



Date: 26th September, 2017

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

In compliance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, find enclosed herewith a copy of approved Annual Report for the financial year ended 31st March, 2017.

Thanking You
Yours faithfully,
For LUX INDUSTRIES LIMITED

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

Enclosed: as above

LUX INDUSTRIES LTD

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PASSION MEETS FASHION

THE RESULT IS ONE OF INDIA'S MOST
PROFITABLE FASHION HOSIERY COMPANIES



LUX INDUSTRIES LTD
ANNUAL REPORT 2016-17

Forward looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take 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 'anticipate', 'estimate', '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 assumptions. The achievements of results are 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. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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ONE OF INDIA’S MOST PROFITABLE
FASHION HOSIERY COMPANIES*

THE YEAR 2016-17 WAS
ONE OF THE MOST CHALLENGING.

DEMONETISATION.
SLUGGISH CONSUMER SENTIMENT.
INCREASED COMPETITION.

THE WORST OF TIMES FOR MOST.

THE BEST OF TIMES AT LUX.

REVENUES INCREASED 3.37%;
PROFIT AFTER TAX STRENGTHENED 22.42%.

There is something to be said about a company that reports profitable growth when the pessimists are describing it as a year not worth remembering.

**Includes innerwear and outerwear products*

LUX. MORE THAN A COMPANY;
A BRAND THAT STANDS FOR A
PIONEERING COMMITMENT IN THE
FASHION HOSIERY SECTOR.

MORE THAN PRODUCTS;
A QUALITY ASSURANCE OF THE
BEST MANUFACTURING AND
QUALITY STANDARDS.

Our Vision

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

Our core values

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

Our Mission

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

About us

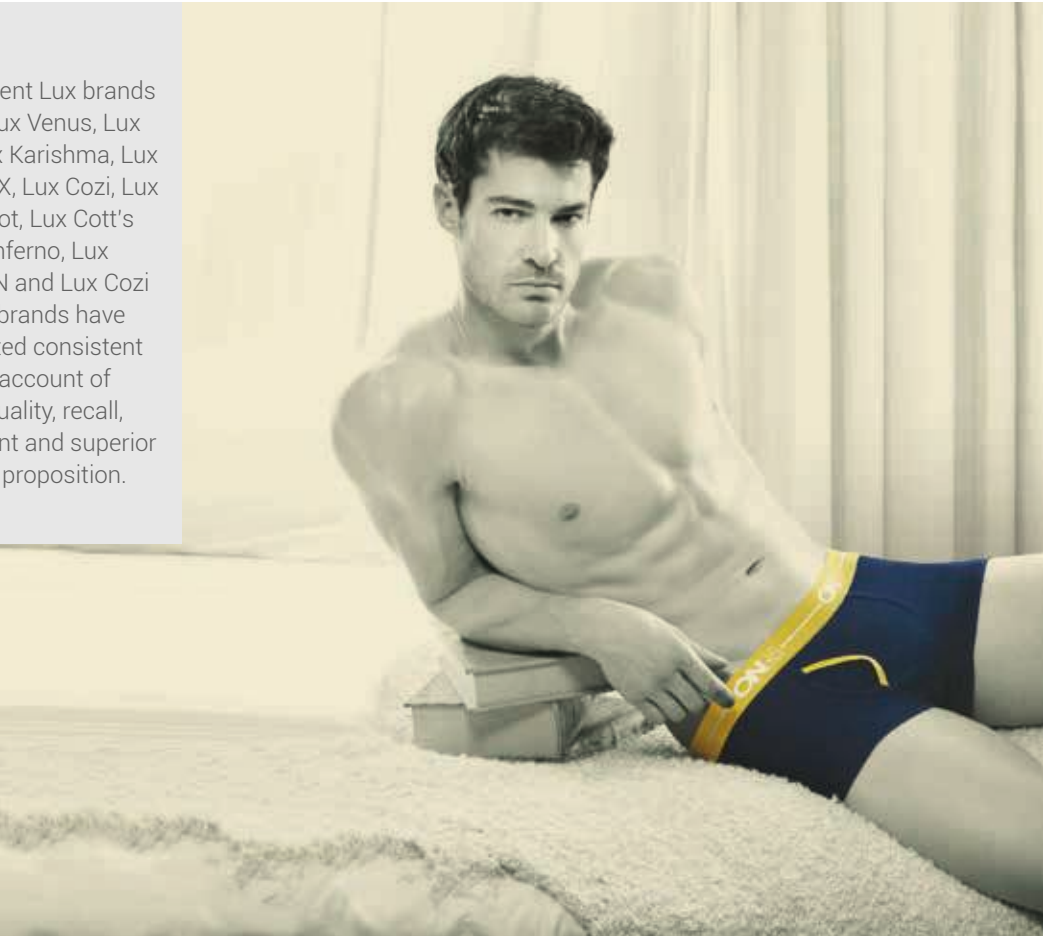
Founded in 1957 by Girdhari Lal Todi as Biswanath Hosiery Mills, Lux Industries Ltd. came into being in 1995. The Company is headed and managed by the second generation of the founder family. The Company is head-quartered in Kolkata with five manufacturing locations across India.

Product portfolio

Lux offers a range of more than 100 products under 12 brands for a growing family's (men, women and children) needs. This makes the Company's products relevant across ages, genders, geographies and seasons.

Brands

The prominent Lux brands comprise Lux Venus, Lux Classic, Lux Karishma, Lux Touch, GenX, Lux Cozi, Lux Cozi Big Shot, Lux Cott's Wool, Lux Inferno, Lux Mozze, ONN and Lux Cozi Glo. These brands have demonstrated consistent traction on account of their high quality, recall, endorsement and superior price-value proposition.



Manufacturing facilities

Lux has six manufacturing units across five locations in India.

Location	No. of units
Tirupur, Coimbatore, Tamil Nadu	1
B.T. Road, Kolkata, West Bengal	2
Dankuni, Kolkata, West Bengal	1
Dhulagarh, Kolkata, West Bengal	1
Ludhiana, Punjab	1

Listing

The shares of Lux Industries Limited were listed on the National Stock Exchange on 1 December, 2015 and on the Bombay Stock Exchange on 5 January, 2016. The Company's market capitalisation was ₹1800 crore as on March 31, 2017.

Quality Policy

ISO 9001:2008: Lux was accredited with Quality Management System in accordance with ISO 9001 standard

Global presence



Lux exports products to the following countries: Algeria | Iran | Iraq | Kuwait | Bahrain | UAE | Saudi Arabia | Yemen | Djibouti | Ethiopia | Kenya | Ghana | Togo | Benin | Nigeria | Cameroon | Colombo | Malaysia | Singapore | Hong Kong | Canada | Congo | Sudan | Angola | Thailand | Melbourne | Nepal | Poland | Panama | Morocco | Guinea | Bissau | Chad | Gabon | Uganda | Zimbabwe | Cote d'Ivoire | Zambia | Niger | Mali | Senegal | Gambia | Mauritania | South Africa | Burkina Faso | Australia | North America

Awards and achievements

Recognised among Asia's most respected brands and leaders

2012-13
Asia's Most Promising Brands

2013
The Master Brand

2014
The Master Brand

2014-15
The ADMIRE Brand of India

2015
The World's Greatest Brands

2016
Asia's Greatest Brands

Our highlights

1957

Beginning

Mr. Girdharilalji Todi set out to make everyday innerwear comfort a reality for Indians through Biswanath Hosiery Mills.

1992

Ye Andar Ki Baat Hai

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

1994

New initiative

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

1998

Widening footprint

Lux widened its pan-India footprint; established its Delhi office.

2000

Face of Lux

Sunny Deol was signed as Lux Cozi's brand ambassador.

2001

Step into the future

Lux was incorporated as a public limited company.

1964

Younger management

The second generation of entrepreneurs assumed management.

1993

Going global

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

1995

Restructuring

Biswanath Hosiery was incorporated into Lux Industries Limited, making Lux the flagship company of the Group.

2003

Big league

The Lux IPO was launched and massively oversubscribed.

2010

New look

Indian film icon Shah Rukh Khan was engaged as brand ambassador for ONN.

2013

Alliances

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

2014

Lux Cozi Zee Cine Awards 2014

Lux Cozi became title sponsor at the Zee Cine Awards, the world's biggest viewer's choice awards, seen by over 700 million viewers across 168 countries.

2015

Nation-wide Listing

The shares of Lux were listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

2016

Commencement of Dankuni Plant

The commencement of one of Eastern India's largest hosiery product manufacturing plant at Dankuni, West Bengal.

2017

Face of Lux Cozi

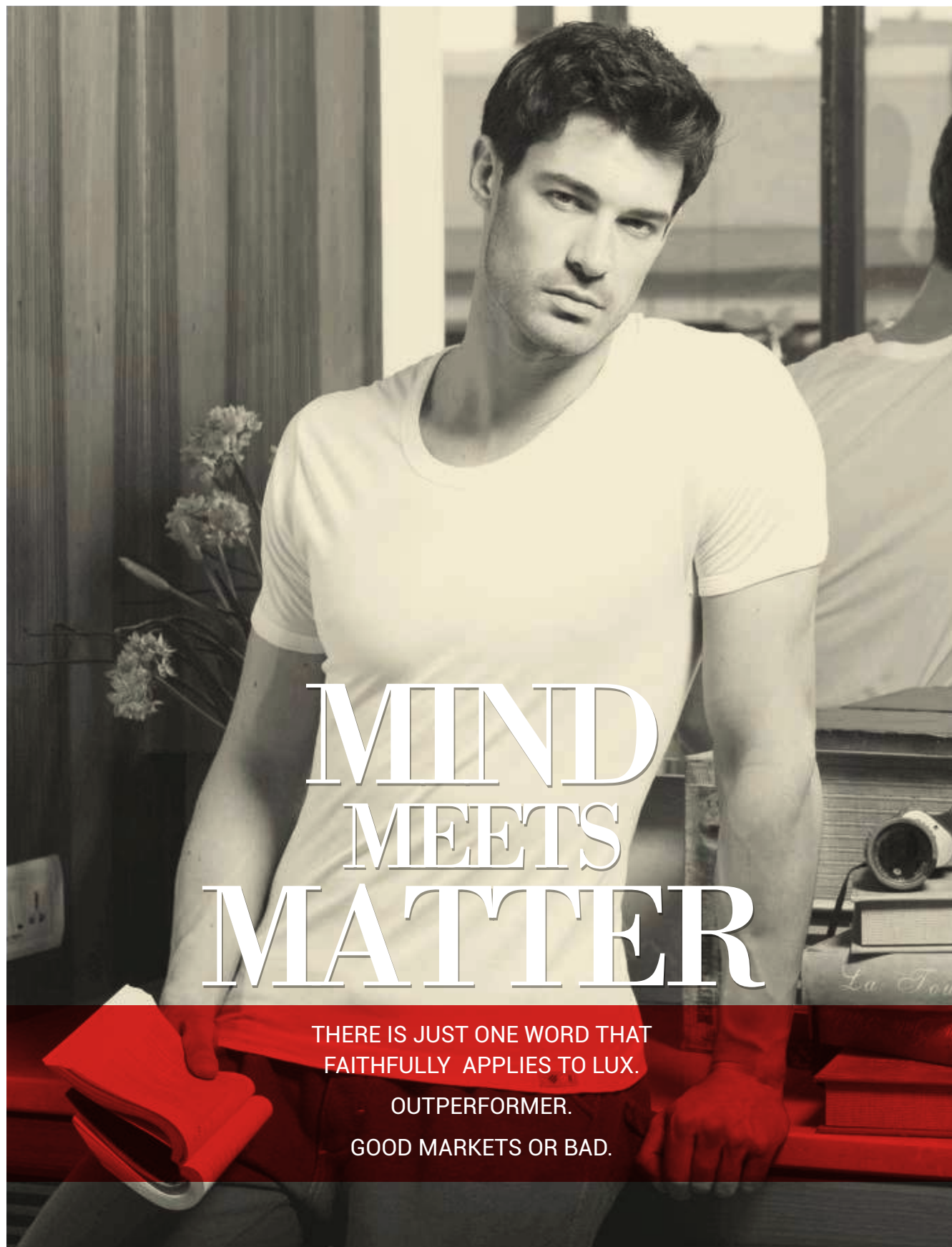
Varun Dhawan was signed as Lux Cozi brand ambassador; Lux Glo, a sub brand of Lux Cozi was launched; Lux conducted the largest-ever dealership conference in the hosiery industry where all dealers attended the conference for the first time.

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LUX INDUSTRIES LTD. | 2016-17 ANNUAL REPORT

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MIND MEETS MATTER

THERE IS JUST ONE WORD THAT FAITHFULLY APPLIES TO LUX.
OUTPERFORMER.
GOOD MARKETS OR BAD.

01

The innerwear market has become increasingly competitive in the last few years.

Lux strengthened its EBITDA margin by 610 bps - from 6.29% in FY13 to 12.39% in FY17

03

Pessimists have been complaining that manufacturing costs are rising

Lux's margins rose every single year during the last five years; PAT margin more than doubled to 6.46%

05

Most companies were challenged by declining brand spending effectiveness

Lux's profit from every rupee invested in brand spending increased from 5.74% in FY13 to 7.76% in FY17

07

Most textile companies were challenged by the need to efficiently manage their working capital outlay

Lux reduced working capital outlay from 70% of total capital employed to 63% in the four years ending FY17

02

Margins were largely under pressure in a hesitant 2016-17.

Lux revenues grew ₹32 cr; EBITDA grew by ₹26 cr

04

Increased capital expenditure in a capex-heavy sector is threatening Balance Sheet comfort

A capex-driven Lux moderated its gearing from 3.01 to less than 1.0 in the last five years

06

Most companies in the textile sector were affected by raw material volatility

Lux moderated its raw material as a percentage of turnover from 64% in FY13 to 43% in FY17

08

There was a greater need to enhance the productivity of shareholder funds (net worth) within the business

Lux maintained RoE at 30% or higher for four years of the last five ending FY17



things that Lux has done better than most

We make products that make people feel good about themselves

At Lux, the focus is not as much on the 'product' as much it is on the pride that it can enhance for the users and buyer – and that has made all the difference

We innovated products for the first time in our sector

At Lux, we believe that there is no pride bigger than owning or wearing something that most do not have

We grew product concepts into large successful brands

At Lux, we have consistently demonstrated the capability to conceive, invest and mature brands

We position products in a manner that makes consumers want to pay more

At Lux, we premiumise the quality of what we market, strengthening value-addition

We manufacture products at one of the lowest costs

At Lux, we have invested extensively in manufacturing integration and scale with the objective to reduce costs

We provide one of the widest choices
At Lux, we provide a wide range of over 5,000 SKUs, among the largest such innerwear ranges in the industry, graduating us into a one-stop shop.

We provide a superior service
We enjoyed a fill rate (order collected against dispatches) of more than 95%, higher than the industry average of 80%.

LITERAL MEETS LATERAL

5 WAYS IN WHICH WE HAVE GONE AGAINST THE INDUSTRY GRAIN – AND SUCCEEDED

01 02 03 04 05

We don't follow price points; we create them

At Lux, we have demonstrated a differentiated ability in building sales, popularity and market acceptance around attractively new product price points

We create markets with the objective to carve out a disproportionate large share

At Lux, we resist the temptation of playing the usual, generic and commodity game; we would rather do the different and the new

We focus more on a smaller number of brands

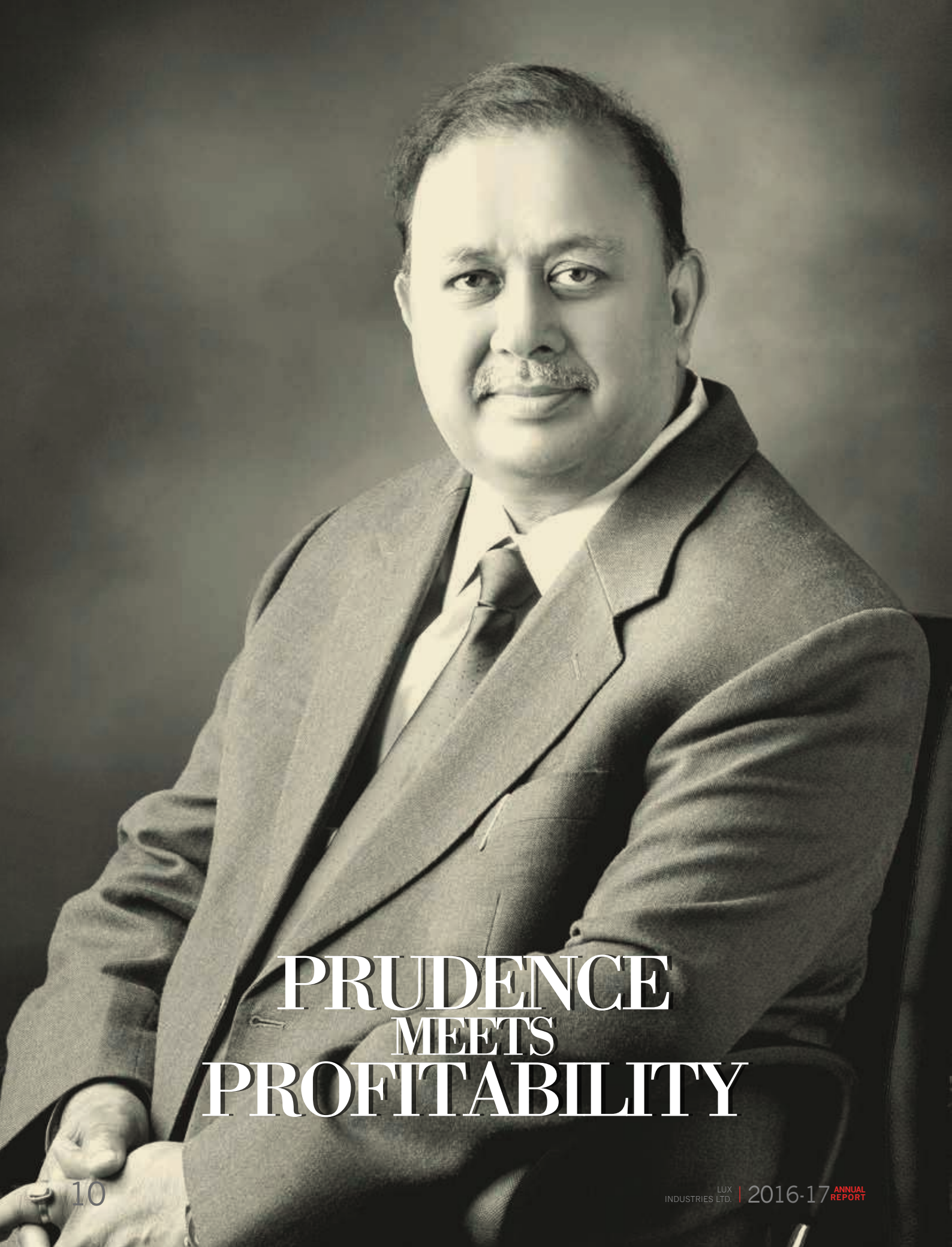
At Lux, we work with few brands; we invest more in them; we enjoy a high success rate

We invest in our trade relationships with the same focus as infrastructure

At Lux, we believe that the core of our strength does not lie in machines or products; it lies in the goodwill we enjoy among distributors, dealers and retailers

We extended synergistically outwards to contiguous products

At Lux, we focused on core innerwear products, proceeding cautiously towards related products that account for a larger share of the customer's wallet



PRUDENCE MEETS PROFITABILITY

THE CHAIRMAN'S OVERVIEW

The principal message that I wish to communicate is that Lux Industries is one of the most profitable innerwear textile companies in India and attractively placed to capitalise on the cusp of an exciting moment for India, the fashion hosiery sector and our own company.

There are a number of reasons that make Lux an attractive proxy of the growth of India's consumption story and its fashion hosiery sector.

At Lux Industries, we believe that the fashion hosiery sector is a dynamic face of the country's consumption story. A simple argument bears this put. Consumers may select to wear jeans or not; they may select to wear linen shirts or not; they may select to invest in *khadi* apparel or not. Each of these is an option; the consumer may select to buy and wear these or the consumer may well not.

Building block

However, there is no option when it comes to a fashion hosiery product like innerwear. The selection of innerwear is generally a given, a must in the wardrobe. It is something that most Indians would have to buy and wear. The selection of innerwear then is something that represents the building block of fashion consciousness; it is the baseline of the country's textile sector; it will endure in its stable use even as most external fashions evolve.

This reality represents a simple understanding of innerwear products and its relevance in a growing India.

Sweeping transformation

Interestingly, even as the use and scope of the product appears relatively stable, a sweeping marketplace transformation makes this product segment increasingly relevant.

Consider what is transpiring around us. India took more than six decades to reach its first trillion dollars in GDP size; the next trillion dollars took less than ten years; its GDP is expected to approximately treble to \$7 trillion by 2030. This will have a direct trickle-down impact on the country's consumption appetite. We believe that the biggest impact will be visible in the country's rural consumption; we foresee an increase in incomes being mirrored in an increase in aspirations, stronger offtake of textile products and a visible graduation towards branded hosiery products. The fact that the country's rural consumption of fashion hosiery products will increase is a forgone conclusion; what is relatively under-appreciated is that

when India's rural population (and possibly the largest such cluster anywhere) selects to spend more on what they wear, the consumption implications would be felt across the country and the world.

Prepared

At Lux Industries, we are prepared for this impending wave. In the last few years, we embarked on a complete reinvention of our business with the singular objective of emerging future-ready. We invested an unprecedented ₹82.64 crores in our new integrated Dankuni knitting and cutting facility that makes it possible to provide more than 95% of our products with captive knitting with adequate provisions to grow our capacity across the foreseeable future and address growing demand. We possess one of the lowest manufacturing cum conversion costs within our business. We strengthened our brand building, invested an aggregate ₹277 crores in our brands across the five years ending 2016-17. We premiumised our product offering, generating a progressively larger proportion of revenues out of value-added products.

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The size (\$ trillion) of India's economy by 2030 (trebling from the current level)



We strengthened our brand building, invested around an aggregate ₹277 crores in our brands across the five years ending 2016-17.

We created a robust Balance Sheet marked by a gearing of 0.93, which indicates that given the vastness of our opportunity, we are extensively under-borrowed on the one hand with growing margins on the other.

Transforming India

What we have achieved in the past – 11.34% CAGR in revenues across the five years ending 2016-17 – is possibly no patch on what we are likely to achieve across the foreseeable future.

This is an India that is warming up to retail-oriented marketing, as distinct from products that are sold anonymously off-the-shelf; Lux is unique in marketing a product like Cozi, extending the comforts of premium products to mid-end retail, which represents the retail of the future.

This is an India that is responding better to pioneering and innovative comforts; Lux's GLO Collection comprises new introductions like cotton modal and has democratised the use of premium lifestyle products for the benefit of the vast mid-end consumer economy.

This is an India willing to respect better-finished

products through enhanced offtake and increased prices; Lux invested in technologically-advanced 100% automated cutting equipment in its state-of-the-art Dankuni facility.

This is an India where the preference for improved innerwear is extending to related products like lingerie; Lux helped widen national product categories through the launch of relevant products that accelerated revenues.

Tax reform

I must end with an overview on the Goods & Services Tax that was introduced from the second quarter of the current financial year. We believe that this game-changing tax reform will benefit us at two levels: narrow the differential in terms of the cost advantage that was for long enjoyed by the country's unorganised sector outside the purview of the tax net, that will strengthen our overall competitiveness; it will also enable us to move products faster across the country, reinforcing our logistics and working capital outlay.

At Lux Industries, we believe that we are placed at an attractive juncture that should translate into sustainable growth for our company and shareholders.

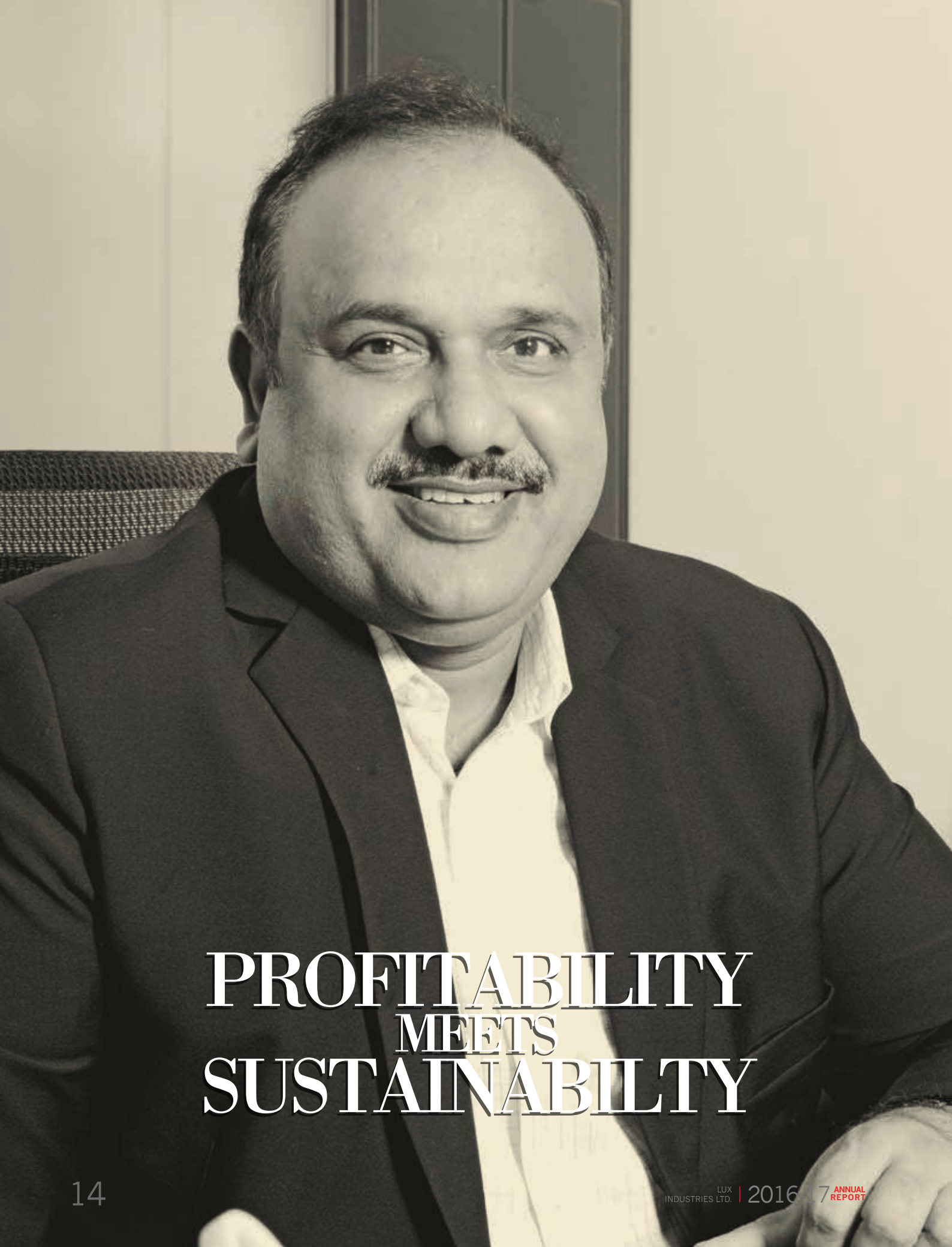
Ashok Kumar Todi,
Chairman

LUX

AND THE ONE-WORD RECALL
THAT THE BRAND GENERATES

TRUSTED. YOUTHFUL.
ENERGETIC. DYNAMIC.
CONTEMPORARY. QUALITY.
VALUE FOR MONEY. FAMILIAR.
COMFORTABLE. DEPENDABLE.
DURABLE. ASPIRATIONAL





PROFITABILITY MEETS SUSTAINABILITY

OPERATIONAL REVIEW

Managing Director Pradip Kumar Todi reviews the Company's 2016-17 performance

Q What is the principal message that you wish to communicate to shareholders?

A The principal point that I wish to communicate is that the year under review indicated the maturing of the Company. Lux strengthened revenues 3.37% in a challenging year marked by weak consumer sentiment and sales disruption. This performance indicates that we continued to strengthen our business model in 2016-17.

The Company encountered one of the most challenging cash crunches within the Indian economy; yet, the Company reported profitable growth during the year. The Company commissioned its largest expansion that could have staggered the financials as interest was now required to be written off against Profit & Loss account than be capitalised; yet, the Company reduced its learning curve and gestation following capacity commissioning, resulting in benefits accruing faster than costs incurred. The year under review was marked by an increase in raw material costs; the Company embarked on the launch of premium labels whose impact will only be

reflected during the current financial year. In view of these initiatives – scale, sales, value-addition and working capital management – the year under review represented a high point in the Company's existence.

Q Why were these initiatives necessary?

A There is a growing recognition within the sector that passing on cost increases to customers is an idea whose time has gone. The focus is not on generating profits from a competitive marketplace; the focus is on generating profits from within. In view of this, Lux strengthened a number of initiatives that will translate into larger sales, reduce manufacturing costs and enhanced value-addition. We believe that through the implementation of these initiatives, the Company has laid the foundation of scalable and sustainable growth, which should translate into enhanced value in the hands of all those who own shares in our company.

Q What was the highlight of the Company's operations during the year?

A The highlight was the commissioning of the

Company's Dankuni facility. Prior to the commissioning of this facility, the Company manufactured products across 12 different pan-India locations. In the last few years, the Company took a considered call; the management recognised that a large integrated facility at a single location would generate attractive economies of scale, enhancing competitiveness. In view of this, the Company commissioned a ₹83 crores facility across 11.48 acres on the outskirts of Kolkata. The Company built sophistication into the project in addition to scale; the immediate consequence was that the cutting-edge technology translated into superior cutting process that generated a precious 1-2% reduction in material wastage, which, in turn, strengthened our EBIDTA by 1200 bps during the year under review. The plant was commissioned from the second quarter and achieved 78% utilisation during the year under review; we believe that when asset utilisation increases during the current year to a projected 85%, savings will increase further. This plant, possessing adequate area for growth within, represents a strong foundation of our multi-year sustainability.

