic mode.

29. Members may follow the process detailed below for availing various investor services.

Type of holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, KFin Technologies Limited either by email to einward.ris@kfintech.com or by post to Unit: Lux Industries Limited ,Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH-13
	Declaration to opt out	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures/ bonds, etc. held in physical form	ISR 4
	The forms for updating the above details are available at <a href="https://www.luxinnerwear.com/download-forms">https://www.luxinnerwear.com/download-forms</a>	
Demat	Please contact your DP, register your email address, and bank account details in your demat account, as per the process advised by your DP.	





30. **Login method for e-Voting: Applicable only for Individual shareholders holding securities in Demat mode.**

As per the SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

a. **Login method for Individual shareholders holding securities in demat mode is given below:**

NSDL	CDSL
<p><b>1. User already registered for IDeAS facility:</b></p> <p>I. URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></p> <p>II. Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</p> <p>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting.”</p> <p>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p>	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <p>I. URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Click on New System Myeasi</p> <p>III. Login with user id and password.</p> <p>IV. Option will be made available to reach e-Voting page without any further authentication.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p>
<p><b>2. User not registered for IDeAS e-Services</b></p> <p>I. To register click on link: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></p> <p>II. Select “Register Online for IDeAS”</p> <p>III. Proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote.</p>	<p><b>2. User not registered for Easi/Easiest</b></p> <p>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>II. Proceed with completing the required fields.</p>



NSDL	CDSL
<p><b>3. By visiting the e-Voting website of NSDL</b></p> <p>I. URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></p> <p>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>III. Enter User ID (i.e., 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</p> <p>V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>	<p><b>3. By visiting the e-Voting website of CDSL</b></p> <p>I. URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Provide demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress.</p>
<p><b>4. NSDL Speede</b></p> <p>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>     <b>Google Play</b></p> <div style="display: flex; justify-content: space-around;">   </div>	

- b. Individual Shareholders (holding securities in demat mode) login through their depository participants:** You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

- c. Helpdesk for Individual Shareholders holding securities in demat mode who need assistance for any technical issues related to login through Depository i.e., NSDL and CDSL:**

Members facing any technical issue – NSDL	Members facing any technical issue – CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43.

**d. Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from Kfintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:**

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/> in the address bar.
- ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Kfintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN."
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Lux Industries Limited- AGM" and click on "Submit."
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit."
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id goenkamohan@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name EVENT No."

**(B) Procedure for Registration of email and Mobile For shareholder holding securities in physical mode:**

Shareholders holding shares in physical form are hereby notified that based on the SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. They can also register/update the contact details through submitting the requisite Form ISR-1 along with the supporting documents. ISR-1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>. The detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

**Members holding shares in dematerialized mode:**

Members are requested to register/ update their email address with their relevant Depository Participant.

**31. Procedure For Joining AGM Through VC/ OAVM**

- The Company is providing VC/OAVM facility to its members for joining/participating at the AGM. Members may join the Meeting through Desktops, Laptops, Smartphones, Tablets and iPads. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- Members are requested to follow the procedure given below to attend the AGM through VC / OAVM or view the live webcast:
  - i) Launch internet browser (latest version of Chrome/ Firefox/Safari/ Internet Explorer 11 or MS Edge) by typing the URL: <https://emeetings.kfintech.com>.

- ii) Enter the login credentials (i.e., User ID and password for e-voting).
- iii) After logging in, click on "Video Conference" option.
- iv) Then click on camera icon appearing against AGM event of Lux Industries Limited to attend the AGM.

- Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions.
- The facility for joining the AGM shall open 15 minutes before the time scheduled for AGM and will continue till the conclusion of the AGM. The facility will be available to the 1,000 (one thousand) Members on first-come-first-served basis. Large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel and Auditors are allowed to attend the AGM without restriction on first-come-first-served basis.
- To ensure smooth transmission and co-ordination during the Q&A Session, the Company is providing the facility of Speaker Registration. Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in.
- **The facility of 'Speaker Registration' will open from, September 23, 2023 (9:00 A.M.) and will end on, September 26, 2023(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 conduct of AGM.
- In case of any query, relating to the procedure for attending AGM through VC/OAVM or for any technical assistance, the members may call on toll free number: 1800 3094 001 or send an e-mail at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- Body corporates are entitled to appoint authorized representative(s) to attend the AGM through VC/OAVM and to cast their votes through remote

e-voting/ e-voting at the AGM. In this regard, the body corporates are required to send a certified copy of the Board Resolution/ Authorization Letter/ Power of Attorney authorizing their representative(s) to attend the meeting and vote on their behalf through e-voting. The said resolution/ letter/ power of attorney shall be sent by the body corporate through its registered email-id to the Scrutinizer at goenkamohan@gmail.com with a copy marked to einward.ris@kfintech.com (KFIN's id).

**32. 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 September 22, 2023, 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.

33. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on cut-off date being September 22, 2023.
34. 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 two working days from 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.

