LUX INDUSTRIES LIMITED

ANNUAL REPORT 2018-19

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.

WHY GO DIGITAL?

- ☑ Access to more detailed and interactive content
- ☑ The money saved on printing and postage will help lower our costs
- ☑ Reduces our carbon footprint and saves paper

WHAT'S IN THIS REPORT?

THE POWER OF BRANDS

THE YEAR 2018-19 WAS ONE OF THE MOST CHALLENGING SEEN IN RECENT YEARS.

CONSUMER SENTIMENT WEAKENED. OFFTAKE DECLINED.DEBTORS MOUNTED.

AT LUX INDUSTRIES, WE LEVERAGED THE POWER OF OUR BRANDS.

WE PROMOTED THEM AGGRESSIVELY. WE POSITIONED THEM PRUDENTLY.

THE RESULT IS THAT WE GENERATED A REVENUE GROWTH 2.5X THE SECTORAL GROWTH RATE AND REPORTED A PROFIT AFTER TAX HIGHER THAN THE PREVIOUS YEAR.

10 THINGS YOU NEED TO KNOW ABOUT LUX

Rich experience

Founded in 1957 by Mr. Girdhari Lal Todi as Biswanath Hosiery Mills, Lux Industries Limited came into being in 1995. The Company is headed and managed by the second generation of the founder family.

Product range

Lux offers a range of more than 100 products under 15 brands for men, women and children, ensuring relevance across ages, genders, geographies and seasons.

Brand portfolio

Lux has 15 brands; some of the prominent ones enjoy top-of-the-mind recall on the back of celebrity endorsements, qualitative excellence and superior price-value proposition.

Ethical pedigree

OUR VISION

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

OUR MISSION

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

CORE VALUES

To ensure complete satisfaction and utmost comfort for every consumer by creating top notch products.

To constantly bring about change in our methods of production through sustained innovation and stringent quality control practices.

Creating new business along with customer satisfaction is the driving force behind our economic engine. Lux Industries Limited will strive to adhere to the highest of ethical standards and transparency in all its business dealings and transaction.

Best-in-class accreditations

Lux was accredited with the ISO 9001:2015 certification in recognition of on qualitative consistency.

Manufacturing facilities

The Company is headquartered in Kolkata with six manufacturing facilities located across India:

- Tirupur, Coimbatore, Tamil Nadu
- B.T. Road, West Bengal
- Dankuni, West Bengal
- Dhulagarh, West Bengal
- Ludhiana, Punjab
- Srijan Industrial Logistic Park, West Bengal

Employee base

The Company has on its payroll 1238 full-time employees and 258 managers. The average age of the Company's workforce stood at 35 years as on March 31, 2019.

Share listing

The shares of Lux Industries Limited were listed on the National Stock Exchange on December 1, 2015 and on the Bombay Stock Exchange on January 5, 2016. The Company's market capitalisation stood at ₹3,467.87 crore as on March 31, 2019.

Global presence

Lux exports products to Algeria, Iran, Iraq, Kuwait, Bahrain, the United Arab Emirates, Saudi Arabia, Yemen, Djibouti, Ethiopia, Kenya, Ghana, Togo, Benin, Nigeria, Cameroon, Sri Lanka, Malaysia, Singapore, Hong Kong, Canada, Congo, Sudan, Angola, Thailand, Nepal, Poland, Panama, Morocco, Guinea, Bissau, Chad, Gabon, Uganda, Zimbabwe, Cote d'Ivoire, Zambia, Niger, Mali, Senegal, Gambia, Mauritania, South Africa, Burkina Faso, Sultanate of Oman, Australia and the United States of America.

State-of-the-art technology

The Company installed 350 circular knitting machines in its fully-automated stitching units to manufacture products of a superior quality.

OUR MANAGEMENT

Mr. Ashok Kumar Todi
Chairman

He is a commerce graduate engaged in the hosiery business for over five decades. His possesses an expertise in marketing Lux products and formulating strategies for expansion. He formulated various schemes for distributors, retailers and consumers. He is also involved in various philanthropic activities through organisations across the nation.

Mr. Pradip Kumar Todi
Managing Director

He has graduated with a degree in Commerce and looks after the manufacturing functions and product development for the Company. He possesses rich technical know-how of the hosiery sector and his expertise lies in developing new patterns, yarn combinations and knitting technologies, which have helped the Company introduce innovative products. He has been instrumental in helping the Company enhance its profit and margins by reducing production costs and introducing new products.

Mr. Saket Todi
Senior Vice President (Marketing)

He completed his graduation in Brand Management from Mudra Institute of Communications (MICA) and possesses extensive knowledge in marketing. He has been involved in premiumisation of the Company's brands.

Mr. Udit Todi
Senior Vice President (Strategy)

He holds a Master of Science in Finance from The London School of Economics and Political Science (LSE). His expertise in finance and proficiency in the Company's marketing activities have proved beneficial.

Mr. Ajay Kumar Patodia
Chief Financial Officer

An expert in the field of finance and taxation, Mr. Patodia has been associated with the Company since 2005. His efforts have helped Lux to identify opportunities to accelerate growth and enhance profitability through every stage of the economy.

Awards and accreditations

2012-13
Asia's Most Promising Brands

2013
The Master Brand

2014
The Master Brand

2014-15
The Admired Brand of India

2015
The World's Greatest Brands

2016
Asia's Greatest Brands

2017-18
Asia's Most Admired Brands & Leaders

2018-19
India's Best Brand of the Year Award 2018

Brand and year of launch

Lux Venus Innerwear	1993
Lux Classic Underwear	1995
Lux Karishma	1997
Lux Touch	1998
GenX	2000
Lux Cozi	2001
Lux Cozi Big Shot	2003
Lux Cott's Wool	2005
Lux Inferno	2007
Lux Mozze	2009
ONN	2010
Lyra	2012
Lux Cozi GLO Collection	2016
Lux Cozi her	2017
One8	2019

How we strengthened our sustainability, 2018-19

- Achieved 80-85% capacity utilization in the integrated Dankuni manufacturing facility
- Sustained brand investments at 7.47% of turnover
- Commissioned SAP HANA S4 with scalable potential
- Strengthened premiumisation; launched One8
- Extended ONN to outerwear
- Extended GenX to outerwear
- Extended Lyra to lingerie, bottomwear and t-shirt

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

1964
The second generation of entrepreneurs assumed management.

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

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

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

MILEST

2010
Shah Rukh Khan was engaged as brand ambassador for ONN.

2013
Lux became the 'comfort partner' for Kings XI Punjab and Pune Warriors India in the IPL.

2014
Lux Cozi became title sponsor at the Zee Cine Awards, world's biggest viewer's choice awards watched by more than 700 million viewers across 168 countries.