83

The investment (₹ cr) in a new Dankuni manufacturing facility across 11.48 acres on the outskirts of Kolkata

Q What was the other initiative by the management that strengthened operations?

A During the last few years, the management recognised that a number of our product segments and corresponding brands needed enhanced focus. The result is that during the year under review, the Company initiated the Strategic Business Unit concept across the organisation. This concept was introduced to enhance accountability and make these SBUs self-sustaining. Over time, we believe that each of our brands will grow faster, will address market gaps quicker and strengthen their salience. This initiative represents a strategic foundation of our multi-product and multi-brand sustainability.

Q What are some of the other initiatives that strengthened the Company's sustainability during the year under review?

A In the fashion hosiery products sector, there is always the danger that customer aspirations may evolve faster than the corresponding capacity of hosiery companies to respond. This inability could translate into a number of realities: plateauing realisations, inability to pass on cost increases and decline in market share. During the year under review, Lux made a decisive move: the Company graduated its successful innerwear ONN brand to outer wear. The Company addressed two of the fastest-growing outerwear segments of active wear and sportswear.

This initiative was launched during the last quarter of the financial year under review and we believe that this premium offering will be scaled during the current financial year, translating into wider revenues and margins.

Q What were the other initiatives that strengthened business sustainability during the financial year under review?

A The Company had implemented the SAP HANA S4 version in the early part of the year under review. The Company took a quarter to adjust to this platform. I am pleased to state that by the second quarter, the Company's information system had visibly strengthened. The benefits comprised systemic integrity that translated into a disciplined management of trade channels; checks and balances strengthened; the enhanced MIS resulted in informed decision-making. We believe that SAP represents a robust foundation that will make all growth possible without a corresponding increase in costs or investments.

Q How did the Company strengthen sustainability through branding initiatives?

A There are two initiatives here that will strengthen our sustainability. One, we continued to invest about 7% of our revenues in branding and promotions. During the year under review, this translated into a sizeable ₹75 crores of brand

spending, protecting the vitality and visibility of our various brands. There is something else that strengthened our brand sustainability: Lux signed Varun Dhawan as a brand ambassador. We believe that Varun Dhawan represents the new age Hindi film industry hero; Lux signed him for three years. I am pleased to state that this engagement had an immediate impact on our offtake.

Q How did the Company address the challenge of demonetisation?

A The Company recognised that for necessity products, sales would at worst be deferred. In view of this, the Company kept working closely with trade channels, enhancing their faith. The result was that even as sales were affected in November and December 2016, the Distributor Conference organised by the Company in January 2017 generated a handsome ₹100 crores in order bookings. The result is that our fourth quarter of the last financial year was better than the fourth quarter of 2015-16; our first quarter of 2017-18 was better than the first quarter of 2016-17 (post-Balance Sheet development).

Q What are some of the reasons that enhance your optimism?

A There are a number of reasons for our optimism. There is a growing traction for premium products; consumers are willing to

spend more on wearing and feeling better. The proportion of revenues derived by the Company from semi-premium brands – the Company is the largest in this space in India – increased from 8% of overall revenues to 10% during the last financial year. Following a deeper penetration of smartphones and televisions in rural India, we are capitalising more effectively on our promotional spending. For instance, we launched GLO in the mid-premium segment in January 2017 and I am pleased to report that there has been positive offtake since, validating our endorsement and branding investments.

Q How is GST likely to impact the hosiery sector?

A On the overall, we perceive a 200 bps reduction in the cost incidence, which will strengthen our overall competitiveness. On the other hand, we believe that the cost of the country's unorganised hosiery sector could increase by 500 bps. The result is that the country's organised sector should emerge more competitive. Within the organised sector, Lux is optimistic of outperforming segment and sectoral growth, enhancing value for its stakeholders.

6 ways in which we strengthened our sustainability, 2016-17

Commissioned large integrated Dankuni manufacturing facility

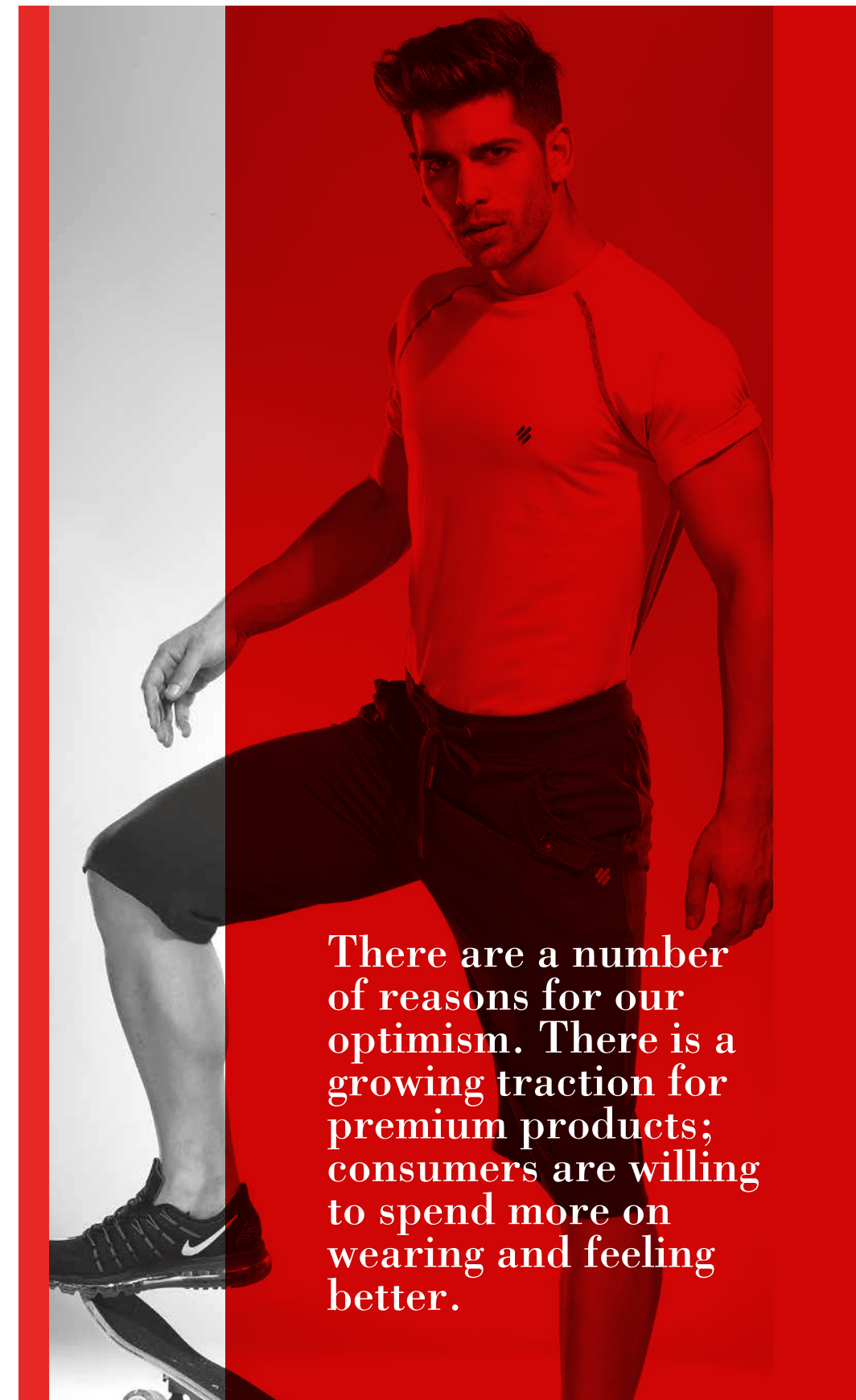
Engaged Varun Dhawan as Brand Ambassador

Sustained brand investments at 7% of turnover

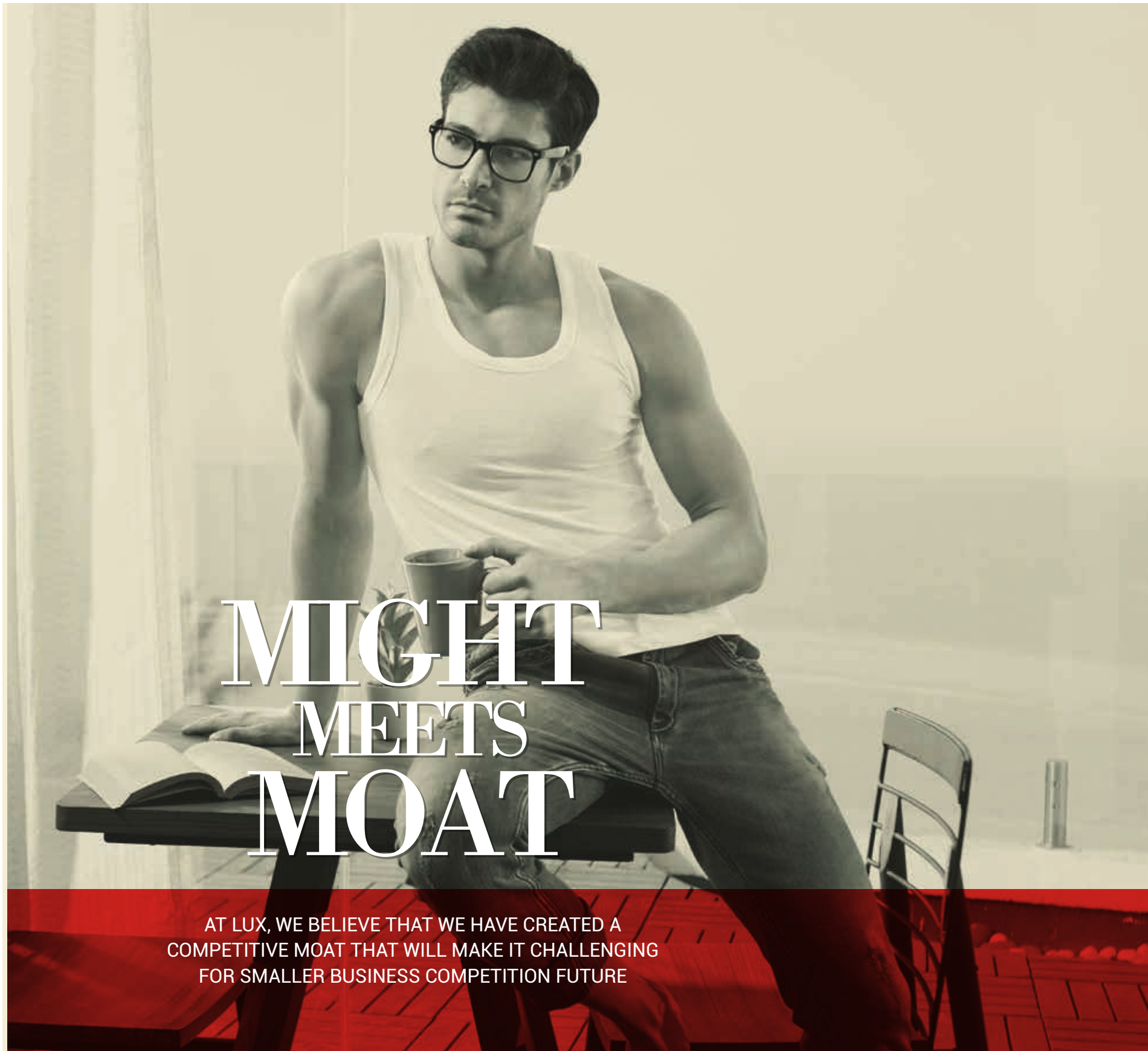
Commissioned SAP HANA S4 with scalable potential

Strengthened premiumisation; launched GLO

Extended ONN to outerwear



There are a number of reasons for our optimism. There is a growing traction for premium products; consumers are willing to spend more on wearing and feeling better.



MIGHT MEETS MOAT

AT LUX, WE BELIEVE THAT WE HAVE CREATED A
COMPETITIVE MOAT THAT WILL MAKE IT CHALLENGING
FOR SMALLER BUSINESS COMPETITION FUTURE

HOW WE THINK

Hands-on: The Lux promoters possess a hands-on multi-decade understanding of the business, reflected in a rich exposure to commodity trends, consumer preferences, distribution relationships and brand building – perhaps the biggest moat for the Company

WHAT WE MAKE

Choice: Lux products address the widest consumer range: from ₹38 to ₹1350; from semi-premium to premium; more than 100 products across 12 brands; from men's innerwear to men's and women's outerwear.

Premiumising: Lux is more than just another fashion hosiery manufacturer; it is a progressively premiumising company. The proportion of revenues derived from premium brands increased from 3.90% in 2012-13 to 9.25% in 2016-17, validating the Company's competence in enhancing portfolio premiumness in a sector often perceived as commodity.

production to machine-based production helping increase productivity.

Scale: Lux's manufacturing capacity of 1825 lac garments pieces a year across six manufacturing facilities is one of the largest in India's innerwear sector, translating into corresponding economies of scale. This has established the Company as one of the most competitive innerwear manufacturers in India. This capacity, distributed pan-India, accelerates the Company's access to local markets, capitalizing on local benefits and distributing risks across facilities.

Integration: Lux invested in a show-piece Dankuni manufacturing facility in 2016, accounting for 35% of its overall manufacturing capacity. The unit is integrated across the knitting, processing and cutting functions.

Equipment: The Company invested in cutting-edge cutting machines from Italy and Japan, strengthening efficiency, productivity and profitability

Cost leadership: Lux is among the most competitive innerwear manufacturers in India; raw material cost as a proportion of revenues declined from 64.27% in 2012-13 to 42.81% in 2016-17.

HOW WE MAKE

People-lightness: Lux has prudently segregated its automation-intensive (in-sourced) and labour-intensive functions (outsourced), making it possible to scale a labour-intensive operation in a people-light manner; the Company's 600 contractors engaged in stitching employ more than 40,000 workers, a robust ecosystem. The Company shifted from labour-based

A moat is usually a deep wide trench usually filled with water surrounding the rampart of a fortified palace like a town or castle; in management jargon, this word stands for a distinctive competitive advantage.

HOW WE SELL

Brand building: Lux possesses a competence in transforming product concepts into brands into successful enduring multi-crore 'properties' – Lux Cozi was launched in 2001, Lux Venus was launched in 1993 and Lux Cozi Big Shot was launched in 2003 – these continue to account for a larger share of revenues today. The Company's aggregate brand spending of ₹277 crores in the five years ending 2016-17 was one of the highest in India's innerwear sector.

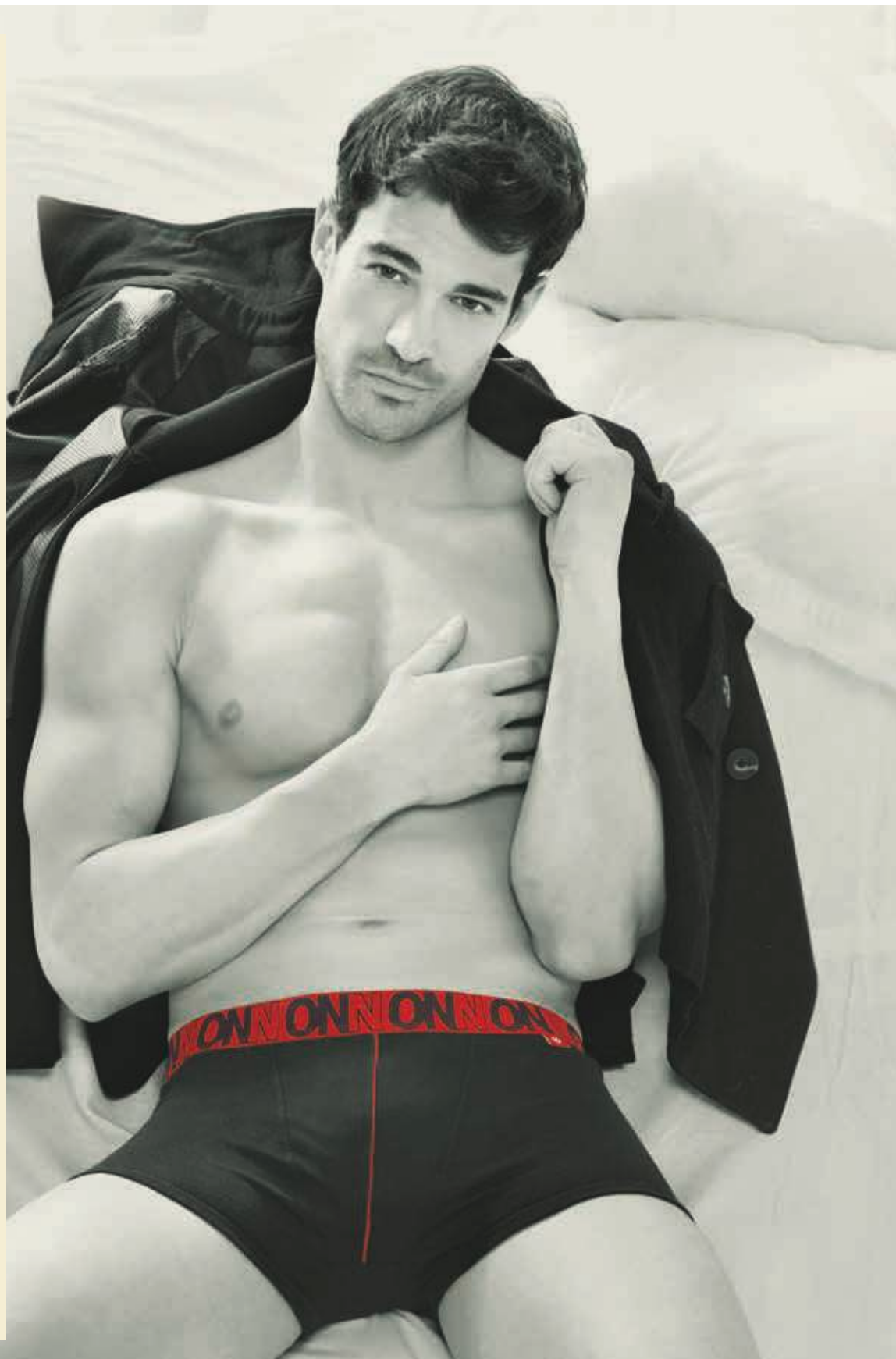
Brand spending: Lux possesses a distinctive capability in brand investment and related vitality. The Company's spending has got progressively productive, indicating its growing capability

Extensive distribution: Lux is available wherever customers are; the Company's products are available through more than 900 distributors and 4.5 lacs retail points right down to small population clusters in India.

Export profile: Lux is not just completely dependent on India sales (accounting for 90% of turnover); the Company exports to 47 countries; exports are being made in the Company's brands and reduced from 11.59% in 2012-13 to 9.46% in 2016-17

HOW WE SUSTAIN

Balance Sheet strength: Lux's Balance Sheet is getting progressively stronger; its growing accruals were deployed in aggressive debt liquidation in the last few years; gearing declined from a peak of 3.0 to less than 1.0; EBIDTA margin strengthened 610 bps in the last five years; ROE was relatively instead around 30%



4 INSTANCES WHEN LUX PIONEERED PRODUCTS IN INDIA'S INNERWEAR SECTOR

Lux said: “Why only create products when we can create markets instead?”

01

Advertising

Lux was the first Indian innerwear company to advertise and promote innerwear products, graduating the image of the product from commodity to brand

02

Distributor engagement

Lux was the first Indian innerwear company to organise distributor and owner conferences within and outside India, empowering the trade to stock more and rewarding the most productive

03

Brand ambassador

Lux was the first Indian innerwear company to engage a prominent brand ambassador when it enlisted Sunny Deol to endorse Lux Cozi in 2001

04

Extension

Lux was the first Indian innerwear brand to extend its product portfolio from innerwear vests to outerwear cum related products



4 WAYS IN WHICH LUX SUCCESSFULLY PREMIUMISED IN COMPETITIVE MARKETS

Most people asked:

‘Are you sure you can raise prices in a commoditised market?’

Product relevance: Lux invested quality material and contemporary designs (European and American influences), enhancing aspirational value

Evolved brand ambassadors: A continuous change in brand ambassadors enhanced brand relevance and vitality; the selection of Varun Dhawan as brand ambassador for [Lux Cozi] enhanced youthfulness, fun and fashion, strengthening premiumness

Event engagement: Lux sponsored the KKR team in the IPL, now an international cricket event, enhancing visibility and respect; Lux also sponsored the Bollywood Awards Ceremony TOIFA in Vancouver in 2016, strengthening its pan-India visibility

Spending: Lux invested around 8% of annual revenues in marketing and other sponsorships – an aggregate ₹277 crores in the five years ending FY17



4

WAYS IN WHICH LUX
CATALYSED THE
GROWTH OF THE
INDIAN INNERWEAR
MARKET

We don't claim we have just grown our company;
we have helped grow the market as well

Pioneering: Lux has consistently been among the first to launch new products and concepts, creating new markets and carving out a disproportionately large market share

Emerging needs: Lux studies consumer lifestyles and emerging needs (implicit and explicit), responding with corresponding productisation

Graduating: Lux Group graduated leggings from a relatively anonymous commodity into a visible branded product that attracted players and grew the leggings market substantially

Re-positioned: The Lux flagship brand Lux Cozi helped transform the sector's recall from unorganised to brand-driven organised (supported by celebrity endorsements) – its biggest sectoral contribution

4

WAYS IN
WHICH LUX IS A
SYSTEMS-DRIVEN
PROFESSIONAL
COMPANY

It would be easy focusing on profitability;
we are driven by sustainability instead

Scale: Lux employed 907 individuals as on 31 March 2017; the salary outgo of ₹25.14 crores was a 21.37% growth over the previous year

Focus: Lux's 12-member HR team focuses on employee welfare, culture, training and practices

Protocol: Lux follows systemic protocol coupled with adequate documentation

Facilities: Lux provides convenience-enhancing facilities like a hygienic canteen and other employee supports and benefits

5

WAYS IN WHICH LUX
HAS TRANSFORMED
WITH PROACTIVE
SPEED

It would be easy trying to follow the curve; we
would rather be ahead of the curve instead

Digitisation: Over the years, Lux has evolved from the manual to the automated (in manufacture and in support functions), extending to digitisation.

Globalised: Lux has transformed to international standards of product quality, delivery and service; the Company exports to 47 countries.

Spread: Lux has transformed from a local presence to a pan-India cum international player (47 countries)

Reward: Lux has evolved reward and recognition in line with modern standards; its time-based incentives have enhanced distributor productivity.

Transparency: Lux has transformed from a private company into a listed transparent entity

6

REASONS THAT SET LUX
APART IN CROWDED
MARKETS

01

Youth: Lux has focused on the youth as against a conventional focus on the middle-aged (30-50+ male category), extending brand appeal from teenagers upwards

02

Online: Lux is creating an online presence through e-commerce websites, enhancing access and image.

03

Positioning: Lux is addressing the growing innerwear needs of the value-conscious fashionable middle-class segment of India

04

Distribution: Lux is the most extensively distributed innerwear brand in India; it is available in 47 countries as well

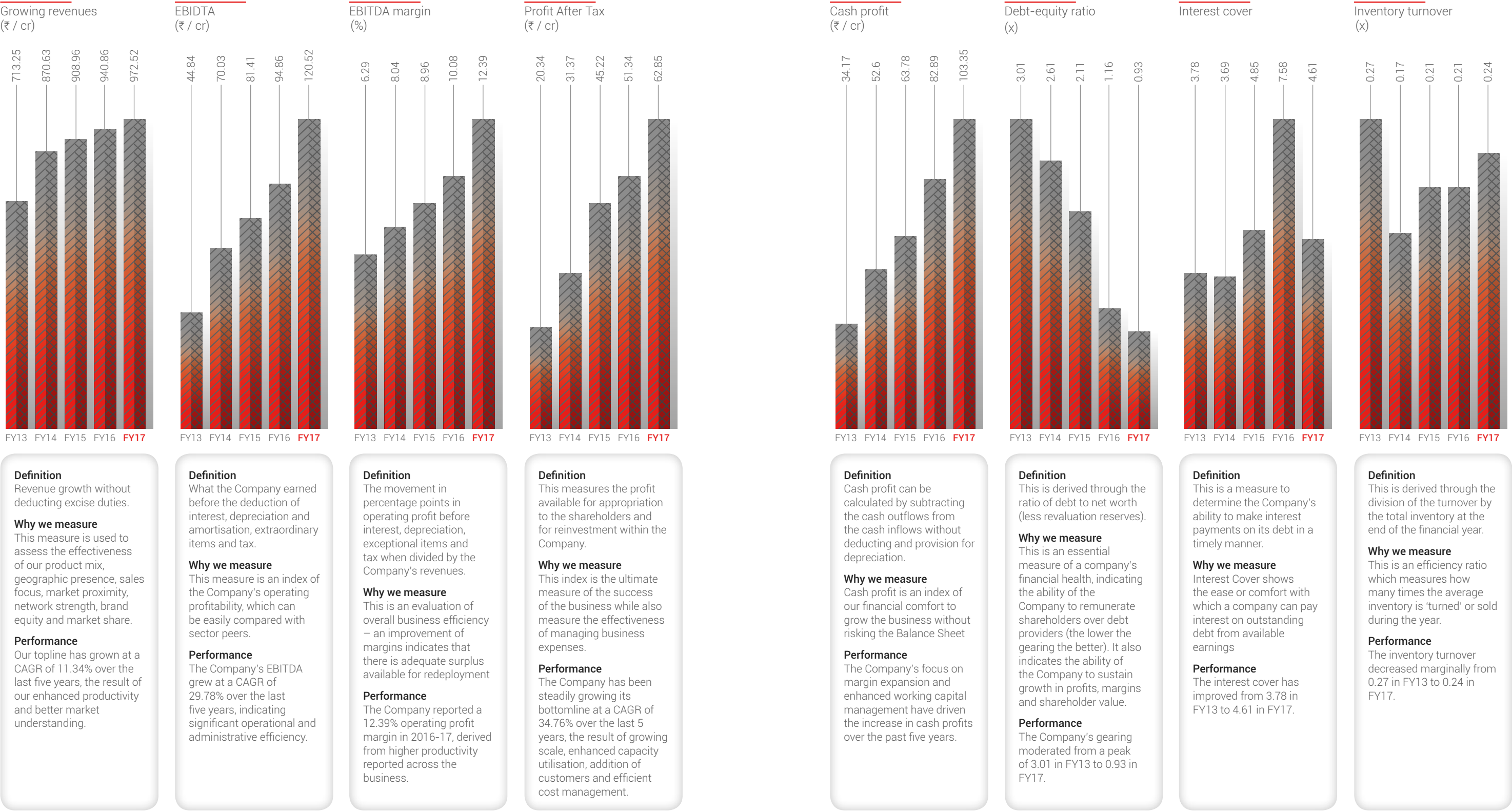
05

Choice: Lux provides a wide innerwear choice from the mid-range to the premium, representing a one-stop customer solution.

06

Recall: Lux enjoys the recall of being a pioneer in the launch and styling of premium products

HOW OUR FINANCIALS HAVE STRENGTHENED IN THE LAST FEW YEARS





BRAIN MEETS BRAND



The wealth in our brands

At Lux, our wealth lies in our brands. Brands that are enduring. Brands that are growing. Brands that stand for lasting appeal.

Over the years, we have brought a differentiated capability to our brands: the insight to perceive a product gap, the responsiveness to plug it, the ability to transform the product idea into a brand, the commitment to invest through gestation, the ability to shrink gestation, the foresight to engage prominent celebrity endorsement, the skill to promote through the clutter, the ability to communicate how it enhances consumer pride, the experience to adapt a brand to evolving environments and the ability to transform a brand into a multi-year 'property'.

The result is that Lux has emerged as the most trusted innerwear player in India.

The Lux 'youthification'

Brand ambassador: Engaged Varun Dhawan, Bollywood's action hero with substantial urban fan following. His spirit and reputation are in sync with ours.

New products: 'GLO' range of underwear; neon and bright; increasing our youth appeal.

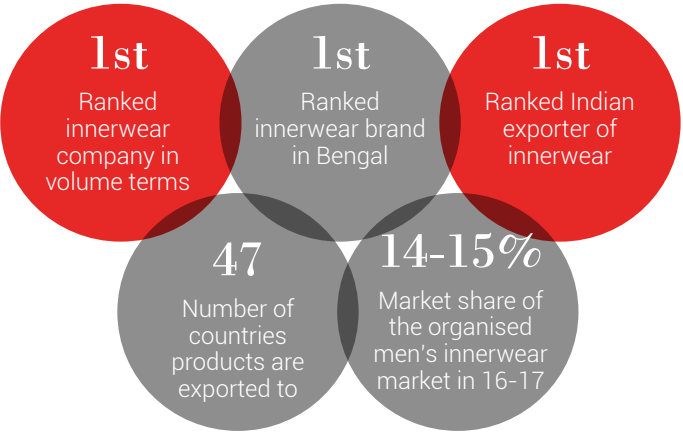
Packaging: Reviewed every few months to story contemporary and attractive.

Value-for-money: Superior, affordable quality.

Sponsorship: Principal sponsor of Kolkata Knight Riders for 2 years. Sponsored and co-sponsored the TOIFA awards, the biggest televised film industry awards. Sponsors for the force franchise in the earlier years. Sponsored the Atlético de Kolkata team in the third season of Indian Super League in October 2016.



Market share



Aggressive brand building

Lux invests around 8% of annual revenues in brand promotion - ₹75.51 crores in 2016-17. The aggregate spending on this count in the five years ending 2016-17 was ₹277 crores. The Company's brand spending increased every single year across the last five years.

Marketing spend (in ₹ cr)

FY13	FY14	FY15	FY16	FY17
40.97	56.33	48.94	55.58	75.51

OUR BRAND JOURNEY

1993 ▶

Vests and briefs

1995 ▶

Vests and briefs

1997 ▶

Panties, camisoles and leggings

1998 ▶

Panties, camisoles and leggings

2000 ▶

Designer vests and casual inners

2001 ▶

Innerwear

2003 ▶

Premium trunks

Portfolio

Lux offers 5000 SKUs across all major brands. The Company extended beyond traditional innerwear products for men and women; it extended into complementary segments like socks and children's wear.