35. The Scrutinizer's decision on the validity of the vote shall be final and binding.
36. 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.kfintech.com>) immediately after the result is declared and shall simultaneously be forwarded to the Stock Exchanges viz NSE and BSE, where the Company's shares are listed.
37. 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).

**By order of the Board of Directors  
Lux Industries Limited**

**Sd/-**

**Smita Mishra**

*Company Secretary & Compliance Officer*

M.No.- ACS 26489

**Registered Office:**

39, Kali Krishna Tagore Street  
Kolkata-700007

Date: August 14, 2023

Place: Kolkata

# EXPLANATORY STATEMENT TO THE NOTICE OF 28TH AGM

**Statement pursuant to Section 102 of the Companies Act, 2013, read with the rules made thereunder, as applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2).**

Mrs. Rusha Mitra (DIN: 08402204) was appointed as an Independent Director of the Company, in terms of Section 149 and other applicable provisions of the Companies Act, 2013 ('Act'), and rules made thereunder, for a period of five years with effect from March 29, 2019 to March 28, 2024, by the members at the 24th Annual General Meeting ('AGM') of the Company held on September 5, 2019.

Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of up to five years, on passing of a special resolution by the shareholders. In terms of Section 149 read with Section 152 and Schedule IV of the Act, Mrs. Rusha Mitra is eligible for re-appointment for the second term as an Independent Director of the Company. The Company has received from Mrs. Rusha Mitra, requisite consent, intimation and a declaration in connection with her appointment as an Independent Director. The Company has, in terms of Section 160(1) of the Companies Act, 2013, received in writing a notice from a member, proposing her candidature for the office of director.

On the basis of performance evaluation, her rich experience and the contributions made by Mrs. Mitra during her tenure, the Board of Directors, based on the recommendation of Nomination & Remuneration Committee, at their respective meetings held on August 14, 2023 re-appointed Mrs. Rusha Mitra as Independent Director for a second term of 5 (five) consecutive years with effect from March 29, 2024, till March 28, 2029, subject to approval of the Members at the ensuing AGM.

Brief profile of Mrs. Rusha Mitra and other details as required under Regulation 36(3) of the SEBI Listing Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) is annexed to the Notice. She has more than a decade of experience in matters related to corporate restructuring, mergers, acquisitions, demergers, reconstructions, and reorganisations, and advises various companies on a wide range of corporate law, insolvency, and bankruptcy-related matters. She possesses the skills, experience, and capabilities required for the role of an Independent Director of the Company. The proposed re-appointment is on the basis of report of performance evaluation. The terms and conditions of her appointment as independent director shall be open for inspection at the registered office of the company by any member during normal business hours.

Except Mrs. Rusha Mitra, none of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at item No. 5 of the Notice.

The Board considered that the continued association of Mrs. Rusha Mitra would be beneficial to the Company and recommends the resolution set out in item no. 5 of the Notice for approval by the members by way of a Special Resolution.

## Annexure to the Notice

### Details of Directors retiring by rotation seeking appointment/re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard- 2 on General Meeting].

Name of the Director	Mr. Rahul Kumar Todi	Mr. Saket Todi
DIN	00054279	02821380
Date of Birth & Age	February 3, 1982 (41 years)	September 28, 1989 (33 years)
Date of appointment	May 25, 2021	May 25, 2021
Qualification	Post-graduation in Business Management from GRD College, Coimbatore, Tamil Nadu.	Post-graduation in Brand Management from Mudra Institute of Communications (MICA).
Brief resume and expertise in functional area	Mr. Rahul Kumar Todi has 17 years of rich experience in hosiery line of business. In addition to looking after production function of Tiruppur unit, he has also managed wide range of responsibilities across businesses and overseeing several functions like finance, personnel and operations.	Mr. Saket Todi has eminent knowledge in marketing has Significantly contributed towards strengthening the premium brands in the retail channel - the 'ONN' brand and its export market. He has been associated with the Company since 2014. His in-depth knowledge of marketing has helped the company to achieve greater success and increase profitability. He expanded the brand presence by 24+ countries by focusing on quality and thereby created a loyal customer base.
Terms of Appointment	As per the resolution at Item no. 3 of this Notice. Rahul Kumar Todi's office as director shall be subject to retirement by rotation.	As per the resolution at Item no. 4 of this Notice. Saket Todi's office as director shall be subject to retirement by rotation.
No. of equity shares held in the Company	4,60,653	7,94,876
Directorship in other Companies	NIL	<ul style="list-style-type: none"> <li>• Chitragupta Sales &amp; Services Private Limited</li> <li>• Rotex Intertrade Private Limited</li> <li>• P.G. Infometric Private Limited</li> <li>• Biswanath Real Estate Private Limited</li> <li>• Ashla Industries Private Limited</li> </ul>
Listed Entities from which he has resigned as Director in past 3 years	NIL	NIL
Chairmanship / Membership of Committee in other Indian Public Limited Companies as on 31.03.2023 # (C= Chairman) (M= Member)	NIL	NIL