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

2016
Eastern India's largest hosiery product manufacturing plant was set up at Dankuni, West Bengal.

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

1995
Biswanath Hosiery was incorporated into Lux Industries Limited, making Lux the flagship company of the Group.

1998
With its pan-India footprint, Lux established its Delhi office.

2000
Sunny Deol was signed as Lux Cozi's brand ambassador.

2001
Lux was incorporated as a public limited company.

2003
The Lux IPO was launched and oversubscribed.

TONES

2017
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.

2018
Lux conducted the largest-ever distributors' conference in the hosiery textiles industry attended by more than 900 distributors.

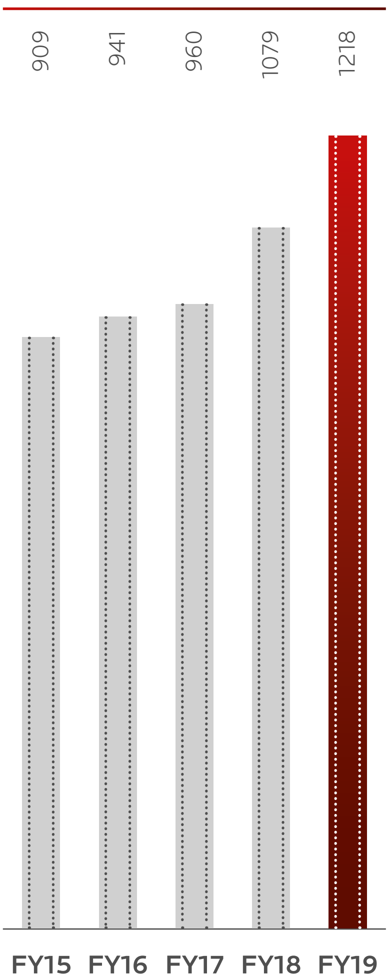
Amitabh Bachchan was appointed brand ambassador for Lux Venus and Lux Inferno.

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

Launched One8.

Our performance **over the years**

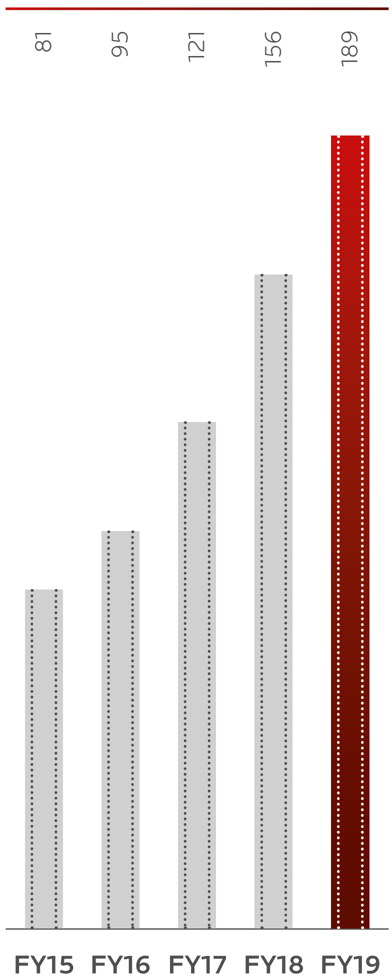
Revenues
(₹ crore)



Performance, 2018-19
Aggregate sales increased by 13% to reach ₹1218 crore during 2018-19 following increased offtake.

Value impact
Improved product offtake strengthened the Company's marketplace respect and visibility, enhancing its ability to service customers.

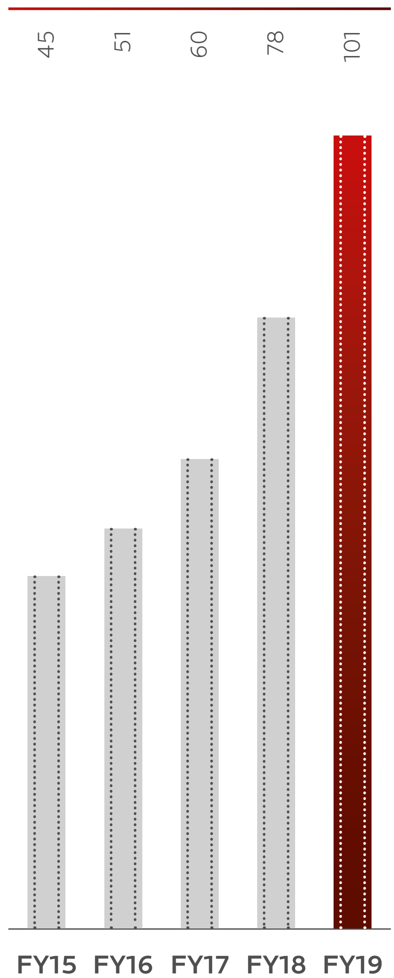
EBITDA
(₹ crore)



Performance, 2018-19
The Company's EBITDA grew 21% due to increased capacity utilisation.

Value impact
A high EBITDA highlights the Company's operational efficiency, superior product mix and effective cost management.