Reinvention

Lux evolved from a men's innerwear focus to addressing the growing needs (knitted garments) of all members of the family.

Premiumising

Lux markets products under distinct mass, semi-premium and premium segments; the proportion of revenues derived from the premium segment increased attractively

Proportion of revenues derived from the premium segment (%)

FY13	FY14	FY15	FY16	FY17
3.90	4.50	5.06	6.91	9.25



Almost 80% of the innerwear category standard

This offers significant headroom for premiumisation
Lux's ONN is a premium brand
ONN is growing revenues at 30% a year



Did you know?

8.1
The percentage of the Indian apparel industry accounted for by the innerwear segment, the fastest-growing segment in the market

- Lux Cozi is one of the strongest and fastest growing men's innerwear brands (economy and mid-segment).
- Lux Cozi GLO is a durable player in the economy to mid-brand segment.
- Lux Venus is one of the largest vest brands in the economy category.
- Lux Cozi Bigshot is a preferred consumer brand in the boxer/ briefs segment.
- ONN is emerging as one of the most promising mid-to-premium men's innerwear brands.

Brand personality

	Lux Cozi	Onn	GenX
Brief description	People's brand	Premium comfort	Affordable fashion
Date of launch	2001	2010	2000
Types of products sold (for e.g. underwear, thermal, vest, etc.)	Vests, briefs and boxers and thermal wear for both men and kids	Vests, briefs, trunks, lounge wear, t-shirts, active wear, thermal wear for men, women and kids	Briefs, vests, trunks, boxers, active wear and lounge wear for men and women
Target segment (which segment does it cater to premium, semi-premium, economy)	Mid to economy segment	Mid to premium segment	Mid segment
Target demographics	Men and kids	Men, women and kids	Men and women
Price range	Affordable	Mid-premium	Affordable
Tagline	Suno Toh Apne Dil Ki	Keep it ONN	Style Inners
Brand ambassador	Varun Dhawan		
Unique selling proposition	Aspirational imagery with value for money positioning	Product innovation with comfort positioning	Affordable fashion, active and inner wear

OUR BRAND JOURNEY

2005 ▶

2007 ▶

2009 ▶

2010 ▶

2016 ▶

Thermals and outerwear

Quilted thermals

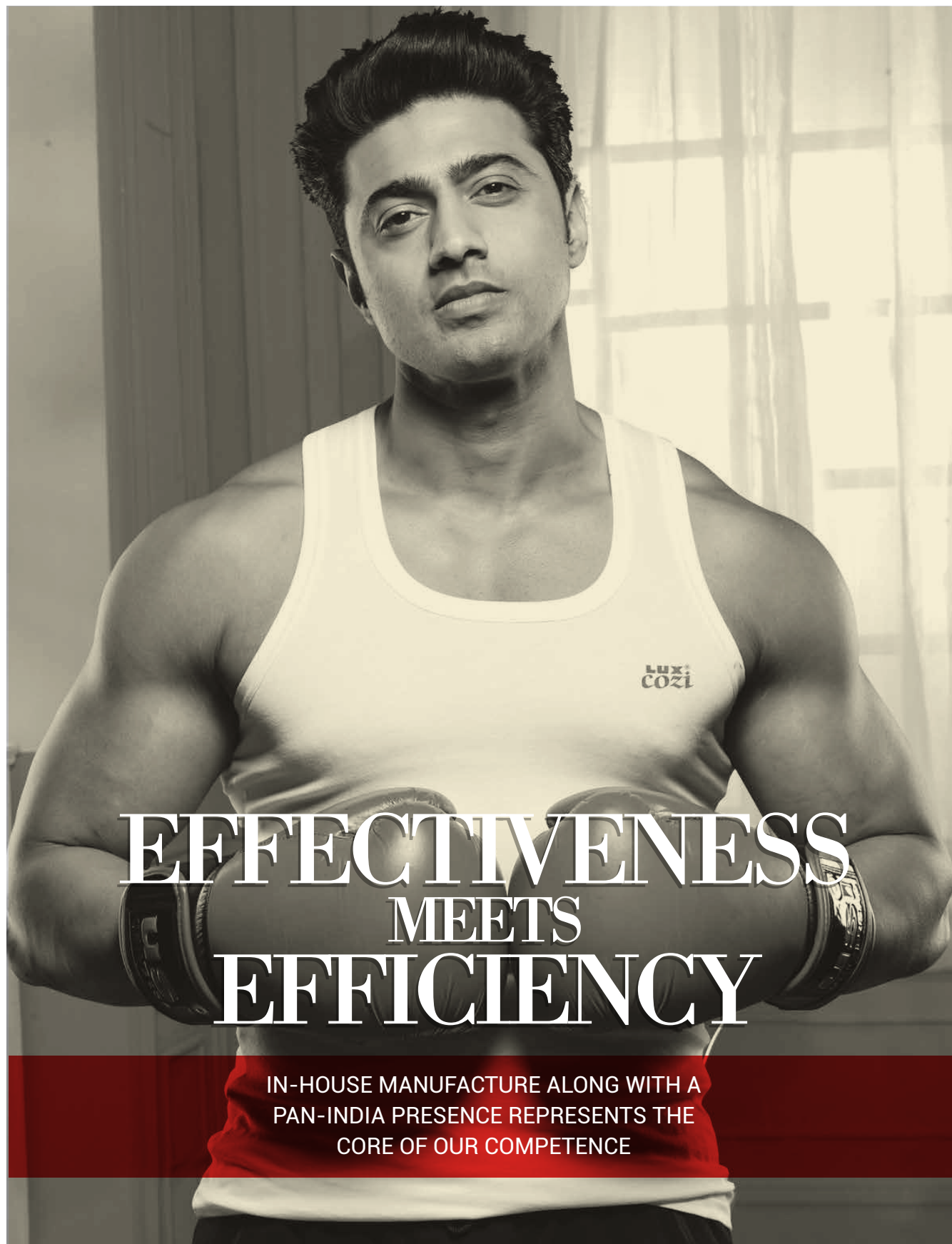
Premium socks

Premium wear

Vests, Briefs & Drawers

Did you know?

20
Percentage of the innerwear market accounted for by the premium and semi-premium segments



At Lux, we believe that we have established a long standing cost leadership – through our ability to manufacture the largest innerwear volumes at one of the lowest costs.

The dual ability – volumes and costs – has been derived from an extensive vertical integration translating into a competitive advantage. This has helped generate attractive year-on-year surpluses that have since been reinvested to strengthen our manufacturing advantage.

Over the years, we invested in setting up manufacturing units across the country to service local demand or capitalise on localised advantages in the procurement of raw materials or skills availability.

In 2016-17, we made the most decisive manufacturing investments in our existence of ₹83 crores when we commissioned a 12 lac sq.ft. facility to manufacture 5 lacs pieces a day. The plant is one of the largest of its kind within the country's hosiery sector, setting new standards of efficiency and productivity.

In an industry largely unorganised and characterised by small-scale manufacturing units,

Lux has concentrated on large, technology-driven manufacturing. By vertically integrating several key processes we are able to keep a check on product quality and raw material sourcing, and by outsourcing processes such as stitching, we are able to keep our asset profile and employee base light. We manufacture 100% of our products in-house with zero outsourcing. We invested in modern captive equipment and skills of knitting, dyeing/ bleaching, cutting, stitching and finishing (with accessories). We knit our own fabric and do the entire garment cutting in-house, employing state-of-the-art machinery.

Our pool of 907 employees (as on 31 March 2017) makes us one of the largest employers in the sector.

Our senior management comprises experienced professionals with rich know-how across diverse fields. We enjoy cordial industrial relations with our factory workforce.

The competitive advantage of the manufacturing facility helped moderate manufacturing costs; the Company drew in the manufacture of around 3 lacs pieces per day from its dispersed facilities, making it possible to maximise manufacturing volumes

at a single location where it enjoyed the lowest manufacturing costs. In a full year's working, the Company is expected to generate 35% of its revenues from products manufactured in the Dankuni facility.

During the year under review, the Company reported a capacity utilisation of 80% from this new facility; the manufacturing facility can be scaled by 75% given the prevailing vacant area within.

The Company invested in a complement of the best knitting and cutting machines - cutting machine from Morgan Technica SPA, Italy, and knitting machine from Mayer & Cie, Germany, and United Texmac Pte Ltd Singapore. The plant was certified for OHSAS/ISO 9001:2008.

The plant represents a milestone in the multi-decade existence of the Company.

The plant is large, generating attractive economies of scale that have helped amortise overheads better

The plant is modern, already delivering enhanced operating efficiency

80

Capacity utilisation (%) achieved at our new Dankuni facility



The Dankuni plant is extensively integrated from knitting to cutting, making it possible to deliver products with speed coupled with enhanced value-addition

The extensively automated plant has moderated wastage per meter and increased the number of pieces cut per 100 meters of fabric.

The plant is scientifically-designed, enhancing space availability (including emergency warehousing) and productivity.

The plant is expected to reinforce the Company's cost leadership, making it possible for it to widen market share and increases business surpluses.

The plant is expected to generate a complete payback within five years.

The Company plans to embark on a Phase II expansion plan to be implemented over the next three to four years, which should double manufacturing capacity within this premises.

Optimising costs

By investing in plant automation to enhance process integrity and moderate costs.

Manufacturing audit



1.4 mn
pieces
manufactured
per day



6
manufacturing
facilities



9x
increase in
manufacturing
capacity since
2000

Capacity

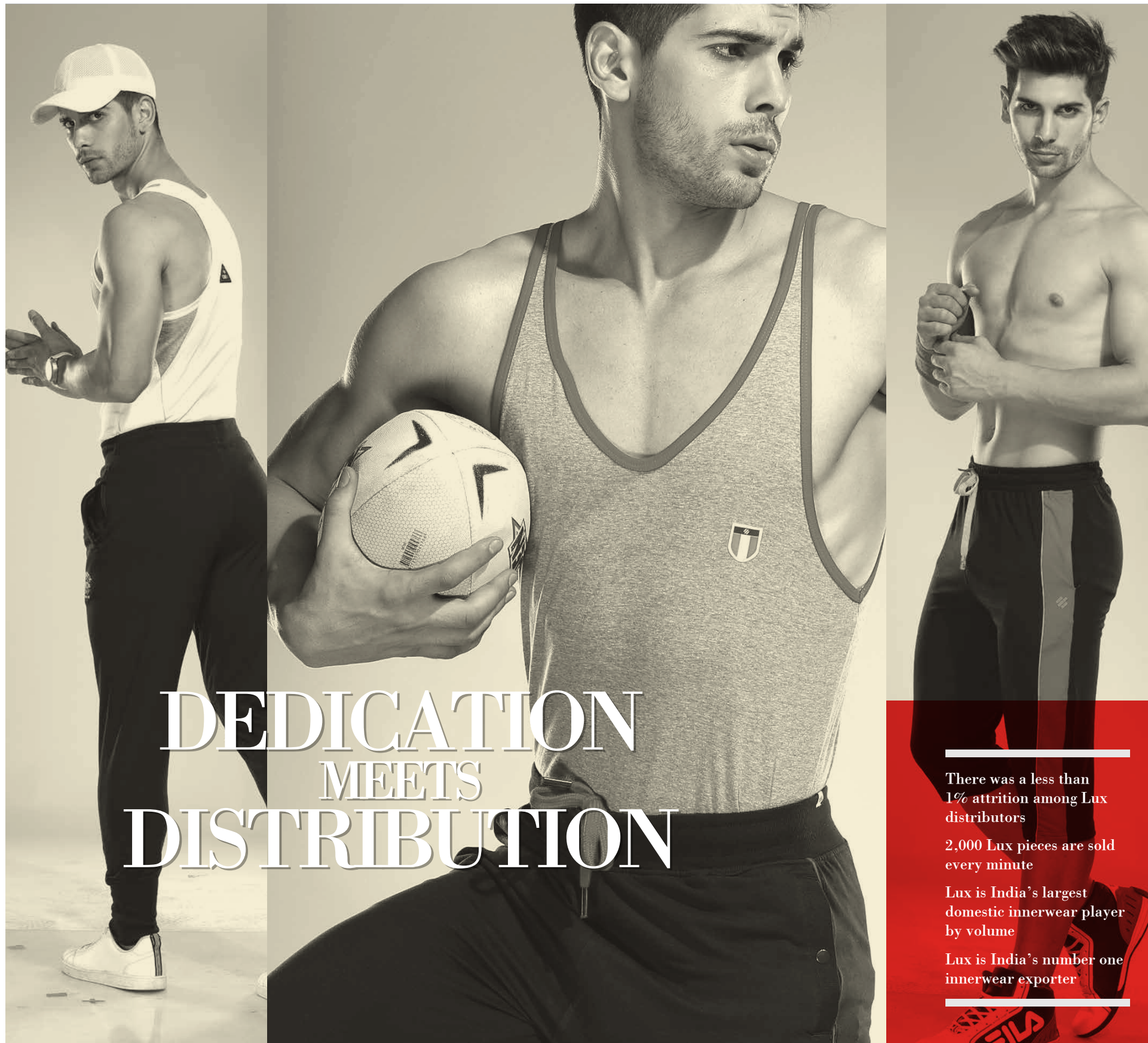
We invested in growing our production capacities aggressively in the last few years.

Per day production capacity (in lac)

FY00	FY05	FY10	FY15	FY17
1.5	3	8	12	14

Lux is present across the entire manufacturing value chain





DEDICATION MEETS DISTRIBUTION

There was a less than 1% attrition among Lux distributors

2,000 Lux pieces are sold every minute

Lux is India's largest domestic innerwear player by volume

Lux is India's number one innerwear exporter

Even as you are reading this page, some 2000 Lux innerwear pieces are likely to have been sold across India and the world – more than 30 pieces per second!

This success is derived from the Company's visibility; what is visible is what is sold.

Over the years, Lux strengthened its distribution with a singular objective: a customer would always be close to a retail point where Lux products would be available; when available, these products and promotions would be visible enough to translate intent into offtake.

The result is in the numbers: Lux products are available across 4.5 lac retail points; the products are available right down to remote and rural population clusters, putting them within the rare category of Indian brands that boast of universal product availability.

Interestingly, Lux's distribution advantage lies not only in its geographic dispersal; it lies in the relationship quality with the distribution family. More than 50% of the Company's 900+ distributors have been working with the Company for more than 10 years, translating into relationship stability and continuity. The Company invested in growing its distribution network and retail network over the last decade. The Company generated revenues riding the image of Varun Dhawan as a prominent and nationally visible brand ambassador.

The Company enjoys a wide presence in the northern, eastern and western parts of the country, generating 63% of revenues from these zones. The Company invested in information technology to strengthen its distribution efficiency resulting in an informed perspective of prevailing

market realities.

Although the Company has a strong presence in Western and Central India, its wide-reaching wholesale and retail distribution network maximises the Company's capacity to serve each and every one of their customers as per its convenience, while optimizing sales and distribution costs.

Over the years, the Company extended from a domestic focus to exports. The Company is the largest exporter. The Company addressed tropical countries with demographics similar to India: nearly 50 countries largely comprising the Middle East, Africa, Australia and Europe.

The result: the Company was awarded with 'Star Export House Status' from the Ministry of Commerce and Industry.

	FY00	FY05	FY10	FY15	FY17
Number of distributors	300	400	650	900	900
Number of retailers	75,000	120,000	260,000	450,000	450000

Countries exported

FY13	FY14	FY15	FY16	FY17
22	32	46	47	47

THE LUX GOODWILL

"We have been associated with Lux for over two decades. What I like the best is the Company's relentless approach towards progress. The result is that as the Company has grown, so have we. The Company's prosperity has extended to our own!"

Shyam Agarwal, Mahatma Hosiery, Varanasi

"We have been associated with Lux for more than 40 years. The Company understands the soul of the market. Which explains why the Company is a market leader."

Murlidhar Godhwani, Rama Hosiery, Katni

Board of Directors



Ashok Kumar Todi,
Chairman



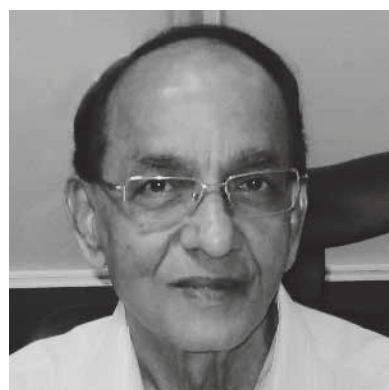
Pradip Kumar Todi,
Managing Director



K. K. Agarwal,
Director



Prabha Devi Todi,
Director



Nandanandan Mishra,
Director



Snehasish Ganguly,
Director

Statutory section



Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 22nd Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2017.

1. Financial Highlights

(₹ in lakhs)		
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from Operations (Gross)	97,156.21	94,086.54
Other Income	95.96	29.79
Total Revenue	97,252.17	94,116.33
Profit before Interest, Depreciation and Tax	12,051.55	9,476.37
Less: Depreciation	708.35	411.89
Less: Finance Cost	1,716.28	1,196.50
Profit Before Tax	9,626.92	7,867.98
Tax Expense		
(a) Current Tax	3,110.00	2,769.00
(b) Deferred Tax	232.14	-25.79
(c) Income Taxes for earlier year	0.00	-9.29
Profit after Tax	6,284.78	5,134.06
Add: Surplus brought forward	15,323.85	10,732.15
Balance available for appropriation	21,608.63	15,866.21

2. Operating & Financial Performance

Your company delivered another year of steady performance in the backdrop of sluggishness in the macro-economic environment. This year the Company's total revenue crossed the ₹970 crores mark as against ₹941.16 crores in the previous year. Profit before Tax is ₹96.27 crores as against ₹78.68 crores in the previous year. The Net Profit after tax is ₹62.85 crores as against ₹51.34 crores for the previous year. The earning per share is ₹24.89 against ₹20.33 in the previous year.

The innerwear industry is expected to grow at 10% during 2017-18. The yarn prices are expected to remain steady. The topline of the Company is also expected to grow at 10%. With the commencement of operations of the Dankuni Plant at its full capacity, the Company expects to achieve better efficiency. The Company has its other manufacturing capacities at Dhulagarh and Tirupur. The

Company has its sales offices almost all over the country.

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

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

3. 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. For Financial Year 2016-17 the Board is pleased to recommend a dividend

@ 70% (₹1.40 /-) on 25,253,000 Equity Shares of ₹2/- each. [Previous year, the total dividend was declared @ 70% i.e. ₹7/- each (Interim dividend @60% i.e. ₹6/- each and final dividend @10% i.e. ₹1/- each) on 50,50,600 per Equity Share of ₹10/- each]. The Board also recommends to pay dividend @ 0.25% i.e. ₹0.25/- each on 56,00,000 preference shares of ₹100/- each. Payment of dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.

4. Capacity Expansion

During the financial year 2016-17 the Dankuni Plant of your company having an area of 5 lakhs square feet has started its Commercial Operation. The same plant has the capacity to produce 5 lakhs units of finished products a day.

5. Material Changes and Commitments

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

6. Share Capital

During the year under review the Company has sub divided its equity shares from ₹10/- each to ₹2/- each in the ratio of 5 shares of ₹2/- each for every 1 share of ₹10/- each.

7. Transfer to Reserves

The Company proposes to transfer a sum of ₹100.00 lakhs to the General Reserve out of profits earned by the Company.

8. Transfer to Investor Education and Protection Fund

During the financial year under review, your Company has transferred unpaid/unclaimed dividend, amounting to ₹69,494/- for Financial Year 2008-09 to the Investor Education and Protection Fund (IEPF) of the Central Government of India.

Dividend which remains unclaimed which was declared for the year ended March 31, 2010 at the Annual General Meeting held on September 22, 2010 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by October, 2017 pursuant to the provisions of the section 124 and 125 of the Companies Act, 2013. Thereafter no claim shall lie on the Company for these unclaimed dividends. Shareholders will have to make their claim with the IEPF Authority following the appropriate rules in this regard. Equity Shares corresponding to the dividend unclaimed for seven consecutive years will also be transferred to the

demat account of the IEPF Authority. Individual notices and necessary newspaper publication has also been made in this regard.

Newspaper Notice dated November 14, 2016 and March 31, 2017 have also been published to all members concerned reminding them to encash their unclaimed dividend.

List of shareholders whose dividend remained unclaimed till date of AGM held on September 27, 2016 have been uploaded on the website of the company www.luxinnerwear.com under heading Investors Section. Shareholders are requested to check their unpaid dividend from the list and contact the Registrar & Share Transfer Agent or Company Secretary to encash these unpaid dividends.

9. Fixed Deposits

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

10. Particulars of Loans, Guarantees or Investments

The Company has not given any new loan during the financial year 2016-17, however, charged interest on outstanding balance of loan given during the last financial year 2015-16, details of the same are given below. Further, the Company has not given any guarantees covered under the provision of section 186 of the Companies Act, 2013.

(₹ in lakhs)			
Name	Rate of Interest	Max amount of Outstanding	Purpose
West Bengal Hosiery Park Infrastructure Limited	9%	0.40	Loan
Manamaa Garments	12%	100	Loan
Jalan & Sons	12%	29.22	Loan

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

11. Internal Control System and their adequacy

The Company has adequate internal control procedures commensurate with its size and the nature of its business for the purchase of inventories, fixed assets and with regard to the sale of goods and services. Details in respect of adequacy of internal financial controls



with reference to the Financial Statements are stated in Management Discussion and Analysis which forms part of this Report.

12. Corporate Social Responsibility Initiatives

Pursuant to section 135 of the Companies Act 2013, read with rules made there under, your directors have constituted a Corporate Social Responsibility Committee. As part of its initiatives under “Corporate Social Responsibility” (CSR), the Company has contributed funds for the schemes relating to eradicating hunger and poverty, promoting education, animal and social welfare and medical aid. The contributions in this regard have been made to the registered trusts and / or section 8 companies which are undertaking such schemes. The CSR Policy may be accessed on the Company’s website at the link:

http://www.luxinnerwear.com/investor_download_pdf2/20151221073219.pdf

The Annual Report on CSR activities is annexed herewith as Annexure ‘B’

13. Management Discussion and Analysis Report

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

14. Corporate Governance

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

15. CEO and CFO Certification

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

16. Directors & Key Managerial Personnel

Mr. Ashok Kumar Todi, Whole Time Director (DIN: 00053599) re-appointed on 27th September, 2012 w.e.f. 1st October, 2012 whose term expires on 30th September, 2017. The Board has approved his re-appointment on

25th May, 2017 subject to approval of shareholder for a period of five years with effect from 1st October, 2017, being eligible offers himself for re-appointment as Whole Time Director.

Mrs. Prabha Devi Todi, Director retires by rotation and, being eligible, offers herself for re-appointment. The Directors recommend her re-appointment.

Brief resume / details of Mr. Ashok Kumar Todi (DIN: 00053599) and Mrs. Prabha Devi Todi (DIN: 00246219) are furnished in the annexure to the notice of the ensuing Annual General Meeting as required under the Code of Corporate Governance.

During the year under review, Mr. Pankaj Kumar Kedia resigned and ceased to be the Vice President Finance & Company Secretary of the Company with effect from February 14, 2017.

Mrs. Smita Mishra has been appointed as Company Secretary & Compliance Officer (Key Managerial Personnel) of the Company with effect from February 14, 2017 in compliance with provision of section 203 of the Companies Act, 2013. With her appointment, your Company has further strengthened the governance framework and is committed to take the governance function to greater heights.

Nomination and Remuneration Committee of the Board has recommended the said appointment to the Board of Directors. The Board has placed on record their deep appreciation for the valuable contribution made by Mr. Kedia during his tenure of service with the Company.

Remuneration and other detail of Mrs. Smita Mishra for the year ended March 31, 2017 are mentioned in the Extract to the Annual Return in Form MGT-9 which is attached as Annexure ‘H’.

Declarations from Independent Directors

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

Annual Board Evaluation and Familiarisation Program

At the time of appointing a Director, a formal letter of appointment is given to him / her, which, inter alia, explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The Director is also explained in detail the various compliances required from him/her as a director under various provision of Companies Act, 2013, and such other rules and regulations.

The Directors are also updated about the financials of the company and new product launches. They are also provided with the booklets relating to the business and

operations of the company. They are updated on the changes in relevant corporate laws relating to their roles and responsibilities as Directors, from time to time.

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

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

http://www.luxinnerwear.com/investor_download_pdf2/20170309090816.pdf

Board Evaluation

Pursuant to the provisions of section 178 of Companies Act, 2013 and Regulation 17, 19 & 20 of SEBI (Listing Obligations And Disclosures Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the performance of individual directors as well as the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in Nomination & Remuneration Policy in the Corporate Governance Report. Further, the Independent Directors of the Company met once during the year on February 13, 2017 to review the performance of the executive directors, Chairman of the Company and performance of the Board as a whole. Details of separate meeting of Independent Director are given in the Corporate Governance Report.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report. And also has been posted on the Company’s website:-

http://www.luxinnerwear.com/investor_download_pdf2/20151221071320.pdf

Meetings

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

During the year, five Board Meetings and four Audit

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

17. Director’s Responsibility Statement

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

- that in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;
- 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, 2017 and of the profit of the Company for the year ended on that date;
- 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;
- that the annual accounts of the Company have been prepared on a ‘going concern’ basis;
- that proper internal financial controls are in place and that the financial controls are operating effectively;
- 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.

18. Related Party Transactions

All related party transactions that were entered into during the financial year were on arm’s length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with the Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. All the related party transactions are reviewed by the Audit Committee. The prescribed Form AOC-2 is not applicable to the Company. A policy on related party transactions and dealing with related parties as approved by the Board has been posted on the company’s website:-
http://www.luxinnerwear.com/investor_download_pdf2/20151221073348.pdf



19. Subsidiaries, Associate and Joint Ventures Companies

The Company does not have any subsidiary and associate. There were no joint ventures entered into by the company.

20. 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 is placed before the Audit Committee and the Board. The policy on vigil mechanism may be accessed on the company's website:- http://www.luxinnerwear.com/investor_download_pdf2/20151221073425.pdf.

21. Auditor's Report / Secretarial Audit Report

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

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

22. Auditors

M/s Sanjay Modi & Co., Chartered Accountants, (Firm Registration No. 322295E) Statutory Auditors of the Company, have served the company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing AGM and pursuant to section 139 of the Companies Act 2013 and Rules made thereunder they are not eligible for re-appointment as Statutory Auditors at the ensuing Annual General Meeting and their term of office as Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company. On the recommendation of the Audit Committee, the Board of Directors have selected and recommend M/s S.K. Agarwal & Co., Chartered Accountants (Firm Registration No. 306033E) to be the Statutory Auditors of the Company for the next five years. The Members are requested to consider their appointment as the Statutory Auditors of the Company

from the conclusion of this Annual General Meeting until the conclusion of the Twenty Seventh (27th) Annual General Meeting of the Company on such remunerations as approved by the Board of Directors of the Company.

The Company has received a certificate from the proposed Auditors to the effect that their appointment, if made, would be in accordance with all the conditions prescribed under the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

23. Insider Trading Code

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') on prevention of insider trading, your Company had instituted a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code lays down guidelines, which advise Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances. Your Company has further put in place a Code of practices and procedures of fair disclosures of unpublished price sensitive information. Both the aforesaid Codes are in line with the PIT Regulations. The policy may be accessed on the Company's website:- http://www.luxinnerwear.com/investor_download_pdf2/20170221053822.pdf.

24. Ratings

During FY under review, CARE Limited has reaffirmed the following ratings to the Company:-

(₹ in Crores)			
Ratings	Amount	Category	Remarks
CARE A+ (Single A plus)	374.25	Long-term Bank Facilities	(Revised from CARE A (Single A)
CARE A1+(A One plus)	1.5	Short-term Bank Facilities	(Revised from CARE A1 (A One)

25. Extract of Annual Return

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

26. Business Responsibility Report

The Company was ranked 457th by National Stock Exchange out of 500 top listed companies in India based on market capitalisation as on March 31, 2016. Accordingly in compliance with regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report ('BRR') has been prepared and forms part of the Annual Report as Annexure 'I'. The Report provides a detailed

overview of initiatives taken by your Company from environmental, social and governance perspectives.

27. Business Risk Management

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

28. 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.

29. Personnel

As on March 31, 2017, total number of employees on the records of your Company was 907 as against 743 in the previous FY. Your Directors place on record their appreciation for the significant contribution made by all employees, who through their competence, dedication,

hard work, co-operation and support, have enabled the Company to cross new milestones on a continual basis.

30. Particulars of Employees

The ratio of remuneration of each director to the median of employee's remuneration as required under section 197 (12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure 'J(i)'.

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

31. Prevention of Sexual Harassment at workplace

Your company is committed to provide a work environment which ensures that every employee is treated with dignity, respect and equality. There is zero tolerance towards sexual harassment. Any act of sexual harassment invites serious disciplinary action. The company has established policy against Sexual Harassment for its employee. The Company had also constituted a Prevention of Sexual Harassment Committee. The policy allows any employee to freely report any such act and prompt action will be taken thereon. There were no such incidences during the period under review.

32. Policies approved by Board

During the year the following policies were approved by the board:-

Policy	Date of Board Meeting where approved	Web link
Dividend Distribution Policy	13.02.2017	https://www.luxinnerwear.com/investor_download_pdf2/20170227112215.pdf
Business Responsibility policy	10.11.2016	https://www.luxinnerwear.com/investor_download_pdf2/20170103095135.pdf

33. 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	Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo.
Annexure - B	Annual Report on Corporate Social Responsibility (CSR) Activities.
Annexure - C	Management Discussion and Analysis Report.
Annexure - D	Report on Corporate Governance.
Annexure - E	Certification by Managing Director and Chief Financial Officer of the Company.



Annexure	Particulars
Annexure - F	Auditors' Certificate on Corporate Governance.
Annexure - G	Secretarial Auditor's Report.
Annexure - H	Extract to the Annual Return in Form MGT-9.
Annexure - I	Business Responsibility Report ('BRR').
Annexure - J	(i) Details pertaining to remuneration as required under section 197 (12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
	(ii) Statement containing the names of top 10 employees as required under section 197(12) of the Companies Act 2013 read with the rule 5(2) and 5(3) of the Companies (Appointment and Remuneration Personnel) Rules 2014.