Name of the Director	Mr. Rahul Kumar Todi	Mr. Saket Todi
Membership/ Chairmanship in the Committee of the Board of directors of the Company #	NIL	NIL
Relationship with other Directors	Nephew of Mr. Ashok Kumar Todi and Mr. Pradip Kumar Todi, Younger brother of Mr. Navin Kumar Todi and Cousin of Mr. Saket Todi and Mr. Udit Todi.	Son of Mr. Ashok Kumar Todi, Nephew of Mr. Pradip Kumar Todi, Cousin of Mr. Navin Kumar Todi, Mr. Rahul Kumar Todi and Mr. Udit Todi.
Number of Board meetings attended during the year	3/4	3/4
Remuneration paid during the year 2022-23	₹1.80 Crores	₹1.80 crores
Remuneration sought to be paid per annum	₹1.80 Crores	₹1.80 crores
Information as required under circular No. LIST/COMP/14/2018-19 and NSE/CML/2018/24 dated June 20, 2018, issued by BSE and NSE, respectively.	Mr. Rahul Kumar Todi is not debarred from holding the office of Director by virtue of any order of SEBI or any other authority.	Mr. Saket Todi is not debarred from holding the office of Director by virtue of any order of SEBI or any other authority.

#Committee positions only of Audit Committee and Stakeholder Relationship Committee of Public Companies has been considered.

## Details of Director seeking re-appointment at the forthcoming Annual General Meeting for a further term of five years

[Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard- 2 on General Meeting].

Name of the Director	Mrs. Rusha Mitra
DIN	08402204
Date of Birth & Age	March 20, 1985 (38 years)
Date of first appointment	March 29, 2019
Qualification	B.A, LLB(Hons)
Brief resume and expertise in functional area	Mrs. Rusha Mitra is a Law Graduate from W.B National University of Juridical Sciences, Kolkata. She is a partner in the Corporate & Commercial practice group in Khaitan & Co., Kolkata. Mrs. Mitra specializes in corporate restructuring, merger, acquisitions, demergers, reconstructions, re-organisation and advises companies on wide range of corporate law, insolvency & bankruptcy related matters.
Terms of Appointment	Mrs. Rusha Mitra is re-appointed as Independent Director for a second term of 5 (five) consecutive years with effect from March 29, 2024, till March 28, 2029
No. of equity shares held in the Company	NIL

<b>Directorship in other Companies</b>	<ul style="list-style-type: none"> <li>• GMMCO Limited</li> <li>• Harrisons Malayalam Limited</li> <li>• GKW Limited</li> <li>• Texmaco Rail &amp; Engineering Limited</li> <li>• Rainbow Investments Limited</li> <li>• Naga Dhunseri Group Limited</li> <li>• PCBL Limited</li> <li>• Quest Capital Markets Limited</li> <li>• PCBL(TN) Limited</li> </ul>
<b>Listed Entities from which she has resigned as Director in past 3 years</b>	NIL
<b>Chairperson / Member of Committee in other Indian Public Limited Companies as on 31.03.2023 # (C= Chairperson) (M= Member)</b>	<ul style="list-style-type: none"> <li>• Harrison Malayalam Limited <ul style="list-style-type: none"> <li>o Audit Committee-(C)</li> <li>o Stakeholder Relationship Committee-(M)</li> </ul> </li> <li>• GKW Limited <ul style="list-style-type: none"> <li>o Stakeholder Relationship Committee-(M)</li> </ul> </li> <li>• PCBL Limited (formerly Philips Carbon Black Limited) <ul style="list-style-type: none"> <li>o Stakeholder Relationship Committee-(C)</li> </ul> </li> <li>• Quest Capital Markets Limited (formerly BNKCapital Markets Limited) <ul style="list-style-type: none"> <li>o Audit Committee-(C)</li> <li>o Stakeholder Relationship Committee-(M)</li> </ul> </li> <li>• Texmaco Rail &amp; Engineering Limited <ul style="list-style-type: none"> <li>o Stakeholder Relationship Committee-(M)</li> </ul> </li> </ul>
<b>Member/Chairperson in the Committee of the Board of directors of the Company #</b>	NIL
<b>Relationship with other Directors</b>	NIL
<b>Number of Board meetings attended during the year</b>	4/4
<b>Remuneration paid during the year 2022-23 per annum</b>	₹0.03 crores
<b>Remuneration sought to be paid attending meetings of the Board/ Committee.</b>	She shall be paid remuneration by way of sitting fees for attending meetings of the Board/ Committee.
<b>Information as required under circular No. LIST/COMP/14/2018-19 and NSE/CML/2018/24 dated June 20, 2018, issued by BSE and NSE, respectively.</b>	She is not debarred from holding the office of Director by virtue of any order of SEBI or any other authority.

*#Committee positions only of Audit Committee and Stakeholder Relationship Committee of Public Companies has been considered.*





## **LUX INDUSTRIES LIMITED**

### **Corporate Office**

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