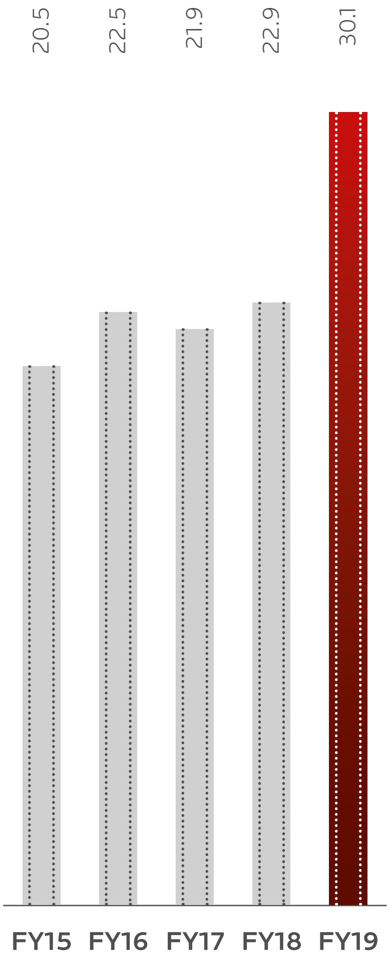
Net profit
(₹ crore)



Performance, 2018-19
The Company's PAT improved 30% over the previous year.

Value impact
An improved PAT ensures that adequate resources are available for reinvestment and business sustainability.

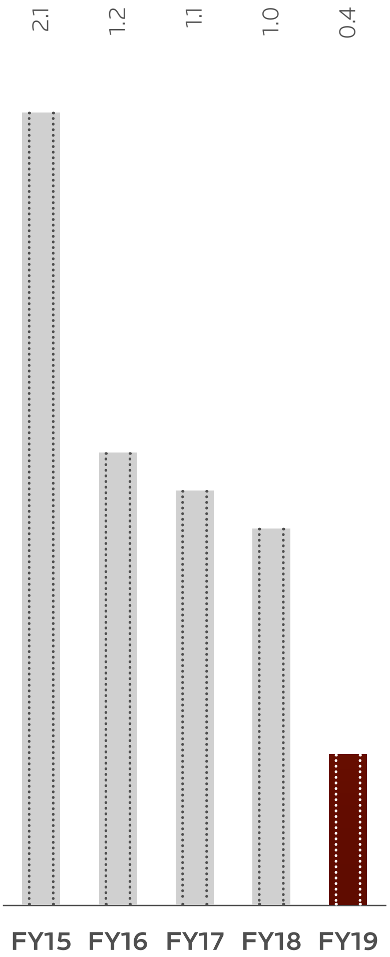
RoCE
(%)



Performance, 2018-19
The Company's RoCE improved 7.20 bps over the previous year, strengthening returns for shareholders.

Value impact
An enhanced RoCE indicates capital efficiency.

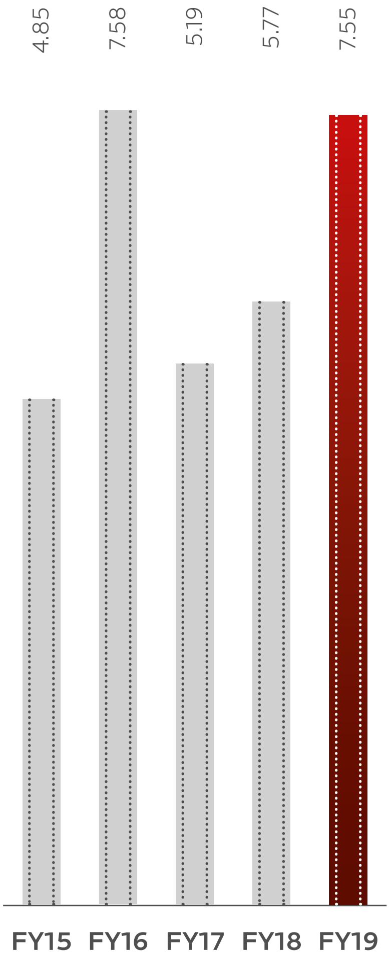
Debt-equity ratio
(x)



Performance, 2018-19
The Company's debt-equity ratio improved from 1.1 to 0.4 over three years largely due to profit growth and debt repayment.

Value impact
A low debt-equity ratio indicates solvency to alow adequate borrowing room.

Interest cover
(x)



Performance, 2018-19
The interest cover strengthened by 1.78x following debt repayment arising out of improved cash flows.

Value impact
A healthy interest cover indicated the Company's ability to address debt service and repayment obligations.

CHAIRMAN'S MESSAGE

DURING THE YEAR UNDER REVIEW, THE COMPANY'S PATIENT INVESTMENT IN BRAND BUILDING PAID OFF.

We believe that our sustained investment in this direction will strengthen our overall profitability, revenues and value.

Overview

At Lux, we went into business with the objective to create brands that would evoke a positive recall, superior offtake and sustainable margins. We have good reason to believe that in the process we have not just created successful brands; we have created enduring properties that have since translated into multi-year revenues.

This is evident in the numbers.

We had 15 brands on our books at the close of 2018-19. Ten of our brands have been in existence for more than ten years, indicating the enduring nature of assets on our books.

Brand relevance

The big question: why are in general brands more relevant today than ever before?

The answer lies in the dynamic ferment of society. Even as the population of India grows larger than possibly any other country, the country is among


Ashok Kumar Todi
Chairman

CHAIRMAN'S MESSAGE Continued

the youngest among large countries. It is not the population increase by itself which is responsible for the change in consumption mindset as much as what is happening within that population.

The Indian population is urbanising faster than ever. The proportion of India's population living in its urban clusters is expected to increase from around 32% today to around 40% by 2030.

The impact of this transition cannot be understated. We believe that urbanisation is exposing today's India to several influences: smartphones and Wi-Fi connectivity, a growing role of social media in one's lives, desire to live well, spend well and wear well, the desire to buy into brands more enthusiastically than buying into lowest cost products and the need for brands to take the buyer's personality ahead.

This societal ferment has been accompanied by prominent structural shifts. Demonetisation affected the capacity of the smaller innerwear hosiery manufacturers to compete against the larger brands. Besides, the introduction of the Goods & Services Tax largely leveled the playing field between organised and unorganised players, reducing the cost difference and creating a larger incentive for consumers to buy into organised, visible and branded equivalents.

At Lux, we believe we are attractively placed to capitalise. Our products have been styled, manufactured, packed and branded around the highest standards. The result is that we provide class, comfort and convenience; we provide function and fashion in the same breath; we enhance pride and performance.