34. 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 'A'.

35. Acknowledgement

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

For and on behalf of the Board of Directors

Pradip Kumar Todi
Managing Director
DIN:00246268

Kolkata
May 25, 2017

ANNEXURE 'A'

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, 2017

A. CONSERVATION OF ENERGY

- i) The steps taken or impact on conservation of energy:- The company continuously identifies the areas to conserve energy. The maintenance and up-gradation of machines and equipments is done from time to time keeping energy conservation in mind.
- ii) The steps taken by the company for utilizing alternate source of energy:- The company does not use / employ any alternate source of energy as there is no availability of the same.
- iii) The Capital Investment on energy conservation equipments:- No direct identifiable investment pertaining to conservation of energy was done during the year, other than maintenance and up-gradation of machines and equipments. Hence the amount of investment cannot be directly measured.

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

a. Expenditure on Research & Development (R & D):-

R & D are carried out separately by the Hosiery Association. There is therefore no expenditure incurred on this account.

b. Technology absorption, adaptation and innovation:-

- i) The efforts made towards technology absorption: The company keeps a close watch on the technological developments pertaining to its industry. Up-gradation and replacement of old machines is done as and when required in order to maintain high quality of output.
- ii) The benefits derived through use of the machines: By using new technology, your Company is able to produce the finest quality of knitted products. It has enabled to reduce wastage, expedite the production process and reduction in the inventory of WIP.
- iii) In case of imported technology [imported during the last three (3) years reckoned from the beginning of

the financial year]:

- a) Your Company has imported following machines with the latest and updated technology:-
 - 2 (Two) High Speed Fully Fashioned Knitting Machine from Mayer & Cie, Germany,
 - 1 (One) Cutting Machine set from IMASPA, Italy and
 - 31(Thirty one) High Speed Circular Knitting Machine from United Texmac, Singapore.
- (b) The year of import: 2016-17.
- (c) Whether technology has been fully absorbed: Partially absorbed during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a. Activities relating to exports, initiatives taken to increase exports, development of new export market for products and exports plans: During the year the Company exported its products to Middle East Countries, Africa, Australia and South East Countries.

- b. Information in respect of Foreign Exchange Earning and Outgo is:

(₹ in lakhs)

Sl. No.	Particulars	Current Year	Previous Year
i)	Earning	9197.65	10,264.08
ii)	Outgo	1498.06	354.53

For and on behalf of the Board of Directors

Pradip Kumar Todi
Managing Director
DIN:00246268

Kolkata
May 25, 2017



ANNEXURE 'B'

ANNUAL REPORT ON
CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

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

- Promotion of health care through support for medical facilities
- Promotion of education
- Animal welfare
- Promotion of traditional art and culture
- Supporting economically backward group
- Supporting in providing safe drinking water

The CSR Policy is available on the Web Link:-

http://www.luxinnerwear.com/investor_download_pdf2/20151221073219.pdf

2. Composition of CSR committee:

Name of the Committee Member	Designation
Sri Ashok Kumar Todi	Chairman
Sri Pradip Kumar Todi	Member
Sri Kamal Kishore Agarwal	Member

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

Average net profit: ₹6,153.18 Lakhs

4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above):

The company is required to spend ₹123.06 Lakhs

5. Details of CSR spend for the financial year:

- a) Total amount spent for the financial year:- ₹135.99 Lakhs
- b) Amount unspent if any:- Nil
- c) Manner in which the amount spent during the financial year is detailed below:-

Sr. No.	CSR Project/ Activities	Sector	Locations	Amount outlay (budget) project or program wise ₹ (In Lakhs)	Amount spent on the project or programs ₹ (In Lakhs)	Cumulative expenditure up to the reporting period ₹ (In Lakhs)	Amount spent Direct or through implementing agency* ₹ (In Lakhs)
1	Promotion of Education	Schedule VII (ii) Promotion of Education	Satna, Kolkata	10.00	43.02	43.02	43.02
2	Medical Facilities	Schedule VII(i) Promoting healthcare	Kolkata	40.00	31.11	31.11	31.11
3	Social Welfare	Schedule VII (iii) Social Welfare of Socially and economically backward group	Kolkata, Falta, 24Parganas.	10.00	6.86	6.86	6.86
4	Animal Welfare	Schedule VII (iv)Animal Welfare	Kolkata	35.00	45.00	45.00	45.00
5	Promotion of traditional art and culture	Schedule VII (v)Promotion of traditional art and culture	Kolkata, U.P.	30.00	8.00	8.00	8.00
6	Safe Drinking Water	Schedule VII (i) Making available Safe Drinking Water	Kolkata	2.00	2.00	2.00	2.00
				127.00	135.99	135.99	135.99

Note: The actual CSR expenditure was ₹135.99 Lakhs against the budgeted expenditure of ₹127 Lakhs.

* The amount spent on CSR Activities was directly by the Lux Industries Limited.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

Not Applicable.

7. Responsibility Statement:

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

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

For and on behalf of the Board of Directors

Kolkata
May 25, 2017

Pradip Kumar Todi
Managing Director
DIN:00246268



ANNEXURE 'C'

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic overview

Global economic growth stagnated at around 3.1% during 2016 following a global trade slowdown, moderated investments and political uncertainties in the advanced economies. The year was marked by the United Kingdom's decision to exit the European Union and the election of Donald Trump as the American President. Consumers continued to spend cautiously as expenditure increased by 2.4% in real terms over 2015, well below the corresponding increase in disposable incomes in the Asia-Pacific region. Growth in emerging and developing economies is expected to revive in 2017 on the back of a removal of a number of obstacles for commodity exporters and sustained demand from commodity importers. The factors that could potentially strengthen medium-term prospects across emerging markets and developing economies comprise gradual normalisation of monetary policies of other countries, recovery of commodity prices and sub-optimal productivity. Advanced economies witnessed a stronger-than-expected pickup in growth mostly due to a reduced drag from inventories and some recovery in manufacturing output. Economic activity in both advanced as well as developing economies will accelerate during 2018. (Source: World Bank, Euromonitor, IMF)

Outlook

Global real GDP growth is estimated to rise from 2.3% in 2016 to 2.7% in 2017.

Growth

	2016	2017	2018 (P)
Global economy	3.1%	3.4%	3.6%
Advanced economies	1.6%	1.9%	2.0%
Emerging market and developing economies	4.1%	4.5%	4.8%

(Source: IMF)

Indian economic overview

The Indian economy grew at 7.1%, with Q3 GDP dropping to 7% from 7.4% in Q2 following the currency demonetisation. During FY2016-17, the Government embarked on decisive initiatives in digitisation, GST and FDI to ensure that all major service and industry sectors returned to status quo by Q4-end.

The Indian agricultural sector reported a creditable

performance following healthy monsoons. The agricultural sector grew 4.15% during FY2016-17 (higher than 1.2% in FY2015-16), contributing 17% of India's GVA.

The country's manufacturing sector, one of high-growth sectors of the economy, contributed 16% of India's GDP and retains the potential to touch US\$1 trillion by 2025 propelled by governmental initiatives like Make in India, FDI regulation changes, and amendment of bankruptcy laws, among others. India's IIP rose from 0.7% to 5 % during FY2016-17 (base year modified from FY2004-05 to FY2011-12). According to CARE ratings, industrial output is estimated to grow at of ~6 % in FY2017-18.

The country's services sector grew at a rate of 8.8% during FY2016-17 while the performance of trade, hotels and restaurants, and transport, storage and communication sectors are expected to improve during FY2017-18. (Source: IBEF, Economic Survey, World Bank, Asian Development Bank, Reserve Bank of India, CSO)

India optimism story

India's net foreign institutional investor inflows over the past decade grew around 24%; FIIs net investments in Indian equities and debt stood at US\$ 7.46 billion in 2016-17 (upto April 14, 2017). The relaxation of foreign investment caps cover insurance firms (from 26% to 49%), military contractors (from 49% to 100%), and real estate companies (regardless of size), making India a preferred investment destination.

India's inflation declined to 5%-6% since 2014, softening interest rates and strengthening consumer sentiment.

India's net foreign institutional investor inflows over the past decade grew around 24%; they grew from approximately US\$ 27 billion in calendar year 2012 to approximately US\$ 3.30 billion in calendar year 2016.

The Goods and Services Tax, launch of industrial corridors, Start-up India, Make in India, Skill India, Digital India and India Stack are expected to accelerate economic growth.

Outlook

India's growth is projected to be among the fastest growing global economies between 2016 and 2020; the country is projected to emerge as the third largest economy in the world by 2030, its GDP approximately trebling to US\$7 trillion by 2030 (Source: Oliver Wyman).

Normal 2017 monsoons and reduced commodity prices are expected to catalyse economic growth. The Asian Development Bank expects the Indian economy to grow at an accelerated 7.4% in 2017-18 and 7.6% in 2018-19, helping India retain its position as the world's fastest-growing major economy. (Source: IMF, World Bank, RBI, IBEF)

Indian textile and apparel industry

Textile plays a major role in the Indian economy. India's textile industry contributes to 10% of manufacturing production, 2% of India's GDP and 13% of the country's export earnings. With over 45 million directly employed people, the industry is one of the largest sources of employment generation in the country.

Textile and clothing exports increased by 0.9% for the year ended March 2017. Exports were US\$35.42 billion in 2016-2017 as against US\$35.11 billion in the previous year.

Almost 75% of the units in the weaving and garmenting segments in the country are in the unorganised sector. These units have to adapt to the new tax system and that, industry watchers said, might take time. The revised drawback rates should be announced at the earliest so that exporters can quote prices to the buyers. Hence, there will be a short-term impact on exports when GST is introduced. But GST is expected to revive the domestic textile and apparel sector with a level ground for the existing organized players.

FY2016-17: Demonetisation impact

A close look at all four quarters of FY2016-17 reveals CMAI's apparel index values were much lower than comparable quarters in the previous fiscal. The annual index value dipped to 3.43 points in 2016-17, down from 5.32 points in FY 2015-16. Indeed this is 'dismal' growth. This fiscal was marked by low business sentiment especially in the last two quarters of the year, which saw disruptions during the festive season, perceived as a season that makes up for turnover losses, buying is high during this time of the year.

After the Q3 slowdown, the Clothing Manufacturers Association of India's (CMAI) Q4 Apparel Index (January-March FY2016-17) reveals that the apparel industry is slowly and surely making a recovery. The Q4 Index shows growth has improved mildly with overall index value moving up to 2.25, compared to 1.4 points in Q3. (Source: <http://www.indiantextilejournal.com> and IBEF)

Indian textile market size (US\$ billion)

The size of India's textile market in 2016-17 is around US\$ 108 billion, which is expected to touch US\$ 226 billion market by 2023, growing at a CAGR of 8.7%

between 2009-23E. Textile and apparel exports from India is expected to increase to US\$ 82 billion by 2021 & to US\$ 65 billion by 2016-17 from US\$ 40 billion in 2015-16. Total fabric production in India is expected to grow to 112 billion square metres by FY17 from 64.3 billion square metres in FY15. The Indian Government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100%-FDI in the Indian textiles sector under the automatic route. [Source: ibef]

SWOT analysis

Strengths

■ Increased penetration of organised retail, favourable demographics and rising income levels are expected to drive textile demand. Growth in the building and construction segment will continue to drive demand for non-clothing textiles.

■ Abundant availability of raw materials such as cotton, wool, silk and jute.

■ India enjoys a comparative advantage in terms of skilled manpower and cost of production compared to the major textile producers. The apparel sector in particular is the most labour-intensive sector in the manufacturing industry. It is 80-fold more labour-intensive than the automotive industry and 240-fold more labour intensive than the steel sector. Availability of trained labour in India increases prospects for this sector. Huge investments are being made by Central Government SITP and TUFS to encourage more private equity and trained workers.

Weaknesses

■ The profitability of the Indian textile industry is being undermined by volatile raw material prices and rising wages.

■ Fierce competition is weighing on the margins of a number of sectoral players. The situation is being further exacerbated by the rapid rise in online retail.

■ Changing consumer behaviours are forcing terms and conditions to become more flexible.

Opportunities

■ India offers a huge scope for the manufacture of man-made fibres and filaments as India's current fibre consumption remains cotton dominated, contrary to global trends. With consumer preferences changing and awareness about health and hygiene increasing, the consumption of manmade fibres is poised to grow.

■ The Indian spinning sector has carved a niche for itself in the global arena in terms of pricing, qualitative excellence and environmental compliance.

■ Looking at the high employment generating potential



of the textile industry, the Government of India has offered various incentives to sectoral players.

Threats

- Intense competition between established brands and private labels.
- Highly fragmented industry with several organised and unorganised players vying for dominance.
- The provision of 100%-FDI under the automatic route has eased the entry of new entrants to the Indian textile

sector and forcing a few large suppliers to focus on forward integration.

(Source: IBEF, Make in India)

Government support

The Government of India has launched the following initiatives to strengthen textile production and encourage this industry to cater to growing domestic and international markets.

Technology Upgradation Fund Scheme (TUFS)	TUFS has infused investment of more than US\$ 41.33 billion in the industry. Support has been provided for modernisation and upgradation by providing credit at reduced rates and capital subsidies.
Scheme for Integrated Textile Parks (SITP)	This scheme will provide funding for infrastructure, buildings for common facilities like design as well as training centre, warehouse, factories and plant machinery. Till now 74 textiles parks have been approved and are at various stages of implementation with 18 operational and 32 parks under implementation. The investment of US\$ 692 million is sanctioned by the Central Government which will create 66,000 jobs.
Integrated Processing Development Scheme (IPDS)	IPDS is being implemented to make Indian textiles more competitive and environment-friendly.
Integrated Skill Development Scheme (ISDS)	ISDS plans to bridge that skill gap by training 1.5 million people for which US\$ 300 million has been allocated by the Central Government.
Amended Technology Upgradation Fund Scheme for textiles industry (ATUFS)	ATUFS is designed to provide incentives to entrepreneurs and business owners for upgrading technologies. ATUFS facilities are expected to receive an investment of US\$ 15 billion and create 3 million jobs in the country.
Market Access Initiatives (MAI)	MAI was launched to promote the Indian exports in a sustained manner. The scheme funds various market studies and surveys to assist exporters.
Market Development Assistance (MDA)	To encourage exporters to conduct promotional activities for their products.
Technology Mission for Technical Textiles (TMTT)	TMTT has two mini missions to create a healthy ecosystem for the production of technical textiles in India. The Mini Mission I of the plan aims at standardisation, creating common testing facilities and several resource centres with IT infrastructure. Under Mini Mission II, support will be provided to create domestic and export markets for the technical textiles.
Special package for Textile and Apparel sector	To boost exports, labour- friendly policies by scaling up the production and to generate over 10 million jobs in the textile industry over the period of next three years.
Implications of Goods and Services Tax (GST) for Indian Textiles Sector	GST will result in 'fibre-neutrality effect' on the Indian textiles sector, according to the Ministry of Textiles that means all man-made and natural fibres will be treated equally from the tax point of view.

[Source: Make in India website]

Union Budget, 2017

Technology Up-gradation Support: The Central Government's flagship technology upgradation scheme ATUFS receives an allocation is ₹2013 crore for FY 2017-18. This is a welcome move and provides impetus for investment in the textile and apparel sector. Scheme for in situ upgradation of plain power looms received a budget of ₹68.31 crore which is a big budgetary boost from the ₹48 crore last year. Under this scheme, power loom owners will get the Central Government's support to upgrade weaving technology without replacing the whole loom.

1. Incentives to boost Competitiveness, Employment and Skilling:

Allocation under Remission of State Levies has been increased sizeably to ₹1555 crore . This scheme includes the refund of State taxes to garments exporters to make the industry competitive and boost employment in this sector. Fund allocation under Pradhan Mantri Paridhan Rojgar Protsahan Yojna (PMPRPY) is ₹200 crore . In this new scheme the employers' contribution share is 8.33% for the Employee Pension Scheme which is beneficial for all new employees enrolling in EPFO under PMRPY for the first three years of their employment. This will boost employment in the textile sector by incentivizing employers and improving competitiveness. Integrated Scheme for Skill Development in the textile sector receives ₹174 crore which is operational for last several years for under skilled factory workers.

2. Other measures:

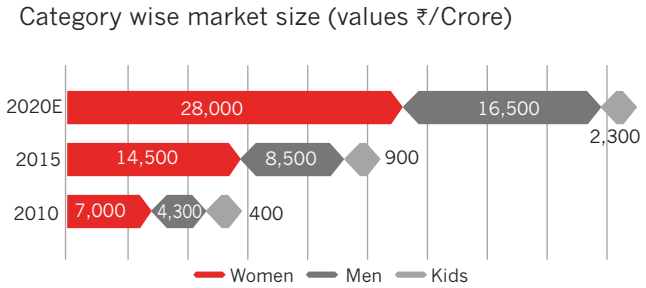
Basic customs duty on nylon mono filament yarn (for use in long line system for tuna fishing only) reduced to 5% from the earlier 7.5%. Textile and apparel industry could benefit from the Trade Infrastructure Export Scheme with an allocation of ₹3.96 lac crore. Reduction of corporate tax by 5% to MSME (a turnover below ₹50 crore) could benefit the textile and apparel industry as a majority of enterprises fall into this category.

(Source: <http://www.textileexcellence.com>)

Innerwear industry, 2016-17

Overview

The innerwear segment is one of the fastest-growing of the apparel vertical spurred by steady growth and innovation. Higher discretionary expenditures, emerging fashion trends and product innovations have turned the innerwear from a seemingly utilitarian item to something that represents the coming together of vogue and comfort.



[Source: Wazir Advisors report]

Valuation

The current size of the Indian innerwear market is pegged at ₹15,870 crore (US\$2.9 billion growing at an impressive CAGR of 12% and is expected to reach ₹27,900 crore

(US\$5.1 billion) by end-2017. The women's innerwear market, which is driven by the emergence of value-added products, accounts for a ~60% share of the overall revenue pie.

Trends

The epicentre of the innerwear demand is urban, upscale locales. An increasing preference for Western outfits, combined with the demand for occasional and outfit-based innerwear has revolutionised the innerwear market. The demand for innerwear with higher functionality and greater comfort (seamless intimates, plus size inner wear and body shape enhancers, among others) is burgeoning in metros and mini-metro cities.

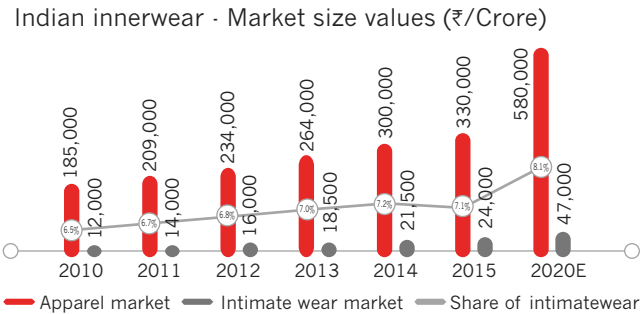
Strategy

To emerge as a winner in a sector marked by the presence of multiple organised and unorganised players, corporates need to optimise their business operations by addressing emerging challenges and harnessing incipient opportunities proactively. Understanding the psyche of the Indian consumer, amalgamating Indian sensibilities with Western haute couture while bolstering functionality are the needs of the hour.

Outlook

The future of the apparel market and the innerwear category appears promising. The Indian purchase appetite is expected to revive over the medium to long-term. Nonetheless, it will still require improvements in terms of overall business performance and managerial forethought.

During the period 2010 to 2015, the share of intimate wear in the total apparel market increased from 6.4% to 7.1%. The innerwear market is estimated to continue at the same growth rate over the next five years and expected to become a ₹47,000 crore market which is nearly 8% of the total estimated apparel market, by the year 2020.



[Source: Wazir Advisors Report]

Men's innerwear market

The men's innerwear market, worth ₹6,330 crore (US\$1.2 billion), is characterised by the presence of numerous Indian and international brands catering to different



segments of the market. Though many fashion/apparel players have extended their existing brand labels in mens wear to men's innerwear, the product recall of players with focus solely on innerwear products is comparatively higher.

The different sub-categories of men's innerwear include vests, briefs / boxers, basic T-shirts, shorts / pyjamas, sleepwear and active wear. Consumers mostly purchase branded products for vests and brief / boxers, which are the largest category offerings from leading innerwear brands.

Men's innerwear segment in India

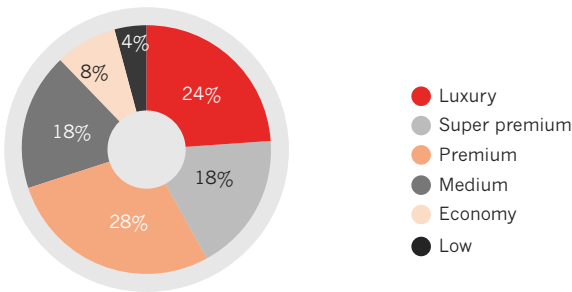
Segmentation	Contribution to the market
Economy	56%
Mid-price	30%
Premium and super premium	14%

The consumers of men's innerwear can be segregated into four groups on the basis of their attitude towards innerwear products and their buying behavior: young aspirers, discerning urbanites, optimistic pursuers and corporate climbers. The Young Aspirer Group comprises men in high-paying jobs with high disposable incomes. They are ambitious and demonstrate a keenness to purchase branded innerwear.

The Discerning Urbanite Group consists of men in well-paid jobs but evaluate value on a benefit and convenience metric rather than purely on price. They engage with innerwear brands for the promise of quality and show no qualms paying a premium when quality is assured.

The Optimistic Pursuer Group includes men from smaller cities who are eager to pursue a prosperous lifestyle. They aspire to have a metro-like life and seek opportunities to experiment with aspirational brands. The Corporate Climber Group of consumers is made up of men who dream big and are keen to make a place for themselves. They have high aspirations, and want to engage with brands. But with limited disposable incomes, these people are cautious buyers.

Price segment wise % share (2020E)



Women's innerwear market

The women's innerwear market worth ₹9,540 crore (US\$1.7 billion) is one of the fastest growing categories within the women's apparel segment. This category is growing at a CAGR of 14% and is expected to reach ₹18,380 crore (US\$3.4 billion) by 2017.

The women's innerwear market is considered to be more dynamic, with many design variations and the regular introduction of innovative products. Contrary to men's innerwear where a consumer comes across advertisements for several brands on a daily basis, brand promotion and advertising activities are comparatively lower in women's innerwear.

The sub-categories in women's innerwear include brassieres, panties, camisoles, basic T-shirts, shorts / pyjamas, sleepwear, active wear and maternity wear. Consumers in this category mostly purchase branded brassieres and panties, which constitute more than 90% of the category mix. However, the penetration of brands is comparatively low for other sub-categories like camisoles, sleepwear, etc.

Women's innerwear segment in India

Segmentation	Contribution to the market
Mid-price and economy	80%
Premium and super premium	20%

On the basis of demographics, behavior traits, lifestyle activities and purchase patterns, the typical consumers of the women's innerwear market can be divided into three distinct categories: urbane enthusiasts, exuberant seekers and thriving homemakers. The urbane enthusiasts consist of young women with well-paying jobs who engage themselves with brands. The consumers in the exuberant seekers category live in mini metros and tend to be ambitious and keen to make a mark for themselves. They are normally keen to experience modern retail formats and try aspirational innerwear brands.

Consumers belonging to the Thriving Homemaker category generally live in smaller cities. As homemakers, they do not have high disposable incomes and are primarily value seekers.

(Source: <http://www.indiantextilemagazine.in/industry-news/indian-innerwear-market-expanding-fast-and-wide/>)

Influencing parameters in the Indian innerwear industry:



[Galleria Intima Whitepaper 2016 - Wazir Advisors report]

8 reasons that make the Indian innerwear sector exciting

- Addressed men and women wear categories
- At the cusp of rapid growth; per capita inner wear expenditure expected to double to ₹300
- Organised innerwear market of ₹15,870 cr (2015-2016) projected to grow to ₹47,000 cr by 2020.
- Enhanced manufacturing automation (ultrasonic cutting systems) increasing efficiency and global competitiveness
- Emergence of purpose-specific innerwear (sporty, casual, fashionable) widening the market
- Widening customer needs; increasing product extensions
- Growing scope of e-commerce
- Growing traction from Africa, Arab countries and Middle East

6 reasons why the organized sector will grow faster than the unorganized sector

- Economies of scale; lower overall costs
- Spread and strength of omni-channel distribution (EBOs, single-format stores, large format stores, franchisees, distributors and retailers etc.)
- Organised sector a trend-setter; smaller players are trend followers
- Larger resources (larger standing stock, advertising budget)
- Portfolio range and depth; mass to premium pricing
- Pre-developed infrastructure facilitates quicker ramp-up

Segment growth drivers

GST: The segment is expected to witness rapid expansion in the near future. The innerwear segment is facing a lot of challenges from the unorganised market, which should shrink after the introduction of GST implication.

A low and uniform GST would lead to the creation of a unified textile industry. Its simplicity will lead to better compliance across the sector. According to industry veterans, an extension of the GST to both fabrics and apparel is expected to lead to a very substantial expansion of the tax base. Assuming even a modest compliance in the sector, a 5% GST would generate revenues to the tune of ₹11,000 crore, a three-fold increase over current revenues from the sector. A low uniform GST rate would also encourage voluntary compliance and get rid of all competitive distortions arising out of the current differential tax regime. (Source: <http://retail.economictimes.indiatimes.com>)

Brand consciousness: A shift in paradigm as innerwear has graduated from being just a functional category to a category that offers an additional fashion quotient. It is shifting from a price sensitive category to a brand sensitive category. In fact, this changing preference is no longer restricted to just the metros, but has spread to mini metros, the tier I -II and -III cities. This openness to indulge in branded intimate wear has led to a growth in the number of international and domestic innerwear brands present in India. For evolving consumers, looking good has become an important aspect of life and therefore, spending on apparel, personal care and grooming is on the rise.

Innovation: There is a growing trend towards variants in the intimate wear category in terms of stitches, design, style, colour and comfort. The demand for value added products has been increasing with higher consumer disposable incomes. Existing brands are also banking on the opportunity of expanding beyond just innerwear. Active wear, comfort wear, thermals and sleepwear are some natural extensions and promising categories.

Technology: The Indian innerwear industry has seen many technological advancements and innovations. The variations in innerwear are huge in number. For example, briefs come in low-ascent, medium-ascent, skyscraper, and numerous cuts that can uncover or stow away different parts of our body. Newer varieties like quick drying fabric and stretchable fabrics are also adding to the product mix within the Indian innerwear industry.

Rising exports: Many innerwear brands of Indian origin have made their presence felt in countries like Africa and Middle East. If India is able to enter into FTAs with key markets of intimate wear – USA and EU; then the competitiveness of India exports will increase automatically without the need for any direct rebates.

Demographic dividend: The psychographic profiling of youth reveals that a significant share of the young population in India have liberal mind-sets, which encourage, experimentation and greater consumption.



The population of youth in India is expected to reach about 465 million by 2021. The younger population has greater purchasing power and demands new variants in innerwear. They are experimenting with colors and styles. They do not see intimate wear as a dull and boring necessity. Whether it be flaunting the brief bands or lounging around the house in comfortable boxer shorts and trendy vests, the young generation today views intimate wear as fashion. For them, the brand, design and the colors are of paramount importance as opposed to the previous generations who were satisfied with merely comfort and bought only traditional products. (Source: KPMG)

Middle class boom: The middle-class population in India is at around 300-350 million. This segment is gradually shifting up the social ladder with growing aspirations. In terms of spending, the elite and affluent segment will contribute to 40% of the consumption in 2025 compared to the 16% in 2016. The share of strugglers will shrink from 49% in 2016 to 39% in 2025 indicating the movement of a major portion of the lower class up the pyramid towards higher disposable incomes and aspirations. The booming middle class reflects rising consumption across all industries. (Source: BCG, Press reader)

Consumer purchasing power: The standard of living of the people is directly related to their per capita income. The per capita income in India is expected to cross ₹ 1 lac in FY2016-2017, which is a 7.5% increase over that in FY2015-2016 (~₹93,000). Consumer expenditures in emerging cities of India are rising by nearly 14% and in the larger cities by about 12% a year because of rising affluence and the changing lifestyles of people. Consumer spending is on a rise because of increasing per capita income over time. This is the result of better employment opportunities and more industrial growth. Greater consumer spending increases the demand for better quality products in the innerwear category adding to the ‘feel good’ factor.

Growing population: India ranks second in terms of population in the world, with current figures standing at 1.3 billion which reflects 18% growth over the last 10 years. Population growth rate in the last decade was 17.64% with rural areas at 12.18% and urban areas 31.80%. India poses a significant growth trajectory and is projected to become world’s most populous country by the year 2022. This will have a tremendous impact on consumption rates as the growing population is expected to drive the demand for innerwear across all consumer segments. (Source:BCG report)

Online retail: According to ASSOCHAM, India’s e-commerce revenue is expected to jump from US\$30

billion in 2016 to US\$120 billion in 2020, growing at an annual rate of 51%, the highest in the world. 75% of online users are in the age group of 15-34 years, who are more brand consciousness and have better purchasing power. Higher dependency on online purchases and strategic positioning of companies on the e-commerce platform is expected to drive the Indian innerwear industry. (Source;www.gadgetsnow.com)

Profit and loss account analysis

Gross revenues

Gross revenues increased by 3.33 % from FY16 to ₹972.52 crore in FY17.

Operating profit

Operating profit or EBITDA increased by 27.05% during FY17 to ₹120.52 crore from ₹94.86 crore in FY16, as a result of reduction of waste.

Depreciation

Depreciation stood at ₹7.08 crore in FY17 as compared to ₹4.12 crore in the previous year.

Finance costs

Finance costs for the year under review increased by 43.36 % from ₹11.97 crore in FY16 to ₹17.16 crore in FY17 because of capitalisation of Dankuni Plant.

Tax expenses

Tax expenses for the year increased by 22.24% from ₹27.34 crore in FY16 to ₹33.42 crore in FY17.