Our branding strengths

At Lux Industries, we believe that successful brands represent an insurance.

They outperform the market; they generate a premium over the prevailing average; they generate a consumer pull that encourages trade partners to pay advances; they enhance value for the buyer, the intermediary and the Company.

At Lux, we owe our existence to the capacity to create, nourish and leverage brands.

We invested a sizable ₹380.56 crore in brand building in the last five years. We invested ₹90.89 crore in our brands during the last financial year. This brand investment accounted for 7.47% of our revenues in 2018-19.

The impact of this brand building was evident in our financials of the last financial year. The Company reported a revenue growth 2.5x the sector's growth. We strengthened EBIDTA margin by 1.10 bps to 15.56%. Every rupee invested in brand building generated ₹13.40 in revenues compared with ₹9.93 in the previous year, validating the strength of our brand engines.

The premium factor

At Lux, there is a theme that runs through our brand spending.

We believe that as consumer aspirations increase and as spending on looking better rises, there will be an increase in the need for premium products.

At Lux, we progressively seeded our product portfolio with increasingly premium products in the last few years.

The Company increased brand investments in its premium products; it launched premium brands like GenX and ONN. It recently acquired the manufacturing and marketing rights of Virat Kohli's brand One8, which plans to grow its share of the men's premium innerwear segment.

We believe that a complement of exports, celebrity endorsements and cutting-edge manufacturing technologies should enhance revenues from the premium segment

The share of mid-premium portfolio in our overall portfolio increased, driven by the fact that the Company's mid-premium portfolio is growing at twice the rate of the Company's growth rate.

The result is that the share of mid-premium portfolio in our overall portfolio increased, driven by the fact that the Company's mid-premium portfolio is growing at twice the rate of the Company's growth rate. The growing focus on premium products is expected to be earnings-accretive, margins being at least 100 bps higher over mass varieties.

Going ahead, we intend to enhance the visibility and offtake of our premium brands through an increased stocking in modern trade and online channels. Lyra is expected to be one of the growth drivers of our revenues from premium brands.

The Company expects to grow revenues from premium brand ONN. Besides, we believe that a complement of exports, celebrity endorsements and cutting-edge manufacturing technologies should enhance revenues from the premium segment, strengthening business sustainability.

Merger of units

At Lux Industries, we believe that the proposed merger of J.M. Hosiery and Ebell Fashions will enhance shareholder value (awaiting statutory approval). These privately held companies are owned by the Todi family, who are also the promoters of Lux Industries. While J.M. Hosiery owns the men's brand GenX, Ebell Fashions owns the women's brand Lyra. Their accretion to the Lux business is expected to be complementary, profitable and transparent, strengthening governance.

Overview

During the year under review, the Company's patient investment in brand building paid off. We believe that our sustained investment in this direction will strengthen our overall profitability, revenues and value.

We have successfully demonstrated our brand building capability and expect to do so across the foreseeable future, strengthening value for all those associated with our company.

Ashok Kumar Todi
Chairman

Pradip Kumar Todi
Managing Director

MANAGING DIRECTOR'S BUSINESS REVIEW

"WE POSSESSED THE COURAGE TO SHIFT THE NEEDLE FROM CASH PROFIT TO CASH FLOWS IN A CHALLENGING 2018-19"

There are a number of reasons to be pleased about the performance of the Company during the year under review.

Primarily, I would state that the Company reported a 13% growth in revenues in 2018-19 even as the country's economy weakened from the second half onwards. The fact that we reported revenue growth and that too higher than the growth of the country's hosiery innerwear sector indicates that we strengthened our competitiveness.

I am pleased to report that the increase in revenues translated into a stronger bottom line. The Company reported a 30% growth in profit after tax. This was the tenth successive year when we reported an increase in our bottom line, an effective showcase of the fact that we continued to perform creditably across market cycles.

However, if we seek to focus on the primary achievement of the Company during the year under review, it would be a number that one will not find either in our topline or our bottom line. The biggest achievement of the year under review was that we started the year with a negative cash flow ₹2.32 crore and ended it with a positive cash flow of ₹192.80 crore.

Why do I believe that the biggest achievement of the year was in moving from a negative to a positive cash flow? Why am I highlighting the word 'cash flow' at all when I could easily have indicated revenue or growth of profit?

The answer lies in two words that are being increasingly spoken about within our company (and possibly most companies). The two words are 'business quality'.

The term needs to be explained. During the last few years, companies like ours focused totally on maximising sales. We focused on sales maximization by increasing brand investments, working closely with trade partners and getting them to buy as much of our products as possible. Since the focus was on maximizing business quantity, the one reality that became secondary at our company was business quality.

During the year under review, the Company made a seminal decision: the business had acquired a growth momentum that was creditable and the time had come to decisively shift the needle from sales maximization to sales quality.

That brings me to the next question that most analysts have asked of us: How do we define 'sales quality'?

At Lux Industries, 'sales quality' comprises the capacity to sell as much as we want of the product mix that we desire with the objective to generate the highest desired realisations that are then recovered in the right amount of time.

This approach is subtly different than what is followed by most: it focuses on sales premiumisation more than it focuses on sales generalization (sell as much as possible of anything); it focuses on timely recovery of receivables as opposed to extended receivables largely outside the Company's control; it focuses on normalizing the relationship between the Company and its trade partners whereby they have a larger skin in the game and a deeper focus in selling what they have bought.

There were a number of reasons that made this transition necessary.

One, there is greater respect for the Company whose profits are reflected in the cash and bank balance than for companies where the profit is hidden in debtors.

Two, a greater value is being attached to companies with a high cash flow accompanied with a slightly modest net profit when compared to companies with a high profit but a low cash flow.

Three, there is a greater business appraisal clarity: that the strength of a brand reflects in not just the velocity of sale derived from a distinctive consumer pull but the ability in being able to extrapolate from that consumer pull to getting trade partners to pay cash down for purchases.

Four, there is a greater acceptance of the view that companies with smaller receivables cycles are less risked and more sustainable, generally inviting a superior credit rating that could, in turn, help mobilise debt at a lower cost and in doing so, moderate the Company's break-even point.