Net profit

Consolidated net profit for the year under review stood at ₹62.85 crore, a 22.40% increase from last year.

Balance sheet analysis

Net worth

The networth of the Company stood at ₹241.70 crore as on March 31, 2017, increasing by 35.14 % compared to ₹178.85 crore as on March 31, 2016. The net worth comprised paid-up equity capital amounting to ₹5.30 crore as on March 31, 2017 (25,253,000 equity shares of ₹2/- each (fully paid up). The Company’s reserves and surplus stood at ₹ 236.40 crore.

Loan profile

The total loan funds of the Company stood at ₹224.81 crore while long-term borrowings stood at ₹38.28 crore Its net debt as on March 31, 2017 stood at ₹224.81 crore (including short-term borrowings amounting to ₹186.53 cr.).

Total assets

Total assets of the Company increased to ₹683.75 crore in FY17 from ₹598.56 crore in FY16, an increase of 14.23%.

Inventories

Inventories increased by 16.29% to ₹232.75 crore during the year under review from ₹200.15 crore Inventories comprised raw material worth ₹21.15 crore, work-in-progress worth ₹54.34 crore, finished goods worth ₹124.78 crore and packing materials worth ₹32.47 crore.

Sundry debts

Sundry debts of the Company stood at ₹274.76 crore in FY17, an increase of 7.90 % from the previous year.

Loans and advances

Total loans and advances amounted to ₹44.40 crore, comprising 6.49% of the Company’s total assets. Short-term loans and advances for the year stood at ₹42.43 crore (an increase of 99.48% from last year), primarily on account of blockage of export incentive due but not received and engagement of celebrity.

Cash and cash equivalents

The Company had cash and cash equivalents worth ₹7.10 crore as on March 31, 2017 as compared to ₹7.17 crore in FY16.

Current liabilities

Current liabilities stood at ₹342.83 crore comprising mainly of short term borrowings of ₹186.53 crore and trade payables of ₹120.30 crore

Risks and concerns

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

The risks that the Company has identified are as follows:

Slowdown in the global economy

The Company derived 9.54% of its revenues from export sales. A slowdown in the global economy could have an adverse impact on global demand and exports.

To counter this, the Company is currently present in 48 countries and is always looking to expand into new overseas markets.

Demand risk

Slowdown in the Indian economy might hamper the purchasing power of consumers, resulting in lower demand for branded products.

India is the fastest growing major economy currently. Rising per capita income, higher disposable incomes and rising urbanization have shifted preference towards branded products.

Competition risk

Lux is exposed to competition risk from other domestic branded players and from Asian countries such as Sri

Lanka, China and Taiwan.

The Company has continuously invested in R&D, quality control, cost optimization, timely delivery and an extensive distribution network, resulting in a superior quality product.

Commodity price risk

Volatility in prices of basic raw materials such as cotton, yarn and chemicals could impact the profitability of the Company.

Lux has always maintained strong relationship with its suppliers and negotiated long term contracts which helped it sail through volatility in prices. Through its backwardly integrated facility at Dankuni, the Company has also been able to absorb some increases in raw material prices.

Changing fashion trends risk

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

Lux has stayed ahead of the trends due to the expertise of its inhouse design team.

Industrial safety, employee health and safety risk.

The labor intensive garment industry is exposed to accidents, health and injury risk.

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

Internal control system and adequacy

The Company has adequate internal control procedure commensurate with the nature of its business and the size of its operations for the smooth conduct of its businesses. Internal audit is conducted at regular intervals and covers the key areas of operations. It is an independent, objective and assurance function responsible for evaluating and improving the effectiveness of risk management, control and governance processes. An Audit Committee consisting of three independent non-executive directors, inter alia, monitors performance of Internal Audit on a periodical basis through review of the audit plans, audit findings and promptness of issue resolution through follow-ups.

Human resource and industrial relations

Your Company continues to be focused towards employee empowerment. We acknowledge the commitment and dedication of our team, which is reflected in low attrition rate. With expanding operations, we continue to build our team, with on-board training across various processes. Our workers in factory are assured of best working conditions, timely compensated for their efforts. The



company has inbuilt systems to ensure that employees are continuously updated with the needs of changing technology. With a team of 600, we continue to pursue excellence and growth for the company.

Corporate Social Responsibility

A core guiding principle of the Lux Group is to make a difference to the society by sharing our success and giving back in equal measure. At Lux Industries Limited, we recognise the need for sustained progress of the society in order to pursue long term goals that are beneficial for the community.

During pilgrimages, the availability of basic resources such as clean food and drinking water is scarce. This becomes quite a predicament for the devotees who embark on such religious journeys. For the benefit of such pilgrims, Lux Industries Limited anonymously provides them with clean drinking water and food.

The Company has also developed the Bangur Avenue Sansad Bhavan in Kolkata which is a ‘dharamshala’ (rest

house) for pilgrims where we provide free lodging, food and drinking water for them.

Cautionary statement

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

REPORT ON CORPORATE GOVERNANCE

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

1. Company’s philosophy on Corporate Governance

Your Company is committed to and continues to practice good Corporate Governance. It will always be our endeavour to attain highest levels of accountability and equity in all actions and enhancement of value of all the stakeholders. The Company makes all legal and regulatory compliances. The Company is committed to benchmark itself with the best standards of Corporate Governance not only in form but also in substance. We adopt best corporate practices and principles of integrity and accountability to achieve excellence in its dealings. Apart from accepting the role of a responsible Corporate Representative, your Company recognizes the fact that good Corporate Governance is an essential pre-requisite for sustained growth.

2. Board of Directors

a. Composition of the Board:

The Board has an optimum combination of Executive and Non-Executive Directors. As on March 31, 2017, the Company’s Board of Directors comprised of six directors. The Chairman of the Board is an Executive Promoter Director. In addition, the Board comprises of five other Directors; one Promoter Executive Director,

one Woman Executive Director (as prescribed under Regulation 17 of Listing Obligations and Disclosures Requirements Regulations, 2015) and remaining three being Non- Executive Independent Directors. None of the Directors on the Board were member of more than ten Committees or acted as Chairman of more than five Committees, (as prescribed in Regulation 26 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) across all companies in which they were Director. Moreover, none of the Directors were acting as Independent Director in more than seven listed companies and none of the Independent Director who has served as a Whole Time Director in any listed company was an Independent Director in more than three listed companies.

Sri Ashok Kumar Todi, Sri Pradip Kumar Todi and Smt. Prabha Devi Todi, are related to each other. Mr. Ashok Kumar Todi and Mr. Pradip Kumar Todi are brothers and Smt Prabha Devi Todi is the wife of their elder brother. Apart from this relationship there is no other inter-se relation amongst the Directors.

The composition of the Board of Directors, the number of other Directorship and Committee position held by the Directors as a Member/ Chairman as on March 31, 2017 is as under:

Name of the Director	Category of Directorship	No. of other Directorships*	No. of Committee Memberships**	
			Chairman	Member
Sri Ashok Kumar Todi, Chairman	Executive & Non- Independent	14	-	1
Sri Pradip Kumar Todi, Managing Director	Executive & Non- Independent	16	-	-
Smt. Prabha Devi Todi	Executive & Non- Independent	1	-	-
Sri Nandanandan Mishra	Non- Executive & Independent	7	4	8
Sri Snehasish Ganguly	Non- Executive & Independent	8	1	2
Sri Kamal Kishore Agrawal	Non- Executive & Independent	1	-	1

* Other Directorships includes Directorships held in both, Public as well as Private Companies.

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

b. Board Procedure:

The Board of Directors meets from time to time to transact the business in respect of which the Board’s attention is considered necessary. The Board meets at least once in each quarter, which is scheduled in advance. There is a well-laid procedure to circulate detailed agenda papers to the Directors before each meeting and in exceptional cases



these are tabled. The Directors discuss and express their views freely and seek clarifications on items of business taken up in the meetings. The discussions are held in a transparent manner. Various decisions emanating from such meetings are implemented to streamline the systems and procedures followed by the Company.

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

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

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

Name of the Director	No. of Board Meeting attended	Attendance at last AGM held on September 27, 2016
Sri Ashok Kumar Todi	5/5	Yes
Sri Pradip Kumar Todi	4/5	Yes
Sri Nandanandan Mishra	5/5	Yes
Sri Snehasish Ganguly	5/5	Yes
Sri Kamal Kishore Agrawal	5/5	Yes
Smt. Prabha Devi Todi	5/5	No

Mr. Ashok Kumar Todi, Whole Time Director (DIN: 00053599) re-appointed on 27th September, 2012 w.e.f. 1st October, 2012 whose term expires on 30th September, 2017, being eligible offers himself for re-appointment as Whole Time Director. The Board has approved his re-appointment on 25th May, 2017 subject to approval of shareholder for a period of five years with effect from 1st October, 2017.

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

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

Brief profile of Mr. Ashok Kumar Todi (DIN: 00053599) and Mrs. Prabha Devi Todi (DIN: 00246219) is given in the annexure to the notice of AGM.

d. Independent Directors:

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

e. Familiarisation Programme for Independent Directors:

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

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

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

http://www.luxinnerwear.com/investor_download_pdf2/20170309090816.pdf

f. Codes & Policies:

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

- Code of Conduct
- Vigil Mechanism/Whistle Blower Policy
- Risk Management Policy
- Remuneration Policy
- Policy on Related Party Transactions
- Corporate Social Responsibility Policy
- Code of Fair Disclosure of Unpublished Price Sensitive Information under SEBI PIT Regulations, 2015.

- Policy on Preservation of documents/Archival Policy
- Policy on Disclosure of Material Events
- Policy for Prevention of Sexual Harassment at Work Place
- Business Responsibility Policy
- Dividend Distribution Policy

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

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

The Company has received affirmations from Board Members as well as Senior Management confirming their compliance with the said Code for the FY 2016-17. An annual declaration signed by the Managing Director, & CFO to this effect forms part of this Report. The Code is available on the website of the Company at

http://www.luxinnerwear.com/investor_download_pdf2/20151221073124.pdf

3. Board/ Committee Meetings

a. Details of Board Meeting held during the Year:

Date of Board Meeting	April 12 2016	May 25 2016	August 13 2016	November 10 2016	February 13 2017
Board Strength	6	6	6	6	6
No. of Directors Present	6	6	5	6	6

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

b. Details of Shareholding of Directors as on March 31, 2017:

Sl. No.	Name	No. of shares held
1	Sri Ashok Kumar Todi	37,30,000
2	Sri Pradip Kumar Todi	44,82,500
3	Smt Prabha Devi Todi	37,23,000

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

c. Minutes of Board/Committee Meetings:

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

Minutes Book within 30 days from the date of meeting.

d. Independent Directors Meeting:

During the year under review, the Independent Directors met on February 13, 2017, inter alia, to evaluate:-

1. The performance of Non Independent Directors and the Board of Directors as a whole;
2. The performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
3. The quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

e. Committees of the Board:

Audit Committee

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

i. Composition of Audit Committee:

The composition of the Audit Committee as on March 31, 2017 is as follows:

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

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

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

During the year, four meetings of the Audit Committee were held on May 25, 2016, August 13, 2016, November 10, 2016 & February 13, 2017 and attendance was as under:



Name of the Committee Member	No. of Meetings	
	Held	Attended
Sri Nandanandan Mishra	4	4
Sri Snehashish Ganguly	4	4
Sri Kamal Kishore Agrawal	4	4

iii. Terms of reference of the Audit Committee:

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are true and accurate and provide sufficient information.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of their audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
7. Discussion with Internal Auditors with respect to the coverage and frequency of internal audits as per the annual audit plan, nature of significant findings and follow up thereof.
8. Obtaining an update on the Risks Management Framework and the manner in which risks are being addressed.
9. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. Audit Committee can:-
 - a. Call for comments of auditors about internal control systems, scope of audit and their observations.
 - b. Review the financial statements before submission to the board and may discuss related issue with Internal/Statutory Auditors and Management.
 - c. Full access to information contained in the records of company.

Detailed terms of reference of the Audit Committee has been uploaded in the company website: [http://](http://www.luxinnerwear.com/investor_download_pdf2/20160519112029.pdf)

www.luxinnerwear.com/investor_download_pdf2/20160519112029.pdf

Nomination and Remuneration Committee

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

i. Composition of the Nomination & Remuneration Committee:

The composition of the Nomination & Remuneration Committee as on March 31, 2017 is as follows:

Name of the Committee Member	Category
Sri Nandanandan Mishra, Chairman	Independent, Non-Executive
Sri Snehashish Ganguly, Member	Independent, Non-Executive
Sri Kamal Kishore Agrawal, Member	Independent, Non-Executive

The Company Secretary acts as the Secretary of the Committee.

During the financial year 2016-17 Mr. Ashok Kumar Todi, Chairman Executive Director of the Company resigned from the membership of this committee.

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

The Committee met twice during the financial year ended March 31, 2017 on November 10, 2016 and February 13, 2017 and all the members had attended the meeting.

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

Brief terms of reference of the Committee include the following:

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

Directors and the Board;

4. Devise a policy on board diversity;
5. Identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

Detailed terms of reference of the Nomination and Remuneration Committee has been uploaded in the website of the company:-
http://www.luxinnerwear.com/investor_download_pdf2/20160519112157.pdf

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

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

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

• Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/ Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

• Term / Tenure:-

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

2. Independent Director:-

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

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

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

• Evaluation:

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

• Removal:

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

• Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 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.

B. Provisions Relating To Remuneration of Managerial Person, KMP and Senior Management

• General:

1. The remuneration / compensation / commission etc.



to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, 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.
- 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 in respect of Managerial Person and 1st April in respect of other employees of the Company.
- Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

• Remuneration to Managerial Person, KMP and Senior Management:

- 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 there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to PF, 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 and Central Government, wherever required.
- 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 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

- 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 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

• Remuneration to Non-Executive / Independent Director:

- Remuneration / Commission:-**
The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- Sitting Fees:-**
The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- 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.
- Stock Options:-**
An Independent Director shall not be entitled to any stock option of the Company.

Details of Remuneration to all the Directors for the year ended March 31, 2017

(₹ In Lakhs)

Name of Directors	Remuneration (Salary)	Sitting Fees		Total
		Board Meeting	Audit Committee	
Sri Ashok Kumar Todi	240.00	-	-	240.00
Sri Pradip Kumar Todi	240.00	-	-	240.00
Sri Nandanandan Mishra	-	0.25	0.20	0.45

Name of Directors	Remuneration (Salary)	Sitting Fees		Total
		Board Meeting	Audit Committee	
Sri Snehasish Ganguly	-	0.25	0.20	0.45
Sri Kamal Kishore Agrawal	-	0.25	0.20	0.45

Stakeholder Relationship Committee (Previously known as Shareholders Grievance Committee)

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

(a) Composition of Stakeholder Relationship Committee:

Details of the composition of the Stakeholder Relationship Committee as on March 31, 2017 is as follows:

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

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

The Committee met once on February 13, 2017 and all members had attended the meeting.

During the year the Company has received 9 complaints which were attended to. No investors' complaint is pending as on March 31, 2017.

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

Sri Snehasish Ganguly has been appointed as the Chairman of the Committee during the FY. 2016-17 and Mr. Nandanandan Mishra will continue to serve as a member of the committee.

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

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

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

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

The Company Secretary has also been designated as Compliance Officer. Mr. Pankaj Kumar Kedia resigned from his position w.e.f. February 14, 2017 and Mrs. Smita Mishra has been appointed as the Company Secretary & Compliance Officer with effect from February 14, 2017.

Corporate Social Responsibility (CSR) Committee

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

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

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

The composition of the committee as on March 31, 2017 is as under:

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

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

During the Financial Year ended March 31, 2017, three meetings of the Corporate Social Responsibility were held on August 13, 2016, November 10, 2016 & February 13, 2017 and all the members had attended the meeting except in the meeting held on August 13, 2016, in which Sri Pradip Kumar Todi was absent.

Risk Management Committee

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

(a) Composition of Risk Management Committee:

The composition of the committee as on March 31, 2017 is as under:

Name of the Committee Member	Category
Sri Ashok Kumar Todi Chairman	Non- Independent, Executive
Sri Pradip Kumar Todi Member	Non- Independent, Executive
Sri Kamal Kishore Agarwal Member	Independent, Non- Executive

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

The Committee met once during the financial year ended March 31, 2017 on February 13, 2017 and all the members had attended the meeting.

(c) Terms of Reference of Risk Management Committee

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

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

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

1. Oversight of risk management performed by the executive management;
2. Reviewing the risk management policy and framework in line with local legal requirements and SEBI

guidelines;

3. Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
4. Defining framework for identification, assessment, monitoring, mitigation and reporting of risks;
5. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

Committee of Directors

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

(a) Composition of Committee of Directors:

The composition of the committee as on March 31, 2017 is as under:

Name of the Committee Member	Category
Sri Ashok Kumar Todi Chairman	Non- Independent, Executive
Sri Pradip Kumar Todi Member	Non- Independent, Executive

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

During the Financial Year ended March 31, 2017, five meetings of the Committee of Directors were held on June 6, 2016, November 21, 2016, December 16, 2016, December 23, 2016 & February 6, 2017 and all the members had attended the meeting.

(c) Terms of Reference of Committee of Directors

Brief terms of reference of the Committee include the following:

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

Share Transfer Committee

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

(a) Composition of Share Transfer Committee:

The composition of the committee is as under:

Name of the Committee Member	Category
Sri Ashok Kumar Todi Chairman	Non- Independent, Executive
Sri Pradip Kumar Todi Member	Non- Independent, Executive

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

During the Financial Year ended March 31, 2017, five meetings of the Share Transfer Committee were held on August 10, 2016, August 16, 2016, August 26, 2016, December 10, 2016 & December 16, 2016 and all the members had attended the meeting.

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

4. Management**(a) Management Discussion and Analysis:**

This Annual Report has a detailed chapter on Management Discussion and Analysis as annexure to the Directors' Report for the year 2016-17.

(b) Disclosures by management to the Board:

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

9. 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
19th	September 26, 2014 11.00 am	DSPC Auditorium Plot no. X-1,2&3, Block- EP Sector – V, Salt Lake City, Kolkata – 700091.	i) Resolution pursuant to section 180(1)(a) & 180(1)(c) to borrow money up to the limit of ₹500 crore. ii) Resolution pursuant to section 14 to adopt new articles of association of the company in substitution of the existing articles of association of the company.
20th	September 24, 2015 11.00 am	India Power Convergence Centre, Plot no. X-1, 2&3, Block- EP Sector – V, Salt lake City, Kolkata – 700091.	Nil
21st	September 27, 2016, 11.00 am	India Power Convergence Centre, Plot no. X-1, 2&3, Block- EP Sector – V, Salt lake City, Kolkata – 700091.	Maintain and keep the Company's Registers and copies of Annual Returns at a place other than Registered Office of the Company.

5. Disclosure regarding appointment or reappointment of Directors

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

6. Compliance certificate of the Auditors

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

7. Code of Conduct

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

8. CEO and CFO Certification

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

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

During the financial year 2016-17, the company has passed no resolution by postal ballot.

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

c) Extra-ordinary General Meeting:

Extra-ordinary General Meeting was held by the Company on May 25, 2016 in the financial year 2016-17.

10. 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 Accounting Standard (AS-18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Notes to accounts.

b) Disclosure of Accounting Treatment:

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

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

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

d) Risk Management:

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

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

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

f) Compliance with Governance Framework

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

g) Vigil Mechanism:

The Company has a vigil mechanism contained in the Whistle Blower Policy, in terms of section 177 of the Companies Act, 2013 to deal with instances of fraud and mismanagement, if any. The purpose of this policy is to provide a framework to promote responsible and secure

whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. A quarterly report with number of complaints, if any, received under the Policy and their outcome placed before the Audit Committee and the Board. The policy on vigil mechanism may be accessed on the company's website:- http://www.luxinnerwear.com/investor_download_pdf2/20151221073425.pdf

h) Disclosure of Non Mandatory Requirement:Chairman's Office:

The Company has an Executive Chairman and the office with required facilities is provided and maintained at the Company's expenses for use by the Chairman.

Nomination and Remuneration Committee:

The Company has constituted a Nomination and Remuneration Committee and the full details of the same are available in the report.

Shareholders Rights:

The financials are normally published in Economic Times (English) and Arthik Lipi (Bengali) newspapers and therefore, have not been separately circulated to the shareholders.

Audit Qualification:

The company has moved towards a regime of unqualified financial statement.

11. Means of Communication**Company Website:**

Pursuant to Regulation 46 of the Listing Regulations, the Company's website, www.luxinnerwear.com contains a dedicated functional segment, Investor Section where all the information meant for the shareholders are available, including information on Directors, Shareholding Pattern, Quarterly Reports, Financial Results, Annual Reports, Press Releases, details of unpaid/unclaimed dividends and various policies of the Company.

NSE Electronic Application Processing System (NEAPS):

NEAPS is a web-based application designed by the National Stock Exchange of India Ltd. ('NSE') for corporate filings. All periodical compliance related filings, like shareholding pattern, corporate governance report, media releases, corporate actions are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (Listing Centre):

The Listing Centre of BSE Ltd. is a web based application designed for corporate filings. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.

Financial Results:

Pursuant to Regulation 33 of Listing Regulations, the Company has regularly furnished within the prescribed time line the quarterly unaudited, as well as annual audited financial results to all the Stock exchanges i.e. CSE, BSE & NSE.

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

News Releases and Presentations:

Official news releases and official media releases are sent to Stock Exchanges on which the shares of the Company are listed and are also uploaded on the Company's

website at www.luxinnerwear.com.

Presentations to Institutional Investors/ Analysts:

No formal presentations were made to the institutional investors and analysts during the year under review.

Annual Report:

The Annual Report containing, inter alia, the Audited Financial Statements, Directors' Report, Auditors' Report, the Management Discussion and Analysis (MDA) Report and other important information is circulated as desired and is also available on the Company's website at www.luxinnerwear.com.

Green Initiative:

Information is uploaded on Company's website and other information may be sent to them in electronic form to save paper whose e-mail ids registered with Company.

12. General Shareholder Information**Annual General Meeting:**

Date and Time	21st September, 2017, Thursday at 11:00 A.M.
Venue	India Power Convergence Centre (Formerly DPSC Auditorium) Plot No. X -1, 2 & 3, Block – EP, Sector – V Salt Lake City, Kolkata - 700091
Book closure dates	15th September, 2017 (Friday) – 21st September, 2017 (Thursday)
Proposed dividend	₹1.40 (70%) per equity share of ₹2/- each
Dividend payment date	Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting

Financial Year	1st April to 31st March
Financial calendar:	
First Quarterly Results	2nd week of August, 2017
Second Quarterly Results	2nd week of November, 2017
Third Quarterly Results	2nd week of February, 2018
Fourth Quarterly Results	2nd week of May, 2018
Annual General Meeting	September, 2018

Listing on Stock Exchange & Stock Code:

Exchange	Code
The Calcutta Stock Exchange Limited (CSE)	CSE22124/0022124
Bombay Stock Exchange Limited (BSE)	539542
National Stock Exchange Limited (NSE)	LUXIND

Your company has applied for de-listing of Equity Shares from Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited. During the financial year, the Company has received a letter from Ahmedabad Stock Exchange Limited, informing that it is undergoing its exit policy and the said Exchange has also informed the Company that it does not require to do the compliances thereof. The approval for de-listing is still pending from Calcutta Stock Exchange Limited.

Payment of Listing Fee:

Annual listing fees for the year 2017-18 have been duly paid to the above Stock Exchanges.

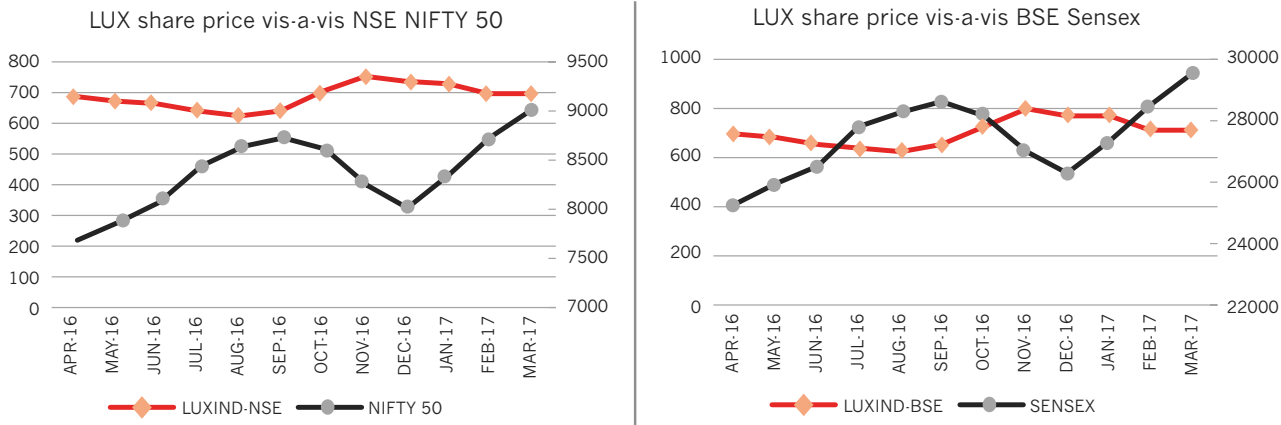


Stock Price data:

Month	The National Stock Exchange of India Ltd. (NSE)			Bombay Stock Exchange Limited (BSE)		
	High * (₹)	Low * (₹)	Volume (No. of Shares)	High * (₹)	Low * (₹)	Volume (No. of Shares)
April, 2016	725.00	646.00	31,825	724.70	636.00	4845
May, 2016	705.60	630.00	31,420	701.80	630.00	4072
June, 2016	710.98	599.75	178,935	710.71	576.00	36670
July, 2016	660.00	606.30	95672	657.00	600.00	9910
August, 2016	654.90	576.00	114940	651.00	570.45	14580
September, 2016	696.40	576.00	751246	695.5	576.1	162561
October, 2016	775.00	626.10	517304	774.85	633.00	282601
November, 2016	835.55	668.70	500316	835.50	700.00	341317
December, 2016	774.30	710.50	308396	795.00	710.15	307012
January, 2017	765.40	698.50	291843	800.00	698.00	378994
February, 2017	733.80	657.00	518925	735.85	660.00	313253
March, 2017	745.70	650.00	789100	747.90	649.95	905980

*Note: The Company has sub-divided its Equity Shares from face value of ₹10/- each to ₹2/- each w.e.f.. 06.06.2016. Accordingly, the high and low price per share of your Company in the month of April, May, June, 2016 has been adjusted.

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



There was no transaction in the Equity Shares of the Company at the Calcutta Stock Exchange and Ahmedabad Stock Exchange during the year ended March 31, 2017.

Dematerialisation of Shares:

The Company has arrangements with both NSDL and CDSL to establish electronic connectivity for scrip less trading and as on March 31, 2017, 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 INE150G01012.

Shares held in Demat and physical mode as at March 31, 2017

Category	Number of		% to total equity
	Shareholders	Shares	
A. Demat mode			
No. of Shares held by NSDL	3,015	23,998,167	95.03
No. of Shares held by CDSL	1,936	12,52,148	4.96
Total	4,951	25,250,315	99.99
Physical mode	126	2685	0.01
Grand total	5,077	25,253,000	100.00

Unclaimed Dividend:

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

Year	Dividend Type	Dividend per share (₹)	Date of declaration	Due date for transfer
2009-2010	Final	2.00	September 22, 2010	October 29, 2017
2010-2011	Final	2.20	September 30, 2011	November 07, 2018
2011-2012	Final	2.20	September 28, 2012	November 05, 2019
2012-2013	Final	2.20	September 27, 2013	November 04, 2020
2013-2014	Final	3.00	September 26, 2014	November 03, 2021
2014-2015	Final	6.00	September 26, 2015	November 03, 2022
2015-2016	Interim	6.00	March 12, 2016	March 19, 2023
2015-2016	Final	1.00	September 27, 2016	November 04, 2023
2016-2017 [#]	Final	1.40	September 21, 2017	October 28, 2024

[#] For the financial year 2016-17, the company will declare dividend on the face value of ₹2/- each and dividend declared in the previous financial years were at the face value of ₹10/- each.

The Company is sending periodic communication to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividend. Shareholders are cautioned that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

As per Regulation 34(3) read with Schedule V of the Listing Regulations, the details of the shares in the Suspense Account are as follows:

Outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Outstanding Shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
(1)	(2)	(3)	(4)	(5)
2000 Equity Shares	NIL	NIL	2000 Equity Shares	Yes

Note: During the year, no shares were credited by the Company to the said Demat Suspense Account.

**Share Transfer System:**

Shares lodged in physical form with the Company / its Registrar and Shares Transfer Agent are processed and returned duly transferred, within 15-20 days normally, except in cases where any dispute is involved.

In case of shares held in Demat mode, the transfer takes place instantaneously between the transferor, transferee and the Depository Participant through electronic debit/ credit of accounts involved.

The company has share transfer committee which looks after the share transfer process. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

Distribution of Shareholding as on March 31, 2017:

Range of Shares held	No. of Shareholders	%	No. of Shares	%
1 – 5000	4,798	94.50	976,773	3.87
5001 - 10000	161	3.17	617,480	2.45
10001- 20000	52	1.02	363,974	1.44
20001 – 30000	16	0.32	211,216	0.84
30001 – 40000	6	0.12	106,132	0.42
40001 – 50000	4	0.08	94,168	0.37
50001 –100000	15	0.30	560,320	2.22
100001 and above	25	0.49	22,322,937	88.40
Total	5,077	100.00	25,253,000	100.00

Shareholding pattern as on March 31, 2017:

Category	Number of		% to total equity
	Shareholders	Shares	
A. Promoters			
- Indian Promoters	3	11,935,500	47.26
B. Non- Promoters			
- Corporate Bodies	258	40,90,579	16.20
- Banks	1	997	0.00
- Directors and their Relatives	6	6,679,500	26.45
- Indian Financial Institutions	1	3,472	0.01
- Non Resident Repatriation	12	9,799	0.04
- Non Resident Indians	41	11,944	0.05
- Foreign Portfolio Investors	1	3046	0.01
- Indian Public	4,403	23,45,335	9.29
- HUF & Trusts	251	130,561	0.52
- Clearing Members	100	42267	0.17
Total	5,077	25,253,000	100.00

Location of Plants:

1. S. F. 473/1B1, Avinashi Lingam Palayam, Palangarai Village, Avinashi (T.N.), Coimbatore – 641 654	2. Mollaber, Janai, Durgapur Expressway, Dankuni, Hooghly, West Bengal-712702.	3. Sankrail Industrial Park, Jalan Complex, Kendwa, Howrah (W.B.)
4. 28, B. T. Road, Kolkata - 700002	5. B– XXXII–1429/11, Jujhar Singh Nagar, Gahlewal Pind, Rahon Road, Ludhiana – 141008	

Address for Correspondence:

Karvy Computershare Private Limited, “Karvy Selenium Tower B”, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032. Tel:+91-40-67162222 Fax:+91-40-23420814 E-Mail: support@karvy.com	Secretarial Department Lux Industries Limited, 39, Kali Krishna Tagore Street, Kolkata- 700 007 Tel:033-40402121 Fax:033-40012001 E-mail: investors@luxinnerwear.com
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Registrar and Share Transfer Agents:

Particulars	Local Address
Karvy Computershare Private Limited, “Karvy Selenium Tower B”, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032. Tel:+91-40-67162222 Fax:+91-40-23420814 E-Mail: support@karvy.com	Karvy Computershare Private Limited Apeejay House, Block “B”, 3rd Floor 15, Park Street, Kolkata – 700016 Tel : +033-66285934/901



ANNEXURE 'E'

CERTIFICATION BY MANAGING DIRECTOR AND
CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Pradip Kumar Todi, Managing Director and Ajay Kumar Patodia, Chief Financial Officer of Lux Industries Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement of the company for the year ended 31st March, 2017 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 2016-17.

Kolkata
May 25, 2017

Pradip Kumar Todi
Managing Director
(DIN: 00246268)

Ajay Kumar Patodia
Chief Financial Officer

ANNEXURE 'F'

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Lux Industries Limited

We have examined the compliance of conditions of Corporate Governance by Lux Industries Limited, for the year ended March 31, 2017, as referred to in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The Compliance of conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable.

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

For Sanjay Modi & Company
Chartered Accountants

Prodyat Chaudhuri
Partner

Membership No. 065401

Kolkata
May 25, 2017



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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.

1. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 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:
2. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:
 - i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

I, further report that, there were no actions/ events in pursuance of:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that having regard to the compliance system prevailing in the Company, we have relied upon the representation made by the Management, for compliance with the other applicable laws.

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

- (i) Secretarial Standards 1 and 2 issued by The Institute

of Company Secretaries of India.

- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited, National Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There has been no change in the composition of Board of Directors during the period under review and the composition of Board of Directors of the Company is in conformity 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 during the audit period the

company had:

1. Sub-divided its Equity Shares from the face value of ₹10/- per share to ₹2/- per share after obtaining approval of shareholders in its Extra Ordinary General Meeting held on 25.05.2016.
2. Altered its Capital Clause of the Memorandum of Association consequent upon sub-division of equity shares after obtaining approval of shareholders in its Extra Ordinary General Meeting held on 25.05.2016.
3. Applied for de-listing its equity shares from Calcutta Stock Exchange (CSE) after obtaining approval of Board in the Board Meeting held on 13.08.2016, the status of the same is pending.
4. Applied for de-listing its equity shares from Ahmedabad Stock Exchange (ASE) after obtaining approval of Board in the Board Meeting held on 13.08.2016. Further pursuant to ASE letter dated 12.01.2017 with regard to exit policy availed by ASE, the company is required to do the necessary compliances with NSE and BSE, for which necessary compliance are being done.

This Report is to be read with our letter of even date which is annexed "ANNEXURE - A" and forms an Integral Part of this Report.

For M R & Associates
Company Secretaries

[M.R. Goenka]
Partner

Place : Kolkata
Date : May 25, 2017.

FCS No.: 4515
C P No.: 2551



“ANNEXURE – A”

(TO THE SECRETARIAL AUDIT REPORT OF LUX INDUSTRIES LIMITED
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017)

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

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M R & Associates
Company Secretaries

[M.R. Goenka]
Partner
FCS No.: 4515
C P No.: 2551

Place : Kolkata
Date : May 25, 2017.

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

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

I. REGISTRATION AND OTHER DETAILS

1.	CIN	L17309WB1995PLC073053
2.	Registration Date	21st July 1995.
3.	Name of the Company	LUX INDUSTRIES LIMITED
4.	Category / Sub-Category of the Company	Indian, Non- Government Company, Limited by Shares
5.	Address of the Registered office and contact details:-	39, Kali Krishna Tagore Street, Kolkata-700 007 Phone no. 91-33-40402121 Fax: 91-33-40012001
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent:-	Karvy Computershare Private Limited, “Karvy Selenium Tower B”, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032 Tel:+91-40-67162222 Fax:+91-40-23420814 E-Mail: support@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name And Address of the Company	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	N.A.	N.A.	N.A.	N.A.



IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

Note: During the year, the Company has sub-divided its equity shares from ₹10/- each to ₹2/- each and thus the shareholding represented wherever at the beginning of the year, i.e, 1st April, 2016, is at the face value of ₹10/- each.

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2016)				No. of Shares held at the end of the year (As on 31st March 2017)				% Change during the year
Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	3723000	0	3723000	73.71	18615000	0	18615000	73.71	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	3723000	0	3723000	73.71	18615000	0	18615000	73.71	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	3723000	0	3723000	73.71	18615000	0	18615000	73.71	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	4469	0	4469	0.02	0.02
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investors	0	0	0	0	3046	0	3046	0.01	0.01
Sub-total (B)(1):-	0	0	0	0	7515	0	7515	0.03	0.03

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2016)				No. of Shares held at the end of the year (As on 31st March 2017)				% Change during the year
Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institution									
a) Bodies Corp.									
i) Indian	683172	0	683172	13.53	4090579	0	4090579	16.20	2.67
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital Up to ₹2 lakh	572684	447	573131	11.35	2472771	2685	2475456	9.80	-1.55
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	69900	0	69900	1.38	0	0	0	0	-1.38
c) Other (specify)	0	0	0	0	0	0	0	0	0
Trust	10	0	10	0	440	0	440	0	0
Non Resident Indians	592	0	592	0.01	11944	0	11944	0.05	0.04
Clearing Members	795	0	795	0.02	42267	0	42267	0.17	0.15
Non Resident Indian Non Repatriable	0	0	0	0	9799	0	9799	0.04	0.04
Sub-total (B)(2):-	1327153	447	1327600	26.29	6627800	2685	6630485	26.29	0.00
Total public shareholding (B)=(B)(1)+(B)(2)	1326244	447	1327600	26.29	6635315	2685	6638000	26.29	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	5049244	447	5050600	100.00	25250315	2685	25253000	100.00	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged/encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares pledged/encumbered to total Shares	
1	PRABHA DEVI TODI	829000	16.41	NIL	3723000	14.74	NIL	1.67
2	PRADIP KUMAR TODI	896500	17.75	NIL	4482500	17.75	NIL	NIL
3	ASHOK KUMAR TODI	746000	14.77	NIL	3730000	14.77	NIL	NIL
4	BIMLA DEVI TODI	701000	13.88	NIL	3505000	13.88	NIL	NIL
5	SHOBHA DEVI TODI	550500	10.90	NIL	2752500	10.90	NIL	NIL
6	UDIT TODI	0	0	NIL	186000	0.74	NIL	0.74
7	SAKET TODI	0	0	NIL	136000	0.54	NIL	0.54
8	SHILPA PANKAJ KUMAR AGARWAL	0	0	NIL	50000	0.20	NIL	0.20
9	NEHA TODI	0	0	NIL	50000	0.20	NIL	0.20
	Total	3723000	73.71	NIL	18615000	73.71	NIL	NIL



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

Sl. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	PRABHA DEVI TODI				
	At the beginning of the Year	829000	16.41	829000	16.41
	Less: Inter se Transfer on 08.04.2016	-84400	-1.67	84400	1.67
	At the End of the year			3723000	14.74
2	PRADIP KUMAR TODI				
	At the beginning of the Year	896500	17.75	896500	17.75
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			4482500	17.75
3	ASHOK KUMAR TODI				
	At the beginning of the Year	746000	14.77	746000	14.77
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			3730000	14.77
4	BIMLA DEVI TODI				
	At the beginning of the Year	701000	13.88	701000	13.88
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			3505000	13.88
5	SHOBHA DEVI TODI				
	At the beginning of the Year	550500	10.90	550500	10.90
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			2752500	10.90

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

Sl No.	Name of the Shareholder	Shareholding at the beginning/end of the year		Date of Change	Increase/ decrease in the shareholding	Reason for Increase or decrease	Cumulative Shareholding during the year 2016-17	
		No. of shares	% of total shares of the Company				No. of shares	%of total shares of the Company
1	Venerable Advertising Pvt. Ltd.							
	Shareholding at beginning of the year	131800	2.61		There is no change in the shareholding of the holder during the year 2016-17			
	Shareholding at the end of the year	659000	2.61					
2	Panghat Vanijya Pvt. Ltd.							
	Shareholding at beginning of the year	121800	2.41		There is no change in the shareholding of the holder during the year 2016-17			
	Shareholding at the end of the year	609000	2.41					
3	Valuead Securities Pvt. Ltd.							
	Shareholding at beginning of the year	132000	2.61	13.01.2017	15000	Sale	645000	2.55
				20.01.2017	26500	Sale	618500	2.45
				27.01.2017	5000	Sale	613500	2.43
				03.02.2017	15000	Sale	598500	2.37

Sl No.	Name of the Shareholder	Shareholding at the beginning/end of the year		Date of Change	Increase/decrease in the shareholding	Reason for Increase or decrease	Cumulative Shareholding during the year 2016-17	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				10.02.2017	26652	Sale	571848	2.26
				17.02.2017	9842	Sale	562006	2.23
	Shareholding at the end of the year	562006	2.23					
4	Mangalnidhi Mercantile Pvt. Ltd.							
	Shareholding at beginning of the year	89000	1.76		There is no change in the shareholding of the holder during the year 2016-17			
	Shareholding at the end of the year	445000	1.76					
5	Anchor Finstock Pvt. Ltd.							
	Shareholding at beginning of the year	88300	1.75	13.01.2017	15000	Sale	426500	1.69
				20.01.2017	28500	Sale	398000	1.58
				27.01.2017	5000	Sale	393000	1.56
				03.02.2017	10000	Sale	383000	1.52
				10.02.2017	20433	Sale	362567	1.44
				17.02.2017	10657	Sale	351910	1.39
6	Cliff Trexim Private limited							
	Shareholding at beginning of the year	0	0	06.01.2017	15000	Purchase	15000	0.06
				13.01.2017	45000	Purchase	60000	0.24
				03.02.2017	50000	Purchase	110000	0.44
				10.02.2017	27000	Purchase	137000	0.54
				17.02.2017	52000	Purchase	189000	0.75
	Shareholding at the end of the year	189000	0.75					
7	Karvy Stock Broking Ltd (BSE)							
	Shareholding at beginning of the year	29500	0.58	06.01.2017	15000	Purchase	15000	0.06
				13.01.2017	45000	Purchase	60000	0.24
				03.02.2017	50000	Purchase	110000	0.44
				10.02.2017	27000	Purchase	137000	0.54
				17.02.2017	52000	Purchase	189000	0.75
8	Garg Brothers Pvt. Ltd.							
	Shareholding at beginning of the year	0	0	13.01.2017	20000	Purchase	20000	0.08
				20.01.2017	35000	Purchase	55000	0.22
				27.01.2017	74000	Purchase	129000	0.51
	Shareholding at the end of the year	129000	0.51					



SI No.	Name of the Shareholder	Shareholding at the beginning/end of the year		Date of Change	Increase/ decrease in the shareholding	Reason for Increase or decrease	Cumulative Shareholding during the year 2016-17	
		No. of shares	% of total shares of the Company				No. of shares	%of total shares of the Company
9	Avantika Commotrade Pvt Ltd							
	Shareholding at beginning of the year	17932	0.36		There is no change in the shareholding of the holder during the year 2016-17			
	Shareholding at the end of the year	89660	0.36					
10	Rajat Jhajharia							
	Shareholding at beginning of the year	27700	0.55	07.10.2016	6476	Sale	132024	0.52
				14.10.2016	1476	Purchase	133500	0.53
				21.10.2016	1107	Sale	132393	0.52
				28.10.2016	12001	Sale	120392	0.48
				11.11.2016	3000	Sale	117392	0.46
				30.12.2016	100	Purchase	117492	0.47
				20.01.2017	742	Purchase	117274	0.46
				10.02.2017	32861	Sale	84413	0.33
				03.03.2017	13097	Purchase	97510	0.39
				10.03.2017	5000	Sale	92510	0.37
				17.03.2017	24672	Sale	67838	0.27
				24.03.2017	8613	Purchase	76451	0.30
				31.03.2017	6529	Purchase	82980	0.33
		Shareholding at the end of the year	82980	0.33				
11	Harsh Jhajharia							
	Shareholding at beginning of the year	42200	0.84	21.10.2016	5882	Sale	205118	0.81
				28.10.2016	2000	Sale	203118	0.80
				04.11.2016	2000	Sale	201118	0.80
				06.01.2017	1000	Sale	200118	0.79
				13.01.2017	1000	Sale	199118	0.79
				27.01.2017	4930	Sale	194188	0.77
				03.02.2017	15870	Sale	178318	0.71
				10.02.2017	5829	Purchase	184147	0.73
				17.02.2017	8419	Sale	175728	0.70
				24.02.2017	43012	Sale	132716	0.53
				03.03.2017	2300	Purchase	135016	0.53
				10.03.2017	749	Sale	134267	0.53
				17.03.2017	19976	Sale	114291	0.45
				24.03.2017	11332	Sale	102959	0.41
				31.03.2017	29434	Sale	73525	0.29
		Shareholding at the end of the year	73525	0.29				

Sl No.	Name of the Shareholder	Shareholding at the beginning/end of the year		Date of Change	Increase/ decrease in the shareholding	Reason for Increase or decrease	Cumulative Shareholding during the year 2016-17	
		No. of shares	% of total shares of the Company				No. of shares	%of total shares of the Company
12	Anju Lunia							
	Shareholding at beginning of the year	16500	0.33	24.02.2017	23000	Sale	59500	0.24
				10.03.2017	9500	Sale	50000	0.20
				17.03.2017	15000	Sale	35000	0.14
				24.03.2017	35000	Sale	0	0
	Shareholding at the end of the year	0	0					

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri Ashok Kumar Todi- Chairman & Whole Time Director				
	At the beginning of the year	746000	14.77		
	Changes during the year	No change during the year			
	At the end of the year	-	-	3730000	14.77
2	Sri Pradip Kumar Todi- Managing Director				
	At the beginning of the year	896500	17.75	-	-
	Changes during the year	No change during the year			
	At the end of the year	-	-	4482500	17.75
3	Smt. Prabha Devi Todi- Director Non Independent				
	At the beginning of the year	829000	16.41	-	-
	Less: Inter se Transfer on 08.04.2016	-	-	84400	-1.67
	At the end of the year	-	-	3723000	14.74

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

**V. INDEBTEDNESS**

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13504.40	7275.28	–	20779.68
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	13504.40	7275.28	–	20779.68
Change in Indebtedness during the financial year				
Addition	7941.57	–	–	7941.57
Reduction	–	5388.52	–	5388.52
Net Change Indebtedness	7941.57	5388.52	–	2553.05
At the end of the financial year				
i) Principal Amount	21445.97	1886.76	–	23332.73
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	21445.97	1886.76	–	23332.73

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Sri Ashok Kumar Todi Chairman	Sri Pradip Kumar Todi Managing Director	
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	240.00	240.00	480.00
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
	· as % of profit	–	–	–
	· others specify	–	–	–
5	Others please specify	–	–	–
	Total (A)	240.00	240.00	480.00
	Ceiling as per the Act	738.80 Lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to other directors:-

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Sri Nandanandan Mishra	Sri Kamal Kishore Agarwal	Sri Snehasish Ganguly	Smt Prabha Devi Todi	
1	Fee for attending board/ committee meeting	45,000	45,000	45,000	–	135,000
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	Total (1)	45,000	45,000	45,000	–	135,000
2	Other Non-Independent Directors					
	Fee for attending board / committee meetings	–	–	–	–	–
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	Total (2)	–	–	–	–	–
	Total (B)=(1+2)	45,000	45,000	45,000	–	135,000
	Total Managerial Remuneration					135,000
	Overall ceiling as per the Act	7.39 Lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Ajay Kumar Patodia Chief Financial Officer	Mrs. Smita Mishra Company Secretary	
1	Gross Salary	–	–	–
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.00	7.00	22.00
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
	· as % of profit	–	–	–
	· others specify	–	–	–
5	Others please specify	–	–	–
	Total (C)	15.00	7.00	22.00



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE ‘I’

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended March 31, 2017 has been issued in compliance with the requirements of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of the Director’s Report of the Company, for the financial year 2016-17.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L17309WB1995PLC073053
Name of the Company	Lux Industries Limited
Registered Office Address	39, Kali Krishna Tagore Street, Kolkata-700 007.
Website	www.luxinnerwear.com
E-mail Id	cs@luxinnerwear.com
Financial Year reported	2016-17
Sectors that the company is engaged (Industry activity code wise)	Group*: 143
	Class: 1430
	Sub-Class: 14309
	Description: Manufacture of other knitted and crocheted apparel including hosiery.
	*As per classification under National Industrial Classification.
List three key products/services that the Company manufactures/ provides (as in balance sheet)	Vests
	Briefs
	Thermal wear
Total number of locations where business activity is undertaken by the Company	The headquarters of the Company is in Kolkata. We have 6 manufacturing plants in 5 locations in the country:
	State/Union Territory Location - Tamil Nadu: Tirupur.
	West Bengal: B. T. Road, Dhulagarh, Dankuni
	Punjab: Ludhiana
Markets served by the Company - Local/State/ National/International	We have a global footprint that serves both in National and International Markets. International markets are served through exports. Currently, we are catering to 48 countries and are committed to cover more countries by 2020.



SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ in Lakhs)

Paid up Capital	6,129.98
Total Turnover	97,252.17
Total Profit after tax	6,284.78
Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profits (%)	Our total spending on CSR is ₹135.99 Lakhs which is 2.21% of average net profits of the last three financial years
List of activities on which expenditure in (4) above has been incurred	(a) Promotion of Education
	(b) Medical Facilities
	(c) Social Welfare
	(d) Animal Welfare
	(e) Promotion of traditional art and culture
	(f) Making available Safe Drinking Water

SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company?	The Company does not have any subsidiary.
Do the Subsidiary Company participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	N.A.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Currently, the Company is carrying the BR initiative individually. The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of running business with responsibility.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

Details of Directors responsible for implementing BR Policies- (Name, DIN, Designation, Contact Details)	1) Mr. Ashok Kumar Todi DIN: 00053599 Designation: Chairman Contact Details: 033-40402121
	2) Mr. Pradip Kumar Todi DIN: 00246268 Designation: Managing Director Contact details:033-40402121
	3) Mr. Kamal Kishore Agarwal DIN: 01433255 Designation: Independent Non-Executive Director Contact details: 9830007755
Details of BR head responsible for implementing BR Policies (Name, Designation, Contact Details)	Mr. Ajay Kumar Patodia Designation: Chief Financial Officer Mobile:9007021011. E-mail Id: ajay.patodia@luxinnerwear.com

The National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business (NVGs), released by the Ministry of Corporate Affairs, has adopted nine areas of Business Responsibility. The same are mentioned below:

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for the following Principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	The company has taken into account relevant stakeholder interest while formulating the BR Policy.								
3	Does the policy conform to any national / international standards? If yes, specify?	Yes, the Policy conforms to national and international standards. Since Lux is ISO certified Company in relation to quality it complies with International Standards.								
4	Has the policy being approved by the Board? Who has signed the Policy? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board of Director?	Yes, the BR policy has been approved by the Board in their meeting held on 10.11.2016 and the Policy was signed by Managing Director of the Company.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Corporate Social Responsibility (CSR) Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows: i. DIN: 00053599 Name: Mr. Ashok Kumar Todi Designation: Chairman ii. DIN: 00246268 Name: Mr. Pradip Kumar Todi Designation: Managing Director iii. DIN: 01433255 Name: Mr. Kamal Kishore Agarwal Designation: Independent Non-Executive Director								



No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Is the Policy uploaded on the website of the Company? what is its link?	Yes, the web-link is as follows: www.luxinnerwear.com/investor_download_pdf2/20170103095135.pdf								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Company has uploaded its BR Policy on its website.								
8	Does the company have in-house structure to implement the policy/ policies.	Yes.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	For the time being CSR Committee takes care to redress the stakeholder grievances.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, the Company has an external agency to carry out independent audit of the working of its BR policy.								

(b) Governance related to BR

- The frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. (Within 3 months, 3-6 months, Annually, More than 1 year)
Annually.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
Yes, Company has published its first BR Report which forms part of the Directors Report under Annual report of the Company for the financial year 2016-17 and the same can be viewed under investor section on the website of the Company, the weblink is as follows: www.luxinnerwear.com

SECTION E: PRINCIPLE WISE PERFORMANCE**Principle 1:**

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

No.	Questions	Yes/No
1	Does the policy relating to ethics, bribery and corruption cover only the company?	No.
1a	Does the above mentioned policy extend to the Group/JV/Suppliers/Contractors/NGOs/Others	All the companies in Lux Group are covered by the BR Policy.
2	Details of stakeholder complaints received in the past financial year and what % was satisfactorily resolved by the management? If so, provide details thereof.	No complaints of this nature was received in the past financial year.

Principle 2:

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

No.	Questions	Yes/No
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities	NA
2	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes, the Company has taken few initiatives relating to long term sustainable contracts made with large suppliers for raw materials.
3	What percentage of your inputs was sourced sustainably? Also, provide details thereof	It is difficult to ascertain the percentage of inputs sourced. All inputs have sustainable source in place.
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If Yes, What steps have been taken to improve their capacity and capability of local and small vendors?	Yes, while the criteria for selection of goods and services is quality, reliability and price, Lux gives preference to small organisations, particularly promoted by entrepreneurs from socially backward communities.
5	Does the company have a mechanism to recycle products and waste? What is the percentage of recycling of products. Also, provide details thereof/ What is the percentage of recycling of waste. Also, provide details thereof	Yes, the nature of the Company's business is such that there are no emissions or process wastes. Around 95% cutting waste generated are resealed and ultimately recycled.

Principle 3:

Businesses should promote the well-being of all employees

No.	Questions	Yes/No
1	Total number of employees	907
2	Total number of employees hired on temporary/ contractual/casual basis	70
3	Number of permanent women employees	30
4	Number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognized by management? What percentage of your permanent employees is members of this recognized employee association?	The Company does not have any employee association.
6	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Child labour, forced labour, involuntary labour is prohibited in the workplace as stated in the Company's Code of Conduct. The Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder. During the financial year 2016-17, the Company has not received any complaints on sexual harassment, child labour, forced labour, involuntary labour and discriminatory environment. Further, no such complaint was received in the past year as well.



No.	Questions	Yes/No
7	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	All the categories of employees mentioned above have been covered through our training modules. Training on health and safety is imparted to employees as a part of the induction training.
	(a) Permanent Employees	20%
	(b) Permanent Women Employees	100%
	(c) Casual/ Temporary/Contractual Employees	15%
	(d) Employees with Disabilities	Nil

Principle 4:

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

No.	Questions	Yes/No
1	Has the company mapped its internal and external stakeholders?	Yes. We have mapped and identified external stakeholders, including disadvantaged, vulnerable and marginalised stakeholders. Our stakeholders include – Employees, customers, dealers, suppliers, investors, media, government and regulators and peers and industry ecosystem.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes, there are no such stakeholders.
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof.	There is contract engagement, audit and physical verifications of documents of all vendors and other stakeholders to ensure that they have a sustainable business, generate sufficient profits, pay remuneration and social security benefits to their employees, follow all safety and ethical process and supply products consistent in quality and specifications.

Principle 5:

Businesses should respect and promote human rights.

No.	Questions	Yes/No
1	Does the above mentioned policy extend to the Group/JV/Suppliers/Contractors/NGOs/Others	All the companies in Lux Group are covered by the BR Policy. As a socially responsible organisation, the Company is committed to protect and safeguard human rights. Your Company has put in place a Code of Conduct which is applicable on the Board of Directors and Senior Executives one level below the Directors, including all functional heads, though we expect our stakeholders to adhere and uphold the standards contained therein.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaints of this nature was received in the past financial year.

Principle 6:

Business should respect, protect, and make efforts to restore the environment.

No.	Questions	Yes/No
1	Does the above mentioned policy extend to the Group/JV/Suppliers/Contractors/NGOs/Others	All the companies in Lux Group are covered by the BR Policy and therefore, there is no separate environmental policy. Lux itself follows and also persuades and encourages its external stakeholders to move towards environmental friendly practices.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Please give hyperlink for web page. Does the company identify and assess potential environmental risks?	Not applicable. Lux is engaged in a non-polluting industry and do not contribute to environmental issues such as climate, global warming to alarming extent.
3	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof.	Not applicable.
4	Whether any environmental compliance report is filed?	Not applicable.
5	Has the company undertaken any other initiatives on – Clean Technology? Energy Efficiency? Renewable energy?	No.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Not applicable. Lux is basically engaged in manufacturing of hosiery goods, the nature of Company's business is such that there are no significant emissions or process wastes. So, Company does not require approval from pollution control department.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Not applicable.

Principle 7:

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

No.	Questions	Yes/No
1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, West Bengal Hosiery Association.
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas:- Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, water, food security, Sustainable Business Principles and others.	Yes, Lux has participated in industry body consultations in the following areas: a. Governance and Administration, b. Economic Reforms, c. Inclusive Development Policies, d. Tax and other legislation.



Principle 8:
Businesses should support inclusive growth and equitable development

No.	Questions	Yes/No	
1	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? details thereof.	Yes, the Company has CSR Policy which derives its core values and covers various aspects as per guidelines given by Ministry of Corporate Affairs as part of Companies Act, 2013. Lux through various foundation, trust has undertaken various initiative/ projects as mentioned below:- a. Education b. Healthcare c. Animal Welfare & Social Welfare d. Promotion of traditional art & culture. e. Making available safe drinking water.	
2	Details of Programmes:	Lux has taken various step with the help of government bodies, trust, NGOs to promote education to tribal children, and also promoting health care by providing medical facilities to underprivileged people, Animal Welfare & Social Welfare of socially and economically backward group & making available safe drinking water.	
3	Are the programmes/projects undertaken through in-house team, own foundation, external NGO, government structures, any other organization?	Through external registered trust, NGO, government structures.	
4	Have you done any impact assessment of your initiative?	No. However, the Company shall ensure to do the same in due course.	
5	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Activities	₹ in Lakhs
		Promotion of Education	43.02
		Medical Facilities	31.11
		Social Welfare	6.86
		Animal Welfare	45.00
		Promotion of traditional art and culture	8.00
		Safe Drinking Water	2.00
6	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain	Yes. Most of our programmes are participatory in nature and focus on institution development and capacity building.	

Principle 9:
Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No.	Questions	Yes/No
1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	No customer complaints are pending in the past financial year. All complaints were successfully resolved.
2	Does the company display product information on the product label, over and above what is mandated as per local laws? additional information	Yes. Lux in all its products sticks labels which displays all the information that is required as per local laws and any other applicable laws.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising, anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof	As on date, there are no anti-competitive, abuse of dominant position or unfair trade practices cases pending against the Company.
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes, Lux from time to time takes feedback from distributors, agents directly by conducting conference.