Five, a company with a large part of its profits and cash flows sitting in the bank accounts of its trade partners is not representative of a company with a sustainable long-term competitiveness; rather, it is the sign of a company whose corporate policies are run for the benefit of trade partners instead of for the benefit of all stakeholders.

Six, an increasing number of analysts are seeking companies that extend the power of their brands (corporate and product) to kick-start a virtuous cycle: stronger procurement muscle to be able to buy raw materials and resources at a lower cost in exchange for the ability to put cash down; utilizing this advantage to generate a margin higher than the sectoral average; creating a larger surplus when marrying this increased margin with growing offtake; utilizing the

We expect to grow revenues with the same amount of working capital, which we expect will translate into a superior Return on Capital Employed.

larger surplus to enhance organizational value, visibility and respect.

This is the backdrop of why the Lux Industries selected to shift the needle during the last financial year.

The Company worked closely with its trade partners to exercise fiscal tightening: It moderated the receivables cycle by 10 days during the year under review. The result is that the Company reported a profit after tax of ₹101.31 crore and generated a higher cash flow of ₹192.80 crore.

A number of stakeholders are likely to ask: in a business where sales offtake slowed and where trade partners are unlikely to accept even a seven day decline in the receivables cycle, how did we reduce nearly 20 days of turnover equivalent during the year under review?

The decision was facilitated by the Company's proactive investment in a corresponding IT infrastructure. The Company exercised stronger controls across trade partners through its SAP Hana (implemented in April 2016), which provided a dashboard of everyday outstandings, ageing analysis and empowered the Company to restrict sales to trade partners with high outstandings.

Going ahead, Lux Industries expects to moderate its working capital cycle from four months to two months across more than 5000 SKUs

What does this one decisive change mean for the Company?

It means a completely different way of doing things.

We expect to grow revenues with the same amount of working capital, which we expect will translate into a superior Return on Capital Employed. The immediate result was that during a challenging year, we moderated our short-term loans from ₹316.48 crore to ₹172.40 crore at close. The year under review represented a new strategic direction: during this year, the Company intends to increase revenues by 15% with a further decline in working capital outlay. This ability to grow the business with less cash represents the foundation of a new Lux.

What makes this achievement creditable is the timing of the decision and the courage to implement it. Even though formal numbers are not available, we believe that the innerwear hosiery sector de-grew in the last financial year and the last two quarters were among the most challenging in many years. Despite this sectoral sluggishness, Lux grew its revenues, visibility and market share.

The other strategic decision that strengthened our performance during the last financial year was in the area of our exports push. Lux's exports increased 22.80% to ₹136 crore during the year under review; these exports were made to around 47 countries through trusted trade partners; the Company's exports were spread across a premium product basket (vests, briefs, boxer shorts, T-shirts and shirts) and there was no bad debt.

Going ahead, Lux Industries expects to moderate its working capital cycle from four months to two months across 5000 SKUs, implement the merger, moderate the receivables cycle from around 90 days to 70 days on a larger topline, moderate short-term debt, increase the proportion of premium products in the overall portfolio from 20% to 22% and strengthen EBIDTA margin by at least 200 bps, from the current financial year.

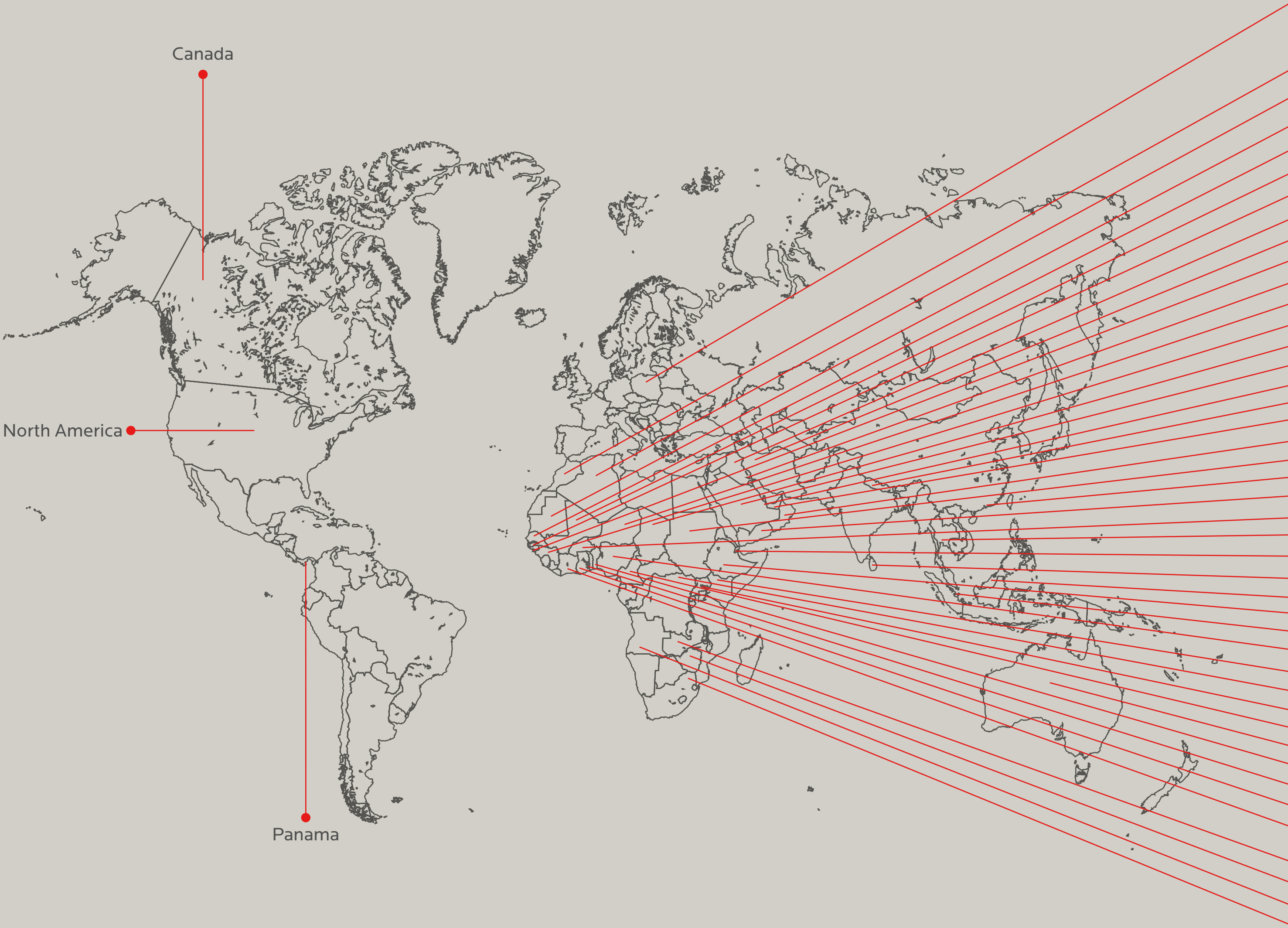
We believe that Lux is at the cusp of a new journey marked by a greater role of premium products, stronger brand rollout and larger cash on the books.

Our story is only just beginning.

Pradip Kumar Todi
Managing Director

Our presence

Our Lux brand is not only visible in India but in 47 countries the world over



1 Algeria	9 Djibouti	17 Sri Lanka	25 Thailand	33 Chad	41 Senegal
2 Iran	10 Ethiopia	18 Malaysia	26 Australia	34 Gabon	42 Gambia
3 Iraq	11 Kenya	19 Singapore	27 Nepal	35 Uganda	43 Mauritania
4 Kuwait	12 Ghana	20 Hong Kong	28 Poland	36 Zimbabwe	44 South Africa
5 Bahrain	13 Togo	21 Canada	29 Panama	37 Cote d'Ivoire	45 Burkina Faso
6 UAE	14 Benin	22 Congo	30 Morocco	38 Zambia	46 North America
7 Saudi Arabia	15 Nigeria	23 Sudan	31 Guinea	39 Niger	47 Sultanate of Oman
8 Yemen	16 Cameroon	24 Angola	32 Bissau	40 Mali	


Poland
Gambia
Mauritania
Senegal
Kuwait
Algeria
Iraq
Bissau
Mali
Morocco
Iran
Guinea
Niger
Saudi Arabia
Bahrain
Nepal
Chad
Oman
UAE
Sudan
Hong Kong
Yemen
Burkina Faso
Thailand
Djibouti
Sri Lanka
Malaysia
Ethiopia
Nigeria
Singapore
Uganda
Kenya
Cameroon
Congo
Cote d'Ivoire
Australia
Togo
Benin
Zimbabwe
Ghana
Zambia
Angola
South Africa

Lux: The Power of Brands

LUX INDUSTRIES HAS BEEN ONE OF THE MOST AGGRESSIVE BRAND BUILDERS IN INDIA'S INNERWEAR TEXTILE SECTOR

These are the results of our long-term commitment to invest in brand building

Corporate

Respected as a thought leader – 'If the product is from Lux, there must be something new about it'

Strong unaided brand recall for superior comfort, innovation and price-value proposition

Sustained leadership in the mid-to-premium innerwear categories in India

Sustained outperformance of the broad innerwear industry growth average

Financial

Profitable growth (profit growth>revenue growth) in ten successive years

Revenue growth from ₹294.93 crore in 2008-09 to ₹1217.88 crore in 2018-19

Profit after tax growth from ₹3.25 crore in 2008-09 to ₹101.31 crore in 2018-19

Increase in EBIDTA margins from 4% in 2008-09 to 15.56% in 2018-19

Increase in RoCE from 14% in 2008-09 to 29.96% in 2018-19. Increase in RoE from 17.15% in 2008-09 to 24.48% in 2018-19

Increase in cash flows helping moderate gearing from a peak 3.01 to 0.44 in seven years ending 2018-19

Increased realisations; proportion of raw material as a percentage of turnover declined from 64% in 2012-13 to 42.77% in 2018-19

Increased consumer pull generated by brands; working capital outlay moderated from 70% of total capital employed to 36% in the seven years ending 2018-19

380.56

Invested by Lux Industries in prudent brand building in the five years ending 2018-19 (₹ crore)

7.47

Brand spending as a % of revenues in the five years ending 2018-19

Lux. **25 years of building brands**

Year of launch	Brand	Product
1993	Lux Venus	Vests and briefs
1995	Lux Classic	Vests and briefs
1997	Lux Karishma	Panties, camisoles and leggies
1998	Lux Touch	Panties, camisoles and leggies
2000	GenX	Designer vests and casual inners
2001	Lux Cozi	Innerwear
2003	Lux Cozi Big Shot	Premium trunks
2005	Lux Cott's Wool	Thermals and outerwear
2007	Lux Inferno	Quilted thermals
2009	Lux Mozze	Premium socks
2010	ONN	Premium wear
2012	Lyra	Leggings, lingerie, pallazos, knit pants, night pyjamas, track pants and t-shirts
2016	Lux Cozi Glo	Vests, briefs and drawers
2017	Lux Cozi Her	Panties, slips, racerbacks and boy legs
2019	One8	Innerwear

At Lux, **we are not just increasing our brand spread.**

We are focusing on a relatively small number of Power Brands that enhance choice and cross-sale

Corporate

Lux Venus	Lux Classic	Lux Karishma	Lux Touch
GenX	Lux Cozi	Lux Cozi Big Shot	Lux Cott's Wool
Lux Inferno	Lux Mozze	ONN	Lyra
Lux Cozi Glo	Lux Cozi Her	One 8	

At Lux, **we are not just launching brands.**

We are creating multi-year trust marks

LUX COZI

Launched in 2001.

Brand ambassador: Varun Dhawan

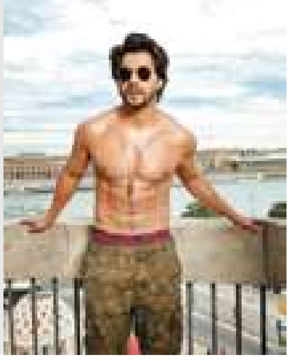
Still robust.