ANNEXURE ‘J (i)’

Details pertaining to Remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of the Director	Director Identification Number (DIN)	Title	Remuneration in fiscal 2017 (in ₹ lakhs)	Remuneration in fiscal 2016 (in ₹ lakhs)	% increase of remuneration in 2017 as compared to 2016 ⁽¹⁾	Ratio of remuneration to MRE ⁽¹⁾	Comparison of the Remuneration of the KMP against the performance of the Company
Ashok Kumar Todi	00053599	Whole-Time Director	240.00	240.00	–	203.92	The increments were linked to market and industry information, on performance of the individual employee as well as company performance. In the year under review, average increment is 0.05% . The Company PAT has increased by 22.40 %.
Pradip Kumar Todi	00246268	Managing Director	240.00	240.00	–	203.92	
Nandanandan Mishra ⁽²⁾	00031342	Independent Director	0.45	0.40	–	0.38	
Kamal Kishore Agrawal ⁽²⁾	01433255	Independent Director	0.45	0.45	–	0.38	
Snehasish Ganguly ⁽²⁾	01739432	Independent Director	0.45	0.45	–	0.38	
Ajay Kumar Patodia		Chief Financial Officer	15.00	15.00	–	12.75	
Pankaj Kumar Kedia ⁽³⁾		Company Secretary	8.25	9.00	N.A	8.01	
Smita Mishra ⁽⁴⁾		Company Secretary	1.00	–	N.A	6.80	

MRE - Median Remuneration of employees

- 1) Based on annualized salary
- 2) Difference in remuneration for the year 2017 as compared to year 2016 is due to number of meetings attended
- 3) Resigned as Company Secretary w.e.f 14th February, 2017.
- 4) Appointed as Company Secretary w.e.f 14th February, 2017.
- (2) The Median Remuneration of Employees (MRE) of the Company during the financial year was ₹1.18 lakhs.
- (3) In the financial year, there was an increase of 8.98% in the Median Remuneration of Employees.
- (4) There were 907 employees on the rolls of Company as on 31st March, 2017.
- (5) Relationship between average increase in remuneration and company performance: The Profit before Tax for the financial year ended 31st March, 2017 increased by 22.36% whereas the average remuneration increased by 11.99%.
- (6) Average percentage increase made in the salaries of the employees other than the managerial personnel in the last financial year 2016-17 was 21.37 % whereas the increase in the managerial personnel was 0.05%. Average increase in remuneration of employees compared to increase in remuneration of KMP is in line with the performance of the company over period of time. There is no exceptional increase in the Managerial Remuneration.
- (7) It is hereby affirmed that the remuneration paid was as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE ‘J (ii)’

The statement showing the list of top ten employees and their remuneration as on 31st March, 2017:

Sr. No.	Name of Employee	Designation	Remuneration received (₹ in lakhs)	Qualification and experience of the employee	Date of commencement of employment	Age of the employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the Company within meaning of clause (iii) of sub rule (2) above	Whether such employee is a relative of any other director or manager of the Company	Nature of employment, whether contractual or otherwise
1	Sri Ashok Kumar Todi	Chairman, Whole Time Director	240.00	B. Com , 39 years	21/Jul/1995	59 years	NA	14.77	Elder brother of Sri Pradip Kumar Todi and Brother in law of Mrs. Prabha Devi Todi	Permanent
2	Sri Pradip Kumar Todi	Managing Director	240.00	B. Com, 35 years	21/Jul/1995	55 years	NA	17.75	Younger brother of Sri Ashok Kumar Todi and Brother in law of Mrs. Prabha Devi Todi	Permanent
3	Bibekananda Maity	Head- Information Technology	18.38	MBA, PGDCA, MCA, 23 years	2/Nov/2015	48 years	Aryan Mining & Trading Corporation Ltd.	.	.	Permanent
4	Anand Poddar	Head- Advertisement	16.00	B. Com (H), Diploma in Advertising Management, 12 years	1/Aug/2005	32 years	NA	.	.	Permanent
5	Vikash Malhotra	Vice President- Sales	15.00	PG in Sales & Marketing, 21 years	25/Jun/2016	42 years	Bodycare International Ltd.	.	.	Permanent
6	Ajay Kumar Patodia	Chief Financial Officer	15.00	FCA, FICWA, DISA (ICAI), SAP (FI), IFRS (C), 22 years	1/Apr/2005	43 years	M. V. Cotspin Ltd.	.	.	Permanent
7	Surendra Kr. Bajaj	Vice President- Marketing	12.62	B. Com, 32 years	15/Jul/2014	52 years	Khaitan Group of Companies	.	.	Permanent
8	Saket Todi	Vice President- Marketing	12.00	MBA & B. Com, 3 years	1/Apr/2014	28 years	NA	0.54	Son of Mr. Ashok Kumar Todi and Nephew of Mrs. Prabha Devi Todi & Pradip Kumar Todi	Permanent
9	Udit Todi	Vice President- Marketing	12.00	MBA & B. Com, 3 years	1/Apr/2014	28 years	NA	0.74	Son of Sri Pradip Kumar Todi and Nephew of Mrs. Prabha Devi Todi & Ashok Kumar Todi	Permanent
10	Priyanka Todi	Vice President- Electronic Media	12.00	B. Com, 3 years	1/Apr/2014	33 years	NA	.	Daughter of Mr. Ashok Kumar Todi and Niece of Mrs. Prabha Devi Todi & Pradip Kumar Todi	Permanent



Independent Auditor's Report

To the Members of
Lux Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of LUX INDUSTRIES LIMITED ("the Company") which comprises of the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made there under including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit and its Cash Flow for the year ended on that date.

Emphasis of Matter

Attention is invited to note 1(J) to the financial statements regarding change in accounting policy of inventory valuation from the FIFO to Weighted Moving Average Method consistent with the best accounting practices, resulting decrease in value of inventories by ₹96.19 lakhs. Consequently the net profit for the year is lower by the said amount. Had the company followed the FIFO method of inventory valuation, the surplus for the year ended would have been higher by ₹96.19 lakhs. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such check of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure A" 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 purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g. With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its financial statements. - Refer Note No. 29
 - 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 during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in the financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016, on the basis of information available with the Company. Based on audit procedures, and relying on managements representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and produced to us by the Management. - Refer Note No. 48.

For Sanjay Modi & Co
Chartered Accountants
FRN.:322295E

Prodyat Chaudhuri
(Partner)
Membership No: 065401

Place: **Kolkata**
Dated: 25.05.2017



“Annexure A” to the Independent Auditor's Report

Referred to in paragraph 9 of the Independent Auditors Report of even date to the members of Lux Industries Limited on the financial statements as of and for the year ended March 31, 2017:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed Assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties are held in the name of Company.
- (ii) (a) As explained to us, the inventories were physically verified during the year by the management (except material lying with third parties and goods in transit) at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) to (c) of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of making investments. However, the company has not granted any loans or provided any guarantees and securities.
- (v) According to the information and explanation given to us, the Company has not accepted any deposits from the public.
- (vi) According to the information and explanation given to us, the Central Government of India has not specified the maintenance of cost records under sub-section (1) of section 148 of the Act for the products of the Company.
- (vii)(a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of sales tax including value added tax, employees state insurance, provident fund and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including service tax, duty of customs and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of Income tax and customs duty, which have not been deposited on account of any dispute. The particulars of dues of sales tax including value added tax, duty of excise, service tax, provident fund as at March 31, 2017 which have not been deposited on account of dispute, are as follows:

Name of the statute	Natures of dues	Amount	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Act	Penalty	3,083,684.00	2003-04	High Court, Kolkata
West Bengal Sales Tax Act	Penalty	1,917,202.00	2004-05	High Court, Kolkata
The Central Excise Act,1944	Excise Duty and Penalty	1,00,51,976.00	2011-12	Customs, Excise and Service Tax Appellate Tribunal
Service Tax	Service Tax and Penalty	1,36,22,826.00	2007-08 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act,1944	Excise Duty and Penalty	4,779,126.00	2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act,1944	Excise Duty and Penalty	1,97,97,310.00	2011-12 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal
Punjab Vat Act,2005	Vat and Penalty	11,71,439.00	2015-16	Deputy Excise and taxation Commissioner (Appeals), Ludhiana
Employees Provident Fund Act,1952	Contribution to Provident Fund	11,10,67,801.00	2002-03 to 2005-06	Division Bench, Kolkata High court

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and had not issued any debentures.

(ix) According to the records of the Company examined by us and the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose for which they were raised. The Company has not raised money by way of initial public offer or further public offer.

(x) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company by its officers, or employees has been noticed or reported during the year.

(xi) According to the records of the Company examined by us and the information and explanations given to us, the managerial remuneration has been paid as per the provisions of section 197 read with schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company. Therefore, reporting under clause (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanation given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with

the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us by management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under clause (xiv) of CARO 2016 order is not applicable to the Company.

(xv) In our opinion and according to the information and explanation given to us, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For Sanjay Modi & Co
Chartered Accountants
FRN.-322295E

Prodyat Chaudhuri
(Partner)
Place: **Kolkata**
Dated: 25.05.2017
Membership No: 065401



“Annexure B” to the Independent Auditor’s Report

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE 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”)

i. We have audited the internal financial controls over financial reporting of Lux Industries Limited (“the Company”) as on March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

ii. 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 Control over Financial Reporting issued by the Institute of Chartered Accountants of India” These responsibilities include the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibilities

iii Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Control, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards

and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

iv. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Control System over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

v. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

vi. A Company’s Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purpose in accordance with Generally Accepted Accounting Principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the company; (2) provide reasonable assurance that

transaction 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 authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use , or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

vii. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

viii. In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate Internal Financial Controls System over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For Sanjay Modi & Co
Chartered Accountants
FRN.-322295E

Prodyat Chaudhuri
(Partner)
Membership No: 065401

Place: Kolkata
Dated: 25.05.2017



Balance Sheet

₹ in lakhs

Particulars	Note	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	6,129.98	6,129.98
Reserves and Surplus	3	23,639.89	17,355.13
		29,769.87	23,485.11
Non-Current Liabilities			
Long-Term Borrowings	4	3,828.35	9,214.57
Deferred Tax Liability (Net)	5	324.44	92.30
Long-Term Provisions	6	168.94	123.66
		4,321.73	9,430.53
Current Liabilities			
Short-Term Borrowings	7	18,652.79	11,565.11
Trade Payables	8	12,029.87	11,263.46
Other Current Liabilities	9	3,586.01	4,020.69
Short-Term Provisions	10	14.53	91.18
		34,283.20	26,940.44
TOTAL		68,374.80	59,856.08
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	11,101.15	3,702.86
Intangible Assets	11	113.90	27.20
Capital Work-in-Progress	11	1,138.33	7,197.20
Intangible Assets under Development	11	-	40.08
Non-Current Investments	12	8.45	8.45
Long-Term Loans and Advances	13	197.33	350.96
Other Non-Current Assets	14	111.99	206.54
		12,671.15	11,533.29
Current Assets			
Inventories	15	23,275.34	20,014.91
Trade Receivables	16	27,475.86	25,464.14
Cash and Cash Equivalents	17	709.90	716.92
Short-Term Loans and Advances	18	4,242.55	2,126.82
		55,703.65	48,322.79
TOTAL		68,374.80	59,856.08
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements

In terms of our report of even date

FOR SANJAY MODI & CO.

Chartered Accountants
Firm Reg no.322295E

Prodyat Chaudhuri

Partner
Membership no.065401

Place : Kolkata

Date : 25th May, 2017

For and on behalf of the Board

Pradip Kumar Todi
Managing DirectorAjay Kumar Patodia
Chief Financial OfficerPrabha Todi
DirectorSmita Mishra
Company Secretary

Statement of Profit & Loss

₹ in lakhs

Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Revenue from Operations (Gross)	19	97,156.21	94,086.54
Other Income	20	95.96	29.79
Total		97,252.17	94,116.33
EXPENSES			
Cost of Materials Consumed	21	41,596.17	45,241.60
Purchase of Stock-in-Trade	22	1,093.81	1,646.06
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	(646.38)	(1,379.54)
Employee Benefits Expense	24	2,513.63	2,046.35
Finance Costs	25	1,716.28	1,196.50
Depreciation & Amortization Expense	26	708.35	411.89
Other Expenses	27	40,643.39	37,085.49
Total		87,625.25	86,248.35
Profit before Tax		9,626.92	7,867.98
Tax Expense:			
Current Tax		3,110.00	2,769.00
Income Taxes for the earlier year		-	(9.29)
Deferred Tax		232.14	(25.79)
Profit for the year		6,284.78	5,134.06
Earnings per share (Nominal value ₹2/- each):	28		
Basic		24.89	20.33
Diluted		24.89	20.33
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements

In terms of our report of even date

FOR SANJAY MODI & CO.

Chartered Accountants
Firm Reg no.322295E

Prodyat Chaudhuri

Partner
Membership no.065401

Place : Kolkata

Date : 25th May, 2017

For and on behalf of the Board

Pradip Kumar Todi
Managing DirectorAjay Kumar Patodia
Chief Financial OfficerPrabha Todi
DirectorSmita Mishra
Company Secretary



Cash Flow Statement

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes and previous year adjustments	9,626.92	7,867.98
Adjustment for:		
Depreciation & Amortisation	708.35	411.89
Interest income	(49.67)	(28.83)
Loss (gain) on sale of fixed assets	0.54	(0.16)
Interest payment	1,716.28	1,196.50
Provision for Doubtful Debts	4.40	32.86
Provision of gratuity	46.26	25.82
Operating profit before working capital changes	12,053.08	9,506.06
Adjustment for:		
Trade and other receivables (Increase)/Decrease	(2,016.13)	(1,368.88)
Inventories (Increase)/Decrease	(3,260.43)	(1,127.08)
Loan advances & other current assets (Increase)/Decrease	(1,946.11)	490.57
Current liabilities Increase/ (Decrease)	(434.68)	1,803.42
Trade and other Payble Increase/(Decrease)	766.41	1,565.03
Cash generated from operations	5,162.14	10,869.12
Tax paid (Net)	(3,110.00)	(2,759.73)
Net cash from operating activities	2,052.14	8,109.39
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (Including capital work in progress)	(2,100.20)	(2,385.00)
Sale proceeds of fixed assets	5.27	6.19
Decrease/(Increase) in term deposit	91.49	(123.69)
Interest received	36.75	17.98
Net cash used in investing activities	(1,966.69)	(2,484.52)

Cash Flow Statement

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (repayment) from short borrowings	7,087.68	(9,474.63)
Proceeds/ (repayment) from long term borrowings	(5,386.22)	2,355.02
Interest paid	(1,716.28)	(1,196.50)
Dividend paid	(64.51)	(606.30)
Dividend tax paid	(13.13)	(122.33)
Net cash from used in financing activities	(92.46)	(9,044.74)
Net increase in cash and cash equivalents	(7.01)	(3,419.86)
Cash and cash equivalents at beginning of the year	716.92	4,136.77
Cash and cash equivalents at end of the year	709.91	716.91
Notes to the Cash Flow Statement		
1. This statement is prepared under indirect method as prescribed by AS-3 on cash flow statements		
2. Cash and cash equivalents comprise		
Cash in Hand	449.82	114.84
Balance with Bank on current Accounts	247.82	589.92
Other Bank Balance on Unpaid Deposit Account	12.26	12.15
	709.90	716.91

3. Previous periods' figures have been regrouped/rearranged wherever necessary to confirm with current year's presentation

In terms of our report of even date

FOR SANJAY MODI & CO.

Chartered Accountants
Firm Reg no.322295E

Prodyat Chaudhuri

Partner
Membership no.065401

Place : **Kolkata**

Date : 25th May, 2017

For and on behalf of the Board

Pradip Kumar Todi
Managing Director

Ajay Kumar Patodia
Chief Financial Officer

Prabha Todi
Director

Smita Mishra
Company Secretary



Notes to Financial Statements for the year ended March 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES:

a) Nature of Operation

Lux Industries Limited (the “Company”) is engaged in the business of manufacturing & sale of knitwears. The Manufacturing units of the company are located in Kolkata (Dankuni, Dulagarh), West Bengal and Tirupur, in the state of Tamilnadu. The Company is a Public Limited Company and its shares are listed on the National Stock Exchange of India Limited, BSE Ltd, Calcutta Stock Exchange Limited in India. The Company has operations in India and caters to both domestic and international markets.

b) Basis of Preparation of Accounts

The financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAPP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The accountings policies have been consistently applied by the company with those used in the previous year except where a newly issued Accounting Standard is initially adopted or a revision to an existing accounting standard/law requires a change in the accounting policy hitherto in use. The financial statements are presented in Indian rupees rounded off to the nearest rupees in lakhs.

All assets and liabilities have been 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. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities.

c) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make judgments, estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosure of Contingent Liabilities on the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and useful life of intangible assets. Although these estimates are based on the management’s best knowledge, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

d) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- a) **Sale of Goods:** Sales are recognized when goods are supplied and are net of Sales Return.
- b) **Revenue from Services:** Revenue from services is recognized as the service is performed based on agreements/arrangements with the concerned parties.
- c) **Interest:** Interests on Investments are recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d) **Dividends:** Revenue is recognized when the Company’s right to receive payment is established by the balance sheet date.

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

- e) **Export Benefits:** Export Entitlements in the form of Duty Drawback are recognized in the Profit and Loss account when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Export benefits under Focus Licence Scheme are recognized in the year of export itself provided there are no uncertainties as to the amount of duty entitlement. Such export benefits are booked separately as revenue by creating a claim against it on the assets side.

Export benefits in the form of Rebate of State Levies on Export of Garments (ROSL) are recognised in the year of export itself and the amount of rebate is calculated using FOB value and the rates and caps of rebate specified in ROSL scheme.

e) Accounting of Claims

- (a) Claims receivable are accounted for at the time when reasonable certainty of receipt is established. Claims payable are accounted for at the time of acceptance.
- (b) Claim raised by Government Authorities regarding taxes and duties, which are disputed by the Company, are accounted based on merits of each claim.

f) Expenditure

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

g) Government Grant:

The company receives sales tax incentive under the WBIP (A.I. Units) Scheme’1994 and the same is recognized as revenue in the period in which these are accrued and shown as income under the head “Other Operating revenue”. The Company has not received any non-monetary asset at concessional rate or free of cost as Government Grant.

In respect of capital subsidy on special machinery from government (under TUF-Scheme) the grant is shown as deduction from the value of assets, when subsidy is received from the government.

h) Fixed Assets

- (a) **Tangible Assets and Capital Work in Progress:** Tangible Assets are stated at their original cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price(net of modvat) and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to the acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

Subsequent expenditure related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Capital work in progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

- (b) **Intangible Assets & amortization:** Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised 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. The amortization rate used are :

Asset	%
Computer Software:	40.00



Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

- (c) **Depreciation:** Depreciation on fixed assets is provided on Straight Line method (SLM) over the useful lives of assets in the manner specified in Part C of schedule II to the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged.

i) Investments

Trade investments are investments made to enhance the Company's business interest.

Investments are classified as Current and Noncurrent on the management's intention. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Provision is made for any diminution in the market value of long term investment where such diminution is considered permanent in nature.

j) Valuation of Inventories

Raw materials including packing materials are carried at the lower of cost and net realizable value. Cost is determined on Weighted Average Cost method. Work in progress is carried at the lower of cost and net realizable value. Finished goods produced or purchased by the company are carried at lower of cost and net realizable value. Cost of finished goods and process stock includes cost of conversion and other costs incurred in bringing the inventories to their present locations and conditions. The company has valued inventory net of modvat benefits. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Change In Accounting Policies:

During the year the Company has revised its accounting policy of inventory valuation from the FIFO to the Weighted Moving Average Method consistent with the best accounting practices. The change in the above accounting policy has resulted decrease in value of inventories by ₹96.19 lakhs. Consequently the net profit for the year is lower by the said amount. Had the Company followed the FIFO method of inventory valuation, the surplus for the year ended would have been higher by ₹96.19 lakhs.

k) Retirement benefits to employees

Gratuity:

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company recognizes the net obligation of the gratuity as per actuarial valuation report in the Balance sheet in accordance with Accounting Standard (AS) 15, "Employee Benefits". Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the statement of Profit and Loss in the period in which they arise.

Provident Fund:

Eligible employees receive benefits from provident fund, which is a defined plan. Both the eligible employee and the Company make monthly contribution to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company also contributes a specific amount out of total contribution payable, to the government administered pension fund.

l) Taxes on Income

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions.

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably.

Deferred taxes are recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

Deferred tax Assets & Liabilities are measured using the Tax Rates & Tax Laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available.

Advance Taxes and Provisions for current taxes are presented in the Balance sheet after offsetting advance taxes paid and income tax provisions arising in the same tax jurisdiction and where the Company is able to and intends to settle the assets and liability on a net basis.

m) Provision, Contingent Liabilities And Contingent Assets

A provision is recognised if, as a result of past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised 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 recognised 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 can not 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 recognised 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 recognised in the period in which the change occurs.

n) Borrowing Cost

Borrowing Cost relating to acquisition or construction of fixed assets which take substantial period of time to get ready for its intended use are capitalized as part of the cost of a qualifying asset to the extent they relate to the period till such assets are ready to be put to use. Other Borrowing Costs are recognized as an expense in the year in which they are incurred.

o) Foreign Currency Transaction

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance sheet date. The gains or losses resulting from such translations are included in the statement of profit and loss. Non monetary assets and non monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transactions.

p) Segment Reporting Policies:

Based on the synergies, risks and returns associated with business operations and in terms of Accounting Standard-17, the Company's operating operation comprises of only one primary segment viz. manufacturing

**Notes to Financial Statements** for the year ended March 31, 2017 (Contd.)

and sale of Knitwear's. The Company also believes that even geographically, the product of the Company faces similar risk and returns and there is no separate segment that can be identified for the purpose of reporting under AS 17 on "Segment Reporting".

However, due to greater transparency and providing complete information to the stake holder / financial statements user in analyzing and understanding the Company's financial statements, the management of the company has provided additional information in respect of geographical segment. Such details have been given in Note No. 31.

q) Earnings per Share (Basic & Diluted)

Basic earnings (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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.

r) Impairment of assets:

Impairment loss is recognized wherever the carrying amount of an assets is in excess of its recoverable amount and the same is recognized as an expenses in the statement of Profit & Loss and carrying amount of the assets is reduced to its recoverable amount.

Reversal of impairment losses recognized in prior year is recovered when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

s) Cash Flow Statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from Operating, Financing and Investing activities of the Company are segregated. Cash and cash equivalents in the Balance Sheet comprises cash at bank, cash/cheques in hand and unpaid deposit account.

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)**2 SHARE CAPITAL****a) Authorised, Issued, Subscribed and Paid up Share Capital**

Particulars	As at March 31, 2017		As at March 31, 2016	
	Numbers	(₹ in lakhs)	Numbers	(₹ in lakhs)
Authorised				
Equity Shares of ₹2/- each (P.Y ₹10/- each)	45000000	900.00	9000000	900.00
Preference Shares of ₹100/- each (P.Y ₹100/- each)	5600000	5,600.00	5600000	5,600.00
Issued and Subscribed				
Equity Shares of ₹2/- each (P.Y ₹10/- each)	27737500	554.75	5547500	554.75
Preference Shares of ₹100/- each (P.Y ₹100/- each)	5600000	5,600.00	5600000	5,600.00
Paid up				
Equity Shares of ₹2/- (P.Y ₹10/-) each fully paid up	25253000	505.06	5050600	505.06
Add : Forfieted Shares (Paid up)	2484500	24.92	496900	24.92
Preference Shares of ₹100/- each (P.Y ₹100/- each)	5600000	5,600.00	5600000	5,600.00
Total		6,129.98		6,129.98

Note: A sub division of shares was approved at the share holders meeting held on 25th May, 2016. Accordingly ordinary shares of the Company was sub divided from face value of ₹10/- each to face value of ₹2/- each. The Sub-divided shares commenced trading on 6th June, 2016.

b) Reconciliation of number of Equity shares outstanding

Particulars	As at March 31, 2017		As at March 31, 2016	
	Numbers	(₹ in lakhs)	Numbers	(₹ in lakhs)
Equity Shares at the beginning of the year	5050600	529.98	5050600	529.98
Equity Shares at the closing of the year	25253000	529.98	5050600	529.98

c) Reconciliation of number of Preference shares outstanding

Particulars	As at March 31, 2017		As at March 31, 2016	
	Numbers	(₹ in lakhs)	Numbers	(₹ in lakhs)
Preference Shares at the beginning of the year	5600000	5,600.00	5600000	5,600.00
Preference Shares at the closing of the year	5600000	5,600.00	5600000	5,600.00

d) Rights, Preference and Restrictions attached to Equity and Preference Shares

The Company has equity shares with a par value of ₹2/- per share & Pref. share with a Par value of ₹100/- per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder, are in proportion to its share of the paid up equity capital of the Company. The Company declares and pays dividends in Indian rupees. The holders of preference shares are entitled to a dividend of 0.25%.

Preference shares carry a preferential right as to dividend over equity share holders. The preference share holders shall not carry any voting rights. Such preference shares shall be redeemed at a premium of ₹100/- per share within twenty years from the date of allotment. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid up and dividend arrear on such shares.

**Notes to Financial Statements** for the year ended March 31, 2017 (Contd.)**e) The details of Equity shareholders holding more than 5% shares of the company**

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016	
	Numbers	% age	Numbers	% age
Prabha Devi Todi	3723000	14.74	829000	16.41
Pradip Kumar Todi	4482500	17.75	896500	17.75
Ashok Kumar Todi	3730000	14.77	746000	14.77
Bimla Devi Todi	3505000	13.88	701000	13.88
Shobha Devi Todi	2752500	10.9	550500	10.9

f) The details of Preference shareholders holding more than 5% shares of the company

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016	
	Numbers	% held	Numbers	% held
Biswanath Hosiery Mills Ltd	1500000	26.79	1500000	26.79
Rotex Intertrade Pvt. Ltd	1500000	26.79	1500000	26.79
Chitragupta Sales and Services Pvt. Ltd	1500000	26.79	1500000	26.79
Hollyfield Traders Pvt. Ltd	1100000	19.64	1100000	19.64

3 RESERVES AND SURPLUS

Particulars	As at March 31, 2017	As at March 31, 2016
Securities Premium Reserve		
Balance at the beginning of the year	653.58	653.58
Balance at the end of the year	653.58	653.58
General Reserve		
Balance at the beginning of the year	1,377.70	1,277.70
Less: Adj in value of assets as per Transition Prov. Specified in Sch-II	-	-
	1,377.70	1,277.70
Add: Transferred from surplus in the statement of Profit & Loss	100.00	100.00
Balance at the end of the year	1,477.70	1,377.70
Total	2,131.28	2,031.28
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	15,323.85	10,732.15
Add : Profit for the year	6,284.78	5,134.06
Amount Available for appropriations	21,608.63	15,866.21
Less: Appropriations		
Preference Dividend	-	14.00
Interim Equity Dividend	-	303.03
Final Equity Dividend	-	50.51
Total Dividend	-	367.54
Dividend Tax	-	74.82
Transfer to General Reserve	100.00	100.00
Surplus carried to Balance Sheet	21,508.63	15,323.85
Total	23,639.90	17,355.13

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)**4 LONG TERM BORROWINGS**

Particulars	As at March 31, 2017	As at March 31, 2016
SECURED LOANS		
Term loans from banks	1,275.29	1,939.29
	1,275.29	1,939.29
UNSECURED LOANS FROM RELATED PARTIES		
(Refer Note No. 30)		
From Body Corporates	1,270.45	898.03
From Directors	1,282.61	6,377.25
	2,553.06	7,275.28
Total	3,828.35	9,214.57

a) Repayment terms and naure of securities given for term loan as follows :

Bank	31-Mar-17	31-Mar-16	Nature of Security	Repayment Terms
Allahabad Bank	131.48	411.75	Exclusive Hypothecation charge over the machinery/equipments acquired under facilities out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the Company, both present & future and also secured by personal guarantee of the directors.	Repayable in 20 equal quarterly instalment of ₹34.25 lakhs each commencing from June, 2018. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	201.53	-	Exclusive Hypothecation charge over the machinery/equipments acquired under facilities out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the Company, both present & future and also secured by personal guarantee of the directors.	Repayable in 20 equal quarterly instalment of ₹10 lakhs each commencing from December, 2017. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	76.67	-	Exclusive Hypothecation charge over the machinery/equipments acquired under facilities out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the Company, both present & future and also secured by personal guarantee of the directors.	Repayable in 12 equal quarterly instalment of ₹83.34 lakhs each commencing from December, 2015. Interest @ MCLR is serviced on monthly basis as and when due.

**Notes to Financial Statements** for the year ended March 31, 2017 (Contd.)**a) Repayment terms and nature of securities given for term loan as follows : (contd.)**

Bank	31-Mar-17	31-Mar-16	Nature of Security	Repayment Terms
State Bank of India	2391.27	3291.90	Exclusive Hypothecation charge over the factory land & building constructed at Mouza-Chirkand & Mollarbar JL No.81 & 82. P.S. Chanditala & Sreerampore measuring 4 acres 43 sataks and building constructed thereon, and hypothecation charge on 1st charge basis on Plant & Machinery and other fixed assets installed upon the premises through this Term Loan on exclusive basis. It is additionally secured by extension of charge over the stocks, book debts and the other current assets of the Company, both present and future by the WC Lenders. It is additionally secured by personal guarantee of the directors.	Repayable in 8 equal quarterly instalment of ₹357 lakhs each commencing from December, 2016. Interest @ MCLR + 1.50% is serviced on monthly basis as and when due.

5 DEFERRED TAX LIABILITIES (NET)

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Assets		
Tax impact of timing differences leading to deferred tax assets		
Provision for doubtful debts/advances	67.29	65.76
Provision for Employee benefits	63.49	47.49
Deferred Tax Liabilities		
Difference between book value of depreciable assets as per books of account and written down value for tax purpose	455.22	205.55
Net deferred tax Liabilities	324.44	92.30

6 LONG TERM PROVISIONS

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Employee benefits	168.94	123.66
Total	168.94	123.66

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)**7 SHORT TERM BORROWINGS**

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
SECURED		
(Repayable on demand)		
From Banks		
Cash Credit facilities	18,652.79	11,565.11
Total	18,652.79	11,565.11

a) Cash Credit loan is secured against hypothecation of entire stocks, book debts and other current assets, both present and future of Company.

It is additionally secured by personal guarantee of the directors.

8 TRADE PAYABLES

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Due to Micro, Small & Medium Enterprises (Refer note no.33)	27.01	91.06
Others	12,002.86	11,172.40
Total	12,029.87	11,263.46

9 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturity of long term debt	1,525.67	1,764.36
Unclaimed Dividend	12.26	12.15
Statutory dues	472.89	714.47
Advance from customers	320.41	204.88
Deposits from Dealers, Agents etc.	911.75	733.01
Other payables	343.03	591.82
Total	3,586.01	4,020.69

9.1 Other payables includes Electric charges, Telephone charges, Salary, Freight charges payables etc.

10 SHORT TERM PROVISIONS

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employee benefit	14.53	13.54
Proposed Dividend	-	64.51
Tax on Proposed Dividend	-	13.13
Total	14.53	91.18

**Notes to Financial Statements** for the year ended March 31, 2017 (Contd.)**11 Fixed Assets**

Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at April 01, 2016	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2017	As at April 01, 2016	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Tangible Assets										
Land	882.14	12.50	-	894.64	-	-	-	-	894.64	882.14
Building	686.35	5,732.74	-	6,419.10	113.98	163.74	-	277.73	6,141.37	572.37
Plant & Equipments	3,399.11	1,799.81	37.11	5,161.81	1,607.36	425.40	31.55	2,001.21	3,160.60	1,791.76
Office Equipments	119.78	49.39	(0.26)	169.44	61.56	19.56	(0.29)	81.41	88.03	58.22
Furniture & Fixture	297.34	164.41	(0.76)	462.51	109.45	36.58	(0.63)	146.66	315.85	187.89
Vehicle	303.42	338.42	1.02	640.82	92.95	47.88	0.67	140.17	500.66	210.47
	5,688.14	8,097.27	37.11	13,748.32	1,985.30	693.17	31.30	2,647.18	11,101.15	3,702.85
Capital Work in Progress									1,138.33	7,197.20
Sub Total (A)	5,688.14	8,097.27	37.11	13,748.32	1,985.30	693.17	31.30	2,647.18	12,239.48	10,900.05
Intangible Assets										40.08
Computer Software	138.13	101.89	94.73	145.28	110.93	15.19	94.73	31.38	113.90	27.20
Intangible Assets under Development										
Sub Total (B)	138.13	101.89	94.73	145.28	110.93	15.19	94.73	31.38	113.90	67.28
Total (A+B)	5,826.28	8,199.16	131.84	13,893.60	2,096.23	708.35	126.03	2,678.55	12,353.38	10,967.34
PREVIOUS YEAR	5,419.87	410.35	3.94	5,826.28	1,682.25	411.89	(2.09)	2,096.22	10,967.34	

Note: 1 Computer Software amortised on straight line method over the estimated useful life of 30 months.