Lux Cozi Bigshot

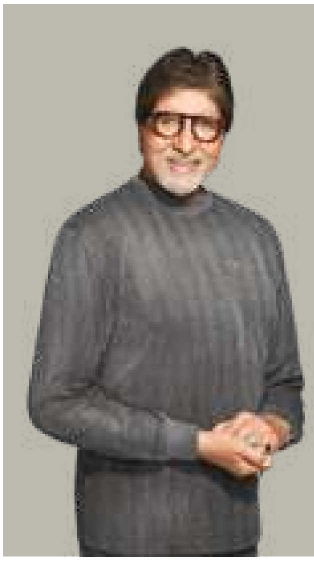
Launched in 2003.

Brand ambassador: Varun Dhawan

Growing attractively.



Inferno



Launched in 2007.

Brand ambassador: Amitabh Bachchan

Healthy growth.

Venus

Launched in 1993.

Brand ambassador: Amitabh Bachchan

Evergreen.

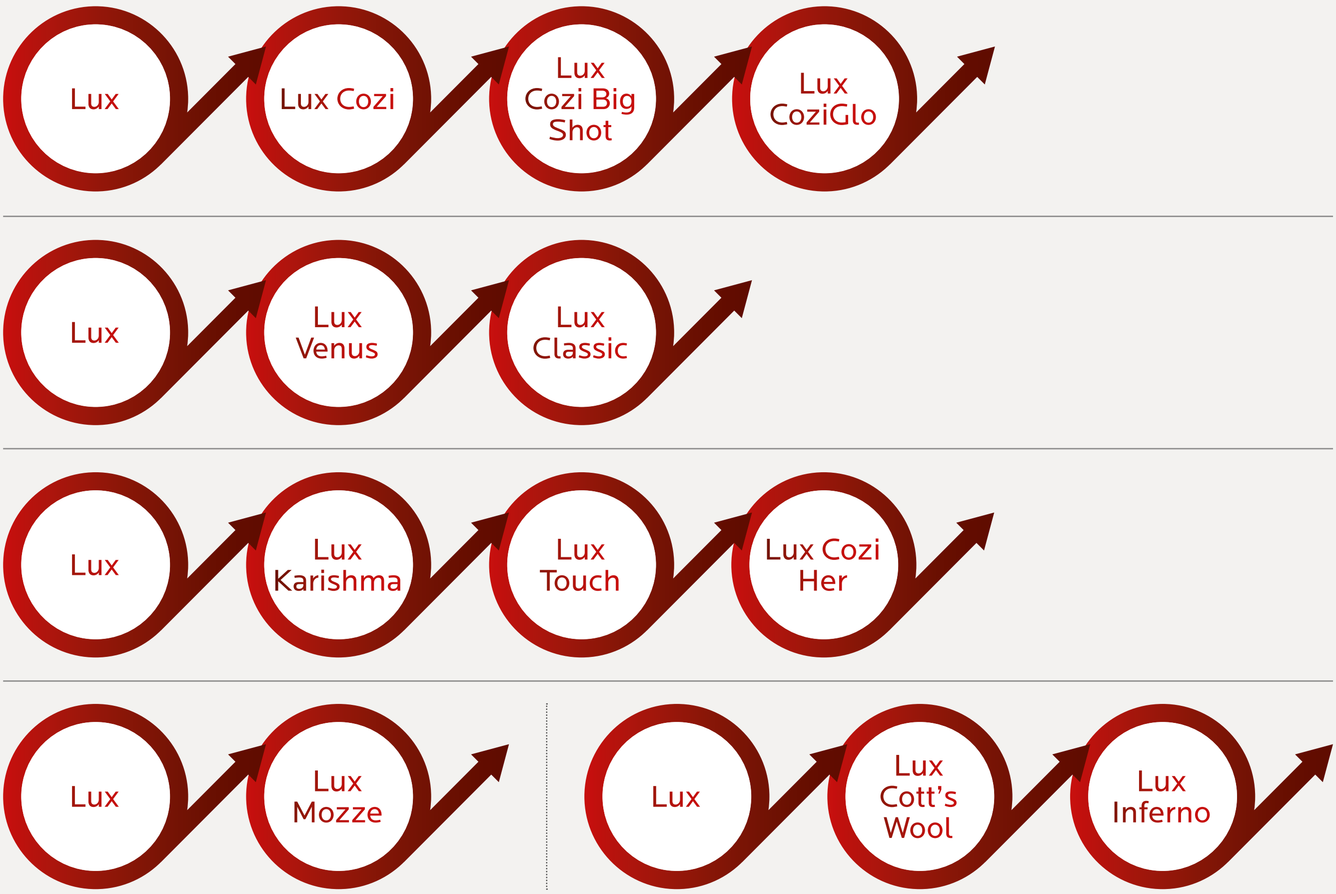
Lyra

Launched in 2012.

Brand ambassador: Parineeti Chopra

At Lux, **we are not just focused on launching a brand.**

We are focused on creating profitable extensions



At Lux, **we are not just launching new offerings.**

We are creating category leaders

Lux Cozi | **Lux Cott's Wool/ Lux Inferno** | **Lux Cozi Bigshot** | **Lux Venus**


LUX
COZI

At Lux, we are not just investing a growing quantum in brand building.