Note: 2 Captial work in progress includes ₹281.54 lakhs towards cost of purchase of office building at Mumbai for which registration has been done in favour of the company but no possession has been given till date.

12 NON-CURRENT INVESTMENTS

Particulars	Number of Shares	As at March 31, 2017	As at March 31, 2016
Other Investment			
Unquoted Equity Share of ₹10/- each fully paid up (Valued at Cost)			
J.M. Hosiery & Co. Ltd.	84000	8.40	8.40
West Bengal Hosiery Park Infrastructure Limited	500	0.05	0.05
		8.45	8.45
Total		8.45	8.45
Aggregate Amount of Unquoted Investment		8.45	8.45
Aggregate provision for diminution in value of Investments		-	-

13 LONG TERM LOANS & ADVANCES

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured Considered Good		
Capital Advances	54.82	107.83
Security Deposits	142.51	243.13
Total	197.33	350.96

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)**14 OTHER NON - CURRENT ASSETS**

Particulars	As at March 31, 2017	As at March 31, 2016
Bank deposit with more than 12 months maturity	82.76	174.25
Non Current Portion of Prepaid Expenses	1.36	17.35
Interest accrued on deposits.	27.87	14.94
Total	111.99	206.54

15 INVENTORIES (at lower of cost and net realiasble value)

Particulars	As at March 31, 2017	As at March 31, 2016
Raw Materials	2,114.77	1,081.31
Work-in-progress	5,434.14	8,123.16
Finished goods (Manufactured)	12,479.49	9,143.36
Stock-in-trade (Goods purchased for resale)	-	0.72
Packing materials	3,246.94	1,666.35
Total	23,275.34	20,014.90

16 TRADE RECEIVABLES

Particulars	As at March 31, 2017	As at March 31, 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	811.80	453.15
Unsecured, considered doubtful	188.18	183.79
Less: Provision for doubtful debts	188.18	183.79
	811.80	453.15
Outstanding for a period less then six months from the date they are due for payment		
Unsecured, considered good	26,664.06	25,010.99
Total	27,475.86	25,464.14

16.1 Trade Receivales includes due from companies where directors are interested ₹844.02 lakhs (P.Y ₹1402.14 lakhs).

17 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2017	As at March 31, 2016
Cash on hand	449.82	114.84
Balances with bank		
On current account	247.82	589.93
Other bank balances		
Unpaid Dividend	12.26	12.15
Total	709.90	716.92

**Notes to Financial Statements** for the year ended March 31, 2017 (Contd.)**18 SHORT TERM LOANS AND ADVANCES (Unsecured considered good unless otherwise stated)**

Particulars	₹ in lakhs	
	As at March 31, 2017	As at March 31, 2016
Loans and Advances to employees	133.59	145.71
Prepaid Expenses	583.06	42.16
Advance Income Tax (Net of Provisions)	61.87	17.12
Balance with Government Authorities	341.11	168.95
Incentives/ Duty Drawback Receivables	727.36	515.93
Advances to Suppliers	1,787.99	1,178.27
Other Loans and Advances	607.57	58.67
(Unsecured considered Doubtful)		
Advance to Supplier	6.24	6.24
Less: Provision for doubtful advances	6.24	6.24
Total	4,242.55	2,126.82

19 REVENUE FROM OPERATION

Particulars	₹ in lakhs			
	As at March 31, 2017		As at March 31, 2016	
	Amount	Amount	Amount	Amount
Sale of Products				
i) Manufactured Goods		95,493.92		92,955.55
ii) Stock-in-trade		74.51		24.54
Sale of Services				
Processing Charges Received		365.53		98.25
Other Operating Revenue				
i) Assist Under WBIP Scheme	179.37		170.35	
ii) Export Incentives	1,037.40		821.27	
iii) Incentive received on yarn purchase	5.35		15.50	
iv) Others	0.13	1,222.25	1.08	1,008.20
Total		97,156.21		94,086.54

19.1 Other Operating revenue includes Sales Tax rebate received during the year etc.

20 OTHER INCOME

Particulars	₹ in lakhs			
	As at March 31, 2017		As at March 31, 2016	
	Amount	Amount	Amount	Amount
Interest Income				
i) From Bank Deposits	28.73		13.66	
ii) From Loans & Advances / Delayed payments	8.94	37.67	3.17	16.83
Rent Received		7.20		7.20
Hiring charges from Plant & Machinery		4.80		4.80
Other Non Operating Income				
Profit on Sale of Vehicle		0.01		0.96
Insurance Claim Received		46.28		-
Total		95.96		29.79

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)**21 COST OF MATERIAL CONSUMED**

Particulars	₹ in lakhs			
	As at March 31, 2017		As at March 31, 2016	
	Amount	Amount	Amount	Amount
Yarn Consumed				
Opening Stock	1,081.31		1,517.52	
Add : Purchases during the year	21,459.34		20,168.85	
	22,540.65		21,686.37	
Less: Yarn Sale	49.97		3.27	
Less : Closing Stock	2,114.77	20,375.91	1,081.31	20,601.79
Packing Materials Consumed				
Opening Stock	1,666.35		1,482.59	
Add: Purchases during the year	11,435.26		12,928.42	
	13,101.61		14,411.01	
Less: Closing Stock	3,246.93	9,854.68	1,666.35	12,744.66
Consumption of Fabrics		11,365.58		11,895.15
Total		41,596.17		45,241.60

22 Purchase of Stock in Trade (Knitwear)

Particulars	₹ in lakhs			
	As at March 31, 2017		As at March 31, 2016	
	Amount	Amount	Amount	Amount
Purchase of Stock in Trade (Knitwear)		1,093.81		1,646.06
Total		1,093.81		1,646.06

23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Particulars	₹ in lakhs			
	As at March 31, 2017		As at March 31, 2016	
	Amount	Amount	Amount	Amount
Finished Goods				
Opening Stock	9,143.36		7,655.82	
Closing Stock	12,479.49	(3,336.13)	9,143.36	(1,487.54)
Work-in-progress				
Opening Stock	8,123.16		8,213.33	
Closing Stock	5,434.13	2,689.03	8,123.16	90.17
Stock in trade				
Opening Stock	0.72		18.56	
Closing Stock	-	0.72	0.72	17.84
Total		(646.38)		(1,379.53)

**Notes to Financial Statements** for the year ended March 31, 2017 (Contd.)**24 EMPLOYEE BENEFIT EXPENSE**

Particulars	As at March 31, 2017		As at March 31, 2016	
	Amount	Amount	Amount	Amount
Salaries & Wages & Bonus	2,286.68		1,874.42	
Provision for Employment benefit	56.30	2,342.98	30.07	1,904.49
Contribution to Provident & Other Funds		83.50		68.29
Staff Welfare Expenses		87.15		73.57
Total		2,513.63		2,046.35

25 FINANCE COST

Particulars	As at March 31, 2017		As at March 31, 2016	
	Amount	Amount	Amount	Amount
Interest Expense		1,504.47		942.33
Bank Charges (including Loan Processing charges)		211.81		254.17
Total		1,716.28		1,196.50

25.1 Interest Expenses are net of interest capitalised of ₹77.48 Lakhs (P.Y ₹346.90 Lakhs)

26 DEPRECIATION & AMORTIZATION EXPENSE

Particulars	As at March 31, 2017		As at March 31, 2016	
	Amount	Amount	Amount	Amount
Depreciation on Tangible Assets		693.17		402.98
Amortization on Intangible Assets		15.18		8.91
Total		708.35		411.89

27 OTHER EXPENSES

Particulars	As at March 31, 2017		As at March 31, 2016	
	Amount	Amount	Amount	Amount
Consumption Of stores & spare parts		141.45		102.40
Power & Fuel		5.93		4.50
Rent		209.82		394.97
Repairs to buildings		32.55		18.98
Repairs to machinery		6.65		21.20
Repairs to other		69.40		52.15
Insurance		46.23		35.33
Rates & Taxes		121.84		114.74
Selling Expenses		6,552.90		5,781.31
Royalty		5.00		5.00
Advertisement & Publicity		7,551.09		5,558.10
Commission		1,005.97		1,010.89
Freight & Other Handling Charges		1,676.52		1,731.58
Bad Debts		2.04		20.77
Processing expense		20,716.21		20,395.46

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)**27 OTHER EXPENSES (Contd.)**

Particulars	As at March 31, 2017		As at March 31, 2016	
	Amount	Amount	Amount	Amount
Prior Period Items		2.92		(10.22)
Loss on Sale of Vehicle		0.55		0.80
Foreign currency translation loss (net)		388.87		197.81
Miscellaneous Expenses		2,079.37		1,604.44
Payment to auditors (Refer note 32)		23.68		12.41
Provision for Doubtful Debts/Advance		4.40		32.87
Total		40,643.39		37,085.49

27.1

Particulars	As at March 31, 2017		As at March 31, 2016	
	Amount	Amount	Amount	Amount
Prior Period Items Includes:-				
Debits Relating to Earlier Year		3.24		2.48
Credits relating to Earlier Year		0.32		12.7
		2.92		(10.22)

27.2 Miscellaneous Expenses includes expenditure related to Corporate Social Responsibility (CSR) as per section 135 of the Companies Act, 2013 read with Schedule VII thereof amounting ₹135.99 lakhs (P.Y ₹98.11 lakhs)

28 EARNING PER SHARE COMPUTED IN ACCORDANCE WITH AS 20: "EARNING PER SHARE"

Particulars	As at March 31, 2017		As at March 31, 2016	
	Amount	Amount	Amount	Amount
Profit for the year		6,284.78		5,134.06
Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS.		252.53		252.33
Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS		252.53		252.33
Nominal Value per share (₹)		2/-		2/-
Earning per shares				
Basic		24.89		20.33
Diluted		24.89		20.33

Note: The earnings per share reported for the previous year were recalculated and restated, using sub divided no of shares, to enable comparison with the current reporting period as per para 24 of AS 20 "Earning Per Share".

**Notes to Financial Statements** for the year ended March 31, 2017 (Contd.)**29. Particulars of Contingent Liabilities and Commitments****(i) Contingent Liabilities**

Claims against the Company not acknowledged as liabilities in respect of:

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Sales Tax Matters	61.72	210.72
Customs and Excise matters	346.27	346.27
Service tax matters	136.22	136.22
Guarantee Given	11.77	11.77
Provident Fund matters	1,110.67	-

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) ₹0.95 lakhs (Previous year ₹800 lakhs)
- 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.

30. Related Party Disclosures

As required by Accounting Standard (AS-18) on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, are as below:-

a) Key Managerial Personnel:

- Shri Ashok Kumar Todi, Executive Chairman (Whole Time Director)
- Shri Pradip Kumar Todi, Managing Director
- Smt. Prabha Todi, Executive Director

b) Relatives of Key Managerial Personnel:

- Shri Saket Todi
- Shri Udit Todi
- Miss Priyanka Todi

c) Executive officers

Ajay Kumar Patodia, Chief Financial Officer

d) Company Secretary

Pankaj Kedia, Company Secretary (till 14.02.17)
Smita Mishra, Company Secretary (appointed effective 14.02.17)

e) Entities controlled by Director/Relatives:

Biswnath Hosiery Mills Ltd.
J M Hosiery & Co. Ltd.
Rotex Intertrade Pvt. Ltd.
Chitragupta Sale & Services Pvt. Ltd.
HollyField Traders Pvt. Ltd.
Ebell Fashions Pvt. Ltd.
Jaytee Exports
PG.Infometric Pvt. Ltd.

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

Related party relationships are as identified by the company on the basis of available information.

The company's related party transactions during the year and outstanding balances are as below:

₹ in lakhs

Sl. No.	Nature of Transaction	Key Management Personnel		Relatives of Key Management Personnel		Associates controlled by Director/Relatives	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1	Sale of goods						
	J.M.Hosiery & Co Ltd.	-	-	-	-	2072.57	56.99
	Biswanath Hosiery Mills Ltd	-	-	-	-	13.96	64.39
	Ebell Fashions Pvt. Ltd.	-	-	-	-	597.51	859.30
	Jaytee Exports	-	-	-	-	17.75	-
	Total	-	-	-	-	2701.79	980.68
2	Sale of Focus Licence						
	Ebell Fashions Pvt.Ltd.	-	-	-	-	55.80	71.90
	Total	-	-	-	-	55.80	71.90
3	Purchase of goods						
	J.M.Hosiery & Co Ltd.	-	-	-	-	789.65	1112.66
	Ebell Fashions Pvt. Ltd.	-	-	-	-	105.92	28.48
	Jaytee Exports	-	-	-	-	386.62	462.34
	Biswanath Hosiery Mills Ltd.	-	-	-	-	-	51.14
	Total	-	-	-	-	1282.19	1654.62
4	Payment for Assets						
	Biswanath Hosiery Mills Ltd.	-	-	-	-	2.36	-
	Total	-	-	-	-	2.36	-
5	Payment for services						
	J.M.Hosiery & Co Ltd.- Agent Commission	-	-	-	-	5.14	5.92
	Biswanath Hosiery Mills Ltd.- Raising Charges	-	-	-	-	5.00	28.50
	Holly Field Traders Pvt. Ltd.-Rent Paid	-	-	-	-	1.80	1.80
	PG.Infometric Pvt. Ltd.-Rent	-	-	-	-	22.06	21.88
	PG.Infometric Pvt. Ltd.-Data Processing	-	-	-	-	27.58	27.34
	Total	-	-	-	-	61.58	85.44
6	Received towards sevicees						
	Ebell Fashions Pvt.Ltd. (Knitting Charges)	-	-	-	-	135.73	-
	Total	-	-	-	-	135.73	-
7	Reimbursement of Expenses (Payment)						
	J.M.Hosiery & Co Ltd. (Statutory Tax)	-	-	-	-	-	00.40
	Total	-	-	-	-	-	00.40
8	Reimbursement of Expenses (Receipt)						
	Ebell Fashions Pvt. Ltd. (Statutory Tax)	-	-	-	-	-	205.82
	Total	-	-	-	-	-	205.82

**Notes to Financial Statements** for the year ended March 31, 2017 (Contd.)

Sl. No.	Nature of Transaction	Key Management Personnel		Relatives of Key Management Personnel		Associates controlled by Director/Relatives	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
9	Payment of Taxes						
	Ebell Fashions Pvt. Ltd. (Statutory Tax)	-	-	-	-	250.66	-
	Total	-	-	-	-	250.66	-
10	Reimbursement of Taxes						
	Ebell Fashions Pvt. Ltd. (Statutory Tax)	-	-	-	-	250.66	-
	Total	-	-	-	-	250.66	-
11	Payment of Taxes by Ebell Fashions Pvt.Ltd.						
	Lux Industries Limited (Statutory Tax)	-	-	-	-	21.02	-
	Total	-	-	-	-	21.02	-
12	Reimbursement of Taxes by Lux Industries Limited						
	Ebell Fashions Pvt. Ltd. (Statutory Tax)	-	-	-	-	21.02	-
	Total	-	-	-	-	21.02	-
13	Remuneration						
	Ashok Kumar Todi	240.00	240.00	-	-	-	-
	Pradip Kumar Todi	240.00	240.00	-	-	-	-
	Total	480.00	480.00	-	-	-	-
14	Royalty paid						
	Biswanath Hosiery Mills Ltd.	-	-	-	-	-	5.00
	Total	-	-	-	-	-	5.00
15	Salary						
	Saket Todi	-	-	12.00	12.00	-	-
	Udit Todi	-	-	12.00	12.00	-	-
	Priyanka Todi	-	-	12.00	12.00	-	-
	Ajay Patodia (CFO)	15.00	15.00	-	-	-	-
	Pankaj Kumar Kedia (CS)	8.20	12.00	-	-	-	-
	Smita Mishra (CS)	1.00	-	-	-	-	-
	Total	24.20	27.00	36.00	36.00	-	-
16	Interest paid						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	17.70	11.65
	RotexIntertrade Pvt. Ltd.	-	-	-	-	13.05	21.19
	Biswanath Hosiery Mills Ltd	-	-	-	-	12.63	13.56
	HollyField Traders Pvt. Ltd.	-	-	-	-	19.80	7.56
	Total	-	-	-	-	63.18	53.96
17	Loan received						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	1158.00	1596.00
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	1015.00	601.00
	Biswanath Hosiery Mills Ltd	-	-	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

Sl. No.	Nature of Transaction	Key Management Personnel		Relatives of Key Management Personnel		Associates controlled by Director/Relatives	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
	HollyField Traders Pvt. Ltd.	-	-	-	-	1214.00	904.75
	Ashok Kumar Todi	1932.00	3470.90	-	-	-	-
	Pradip Kumar Todi	1155.00	3032.00	-	-	-	-
	Total	3087.00	6502.90	-	-	3387.00	3101.75
18	Loan repayment						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	796.74	1440.17
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	1237.84	866.45
	Holly Field Traders Pvt. Ltd.	-	-	-	-	902.06	710.62
	Biswanath Hosiery Mills. Ltd.	-	-	-	-	134.80	13.36
	Ashok Kumar Todi	3019.75	1668.29	-	-	-	-
	Pradip Kumar Todi	5211.64	3101.64	-	-	-	-
	Total	8231.39	4769.93	-	-	3071.44	3030.60
19	Outstanding as at 31st March						
	(a) Sundry creditors						
	Biswanath Hosiery Mills Ltd.	-	-	-	-	24.66	45.70
	J.M.Hosiery & Co Ltd.	-	-	-	-	156.96	230.12
	HollyField Traders Pvt. Ltd.-Rent	-	-	-	-	0.90	1.40
	Ebell Fashions Pvt. Ltd.	-	-	-	-	187.53	84.14
	Total	-	-	-	-	370.05	361.36
	(b) Unsecured loans						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	576.38	199.19
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	13.23	224.33
	HollyField Traders Pvt. Ltd.	-	-	-	-	643.80	314.04
	Biswanath Hosiery Mills Ltd	-	-	-	-	37.03	160.47
	Ashok Kumar Todi	1200.97	2288.72	-	-	-	-
	Pradip Kumar Todi	31.89	4088.53	-	-	-	-
	Prabha Todi	49.75	-	-	-	-	-
	Total	1282.61	6377.25	-	-	1270.44	898.03
	(c) Advance Recoverable in cash or value to be received						
	J.M.Hosiery & Co Ltd.	-	-	-	-	383.64	853.40
	Ebell Fashions Pvt. Ltd.	-	-	-	-	442.64	517.27
	Biswanath Hosiery Mills Ltd.	-	-	-	-	-	31.47
	P.G. Infometric Pvt. Ltd.	-	-	-	-	81.75	34.68
	Jaytee Exports	-	-	-	-	271.41	9.70
	Total	-	-	-	-	1179.44	1446.52
	(d) Security Deposit						
	P.G.Infometric Pvt. Ltd.	-	-	-	-	25.00	25.00
	Total	-	-	-	-	25.00	25.00

**Notes to Financial Statements** for the year ended March 31, 2017 (Contd.)**31. Segment Reporting**

The Company has only one business segment viz. manufacturing and sales of knitwear, which is treated as the primary segment by the Company. As stated in Note no. 1, the Company believes that its business activity falls in a single business and geographical segment and having no reportable segments. However, to provide full information to the stakeholders, the management of the company has provided additional information in respect of Geographical Segment as per below:

₹ in lakhs		
Particulars	2016-17	2015-16
1. Segment Revenue		
-Within India	87,885.93	83,769.14
-Outside India	9,270.28	10,317.40
Total	97,156.21	94,086.54
2. Segment Assets		
-Within India	67,300.92	58,273.82
-Outside India	1,073.88	1,582.25
Total	68,374.80	59,856.07
3. Capital Expenditure		
-Within India	2,100.20	2,385.00
-Outside India	-	-
Total	2,100.20	2,385.00

32 AUDITOR'S REMUNERATION INCLUDES:

₹ in lakhs		
Particulars	2016-17	2015-16
As Auditor	6.32	6.30
Taxation Matter	17.25	6.11
Others	0.11	-
Total	23.68	12.41

33. Based on the information available with the company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 in the current year is ₹27.01 lakhs (Previous Year ₹0.91 lakhs) and no interest during the year has been paid or is payable under the terms of MSMED Act, 2006.

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 on the basis of information available with the Company. This has been relied upon by the auditors.

34. 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.

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

(a) Amount spent during the year on:

₹ in lakhs				
Sl. No.	Particulars	Amount (in Cash/Bank)	Amount (yet to be paid)	Total
1.	Construction/ acquisition of any assets			
2.	On purpose other than (1) above			
	- Education and Skill development	43.02		43.02
	- Health Care	31.11		31.11
	- Others	61.86		61.86
		135.99		135.99

(b) No contribution has been made to any related party as per Accounting Standard (AS) 18, Related party disclosures.

35. Gratuity benefit plans:

The Company has a defined Gratuity Benefit 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.

(a) The following table summaries the components of the net benefit expenses recognized in the profit and loss account and amounts recognized in the balance sheet for respective plans.

₹ in lakhs		
Particulars	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Present Value of Obligation at the beginning of the year	137.21	111.40
Current Service Cost	39.01	29.65
Interest Cost	12.02	9.97
Net Acturial Losses / (Gain)	4.98	(9.55)
Benefit Paid	9.76	4.26
Present Value of Obligation at the end of the year	183.46	137.21

The Provision for Gratuity is charged to the Statement of Profit and Loss and same is shown in Note No. 24 of the Notes to Accounts.

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

Particulars	As at March 31, 2017	
	As at March 31, 2016	
Discount Rate	8.00%	8.00%
Rate of increase in Salaries	6.00%	6.00%
Expected average remaining working lives of employees (years)	24.03%	24.03%
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees	

**Notes to Financial Statements** for the year ended March 31, 2017 (Contd.)

(c) Amount recognized in Current year and previous four years is as follows:

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of obligation as at the beginning	137.21	111.40	83.63	62.50	45.28
Current Service cost	39.01	29.65	26.36	21.27	13.97
Interest cost	12.02	9.97	7.80	6.58	4.85
Total Expenses recognized in P/I account	56.01	30.07	37.56	22.46	17.82
Actuarial (gain) /loss during the year	4.98	(9.55)	3.41	(5.39)	(1.00)
Actual benefit paid	9.76	4.26	9.80	1.33	0.60
Present value of obligation as at the end of	183.46	137.21	111.40	83.63	62.50
Fair value of plan assets	0.00	0.00	0.00	0.00	0.00
Liability recognized in Balance Sheet	183.46	137.21	111.40	83.63	62.50

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

36. The Company has recognized the following amount as an expenses and included "Contribution to provident and other Funds":-

Particulars	As at March 31, 2017	As at March 31, 2016
Contribution to Provident/ Pension funds	54.21	47.90
Total	54.21	47.90

37. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE BALANCE SHEET DATE.

Particulars	As at 31.03.2017		As at 31.03.2016	
	US \$/INR EQUIVALENT	(Amount in Lakhs)	US \$/INR EQUIVALENT	(Amount in Lakhs)
Amount Receivable in				
Foreign currency on account of the following:	US\$	16.78	US\$	23.91
Trade Receivables	INR	1,090.99	INR	1,582.25
Amount payables in				
Foreign currency on account of the following:	US\$	5.31		Nil
Trade payables	INR	344.55		Nil

38. Disclosures pursuant to Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Loans and advances in the nature of loan to others		
i) Loan to Frontiers Warehousing Pvt. Ltd		
Balance at the year end	-	-
Maximum amount outstanding at any time during the year		100.00
It is repayable over a period of one year and carries rate of interest of 15%.		
ii) Loan/ advance to Jalan and Sons		
Balance at the year end	29.22	26.52
Maximum amount outstanding at any time during the year	29.22	26.52
It is repayable over a period of one year and carries rate of interest of 12%.		

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
iii) Loan to West Bengal Hosiery Park Infrastructure Ltd		
Balance at the year end	0.40	0.40
Maximum amount outstanding at any time during the year	0.40	1800.00
It is repayable over a period of one year and carries rate of interest of 9%.		
iv) Loan to Mana Maa Garments		
Balance at the year end	47.09	-
Maximum amount outstanding at any time during the year	100.00	-
It is repayable over a period of one year and carries rate of interest of 12%.		

Note: it was informed to us that such loan was utilized for working capital requirements.

b) Investment by the Company in the shares of the another company

The Company has not made any investments in the shares of the company during the year.

39. PARTICULARS IN RESPECT OF SALES

Class of goods	Value (₹ in lakhs)	
	2016-17	2015-16
Knitwear	95,568.42	92,980.09

40. DETAILS OF FINISHED STOCK

Class of goods	Value (₹ in lakhs)	
	2016-17	2015-16
i) Opening stock Knitwear	9,143.36	7,655.82
ii) Closing stock Knitwear	12,479.49	9,143.36

41. DETAILS OF FINISHED GOODS PURCHASED

Class of goods	Value (₹ in lakhs)	
	2016-17	2015-16
Knitwear	1,093.81	1,646.06

42. PARTICULARS ABOUT WORK IN PROGRESS

Class of goods	Value (₹ in lakhs)	
	2016-17	2015-16
Fabrics	5,434.13	8,123.16

43. DETAILS OF RAW MATERIALS CONSUMED DURING THE YEAR

Class of goods	Value (₹ in lakhs)	
	2016-17	2015-16
Yarn	20,375.90	20,601.79
Fabric	11,365.60	11,895.15
Packing material & Others	9,854.67	12,744.66
Total	41,596.17	45,241.60

**Notes to Financial Statements** for the year ended March 31, 2017 (Contd.)**44. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARES CONSUMED AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION:**

Class of goods	Percentage		Value (₹ in lakhs)	
	2016-17	2015-16	2016-17	2015-16
(a) Raw materials				
Imported	0.00	0.00	-	-
Indigenous	100%	100%	41,596.17	45,241.60
Total	100%	100%	41,596.17	45,241.60
(b) Stores and spares				
Imported	3.81	30.67%	5.40	31.37
Indigenous	96.19	69.37%	136.05	71.03
Total	100%	100%	141.45	102.40

45. VALUE OF IMPORTS DURING THE YEAR ON C.I.F. BASIS

	₹ in lakhs	
Class of goods	2016-17	2015-16
Raw materials	Nil	Nil
Capital goods	615.56	556.69

46. EARNING IN FOREIGN CURRENCY:

	₹ in lakhs	
	2016-17	2015-16
Direct Export of goods at FOB value	9,197.65	10,264.08

47. EXPENDITURE IN FOREIGN CURRENCY:

	₹ in lakhs	
	2016-17	2015-16
(a) Travelling expenses	4.61	176.89
(b) Scheme	718.36	Nil
(c) Agent Commission	154.11	177.64
Total	877.08	354.53

48. THE FOLLOWING DISCLOSURE HAS BEEN MADE BY THE COMPANY IN RESPECT OF SPECIFIED BANK NOTES HELD AND TRANSACTED DURING THE PERIOD 08.11.2016 TO 30.12.2016.

Particulars	Specified Bank Notes (SBNs)	Other denomination Notes and Coins	Total
Closing cash in hand as on 08.11.2016	122.70	42.98	165.68
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	122.70	-	-
Closing cash in hand as on 30.12.2016			

Notes to Financial Statements for the year ended March 31, 2017 (Contd.)

For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O .3407(E), dated November 8, 2016. Simply, it is defined as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

The disclosure with respect to 'Permitted Receipts', 'Amount Deposited in Banks' and 'Closing Cash in Hand as on 30.12.2016' is understood to be applicable in case of SBNs only.

49. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors has recommended equity dividend of ₹1.40 per share (P.Y ₹1.40 per Share) for the financial year 2016-17. The company has declared dividend to the shareholders after the balance sheet date but before the financial statements approved for issue, therefore dividend has not been recognized as a liability at the balance sheet date.

50. 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.

51. 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

In terms of our report of even date

FOR SANJAY MODI & CO.

Chartered Accountants

Firm Reg no.322295E

Prodyat Chaudhuri

Partner

Membership no.065401

Place : Kolkata

Date : 25th May, 2017

For and on behalf of the Board**Pradip Kumar Todi**

Managing Director

Prabha Todi

Director

Ajay Kumar Patodia

Chief Financial Officer

Smita Mishra

Company Secretary

Notes

Corporate Information

Board of Directors

Mr. Ashok Kumar Todi
Chairman

Mr. Pradip Kumar Todi
Managing Director

Ms. Prabha Devi Todi
Director

Mr. Nandanandan Mishra
Director

Mr. Kamal Kishore Agarwal
Director

Mr. Snehasish Ganguly
Director

Chief Financial officer

Mr. Ajay Kumar Patodia

**Company Secretary
and Compliance Officer**

Mrs. Smita Mishra

Registrar and Share Transfer Agents

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot – 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad – 500032
E-mail: mailmanager@karvy.com

Auditors

M/s Sanjay Modi & Co.
Chartered Accountants
46, Bipin Behari Ganguly Street,
1st Floor, Room No. 9
Kolkata – 700012

Bankers

Allahabad Bank,
Park Street Branch

State Bank of India,
Overseas Branch, Strand Road

Corporation Bank,
HB Sarani Branch

Canara Bank,
Lower Circular Road Branch

Central Bank of India,
NS Road Branch

Registered Office

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

Corporate Office

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



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