We are also enhancing our brand spending efficiency

9.93

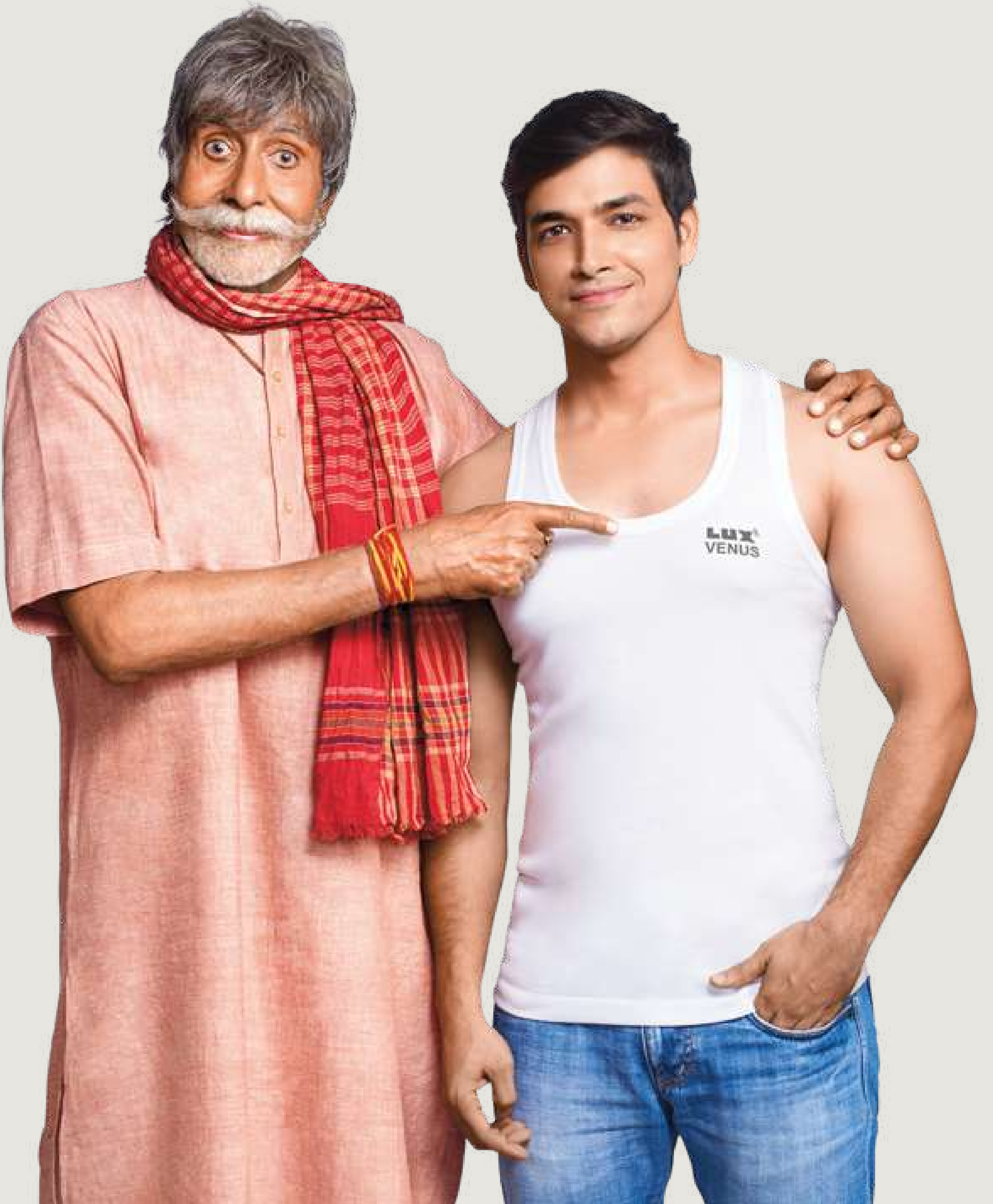
₹, revenue generated from every rupee of brand spending, 2017-18.

13.40

₹, revenue generated from every rupee of brand spending, 2018-19.

Market share

1st	1st	1st
Ranked innerwear company in volume terms	Ranked innerwear brand in Bengal	Ranked Indian exporter of innerwear


LUX
VENUS

The science behind Lux's brand effectiveness

Contrarian
Capability to invest in commoditised categories with the commitment to premiumise them over time

Aspirational
A focused positioning on being seen as premium, aspirational, trendsetter and benchmark in its categories of presence

Evolving
Demonstrated capability in graduating beyond the functional to the aspirational

Responsive
Addressed emerging market realities with the capacity to introduce relevant brands

Brand family
Extended from a core brand to a brand family and portfolio (comprising relevant brand extensions and spinoffs)

Complementary
Created different product and brand categories with no overlaps

Focused
Created a focused brand portfolio (deep>wide) resulting in a deepening focus on each brand

Messaging
Evolved from the product to the personality; evolved from what the product is to what the user can be

Faithful
The alignment between product characteristics and brand positioning/ messaging

Ahead of the curve
Seeding differentiated concepts in a competitive market ahead of the curve; carving out mindspace within a competitive clutter

Patience
Backed conviction through long-term brand investments, transforming products into winners

Conviction-backed spending
Demonstrated ability to back conviction on the right media selection with the power of corresponding spending

Mass media
Prudent utilization of the mass media (television, print and radio) to reach its message to the last person standing

Choice
Commitment to provide a wide choice across 5,000+ SKUs, among the largest in India's innerwear sector

Availability
Ability to achieve a fill rate (order collected against dispatches) of more than 95%, higher than the industry average of around 80%

THE SCIENCE BEHIND LUX'S BRAND EFFECTIVENESS Continued

Supply first
Proactive investment in launching pioneering products based on the conviction that supply creates/increases demand

Spending commitment
Willingness to engage in sizable promotional spending with the objective to shift realities and status quo

Middle of the road
Commitment to arrive the middle-of-the-road sweet spot between investment flamboyance at one end and conservatism at the other

Compatible endorsement
Commitment to seek the most compatible brand ambassador for the category

Entrepreneurial
Openness to ship new product launches to trade partners with an encouraging 'Try it out with no obligations' statement

Visibility
Foresight to extend beyond sectoral anonymity when we entered the sector to emerge as the first Indian innerwear company to advertise and promote innerwear products

Category creator
Courage to create new price points in India's innerwear textiles sector and carve away a disproportionate brand recall; pioneered premium lifestyle products for mid-end consumers

Extensions
Willingness to extend from core brands to contiguous product extensions

Endorsements
Foresight to engage a prominent brand ambassador like Sunny Deol to endorse Lux Cozi in 2001

Evolution
Courage to extend from innerwear vests to outerwear alternatives; extension from regional designs to contemporary designs (European and American)

Promotional shift
Courage to think big and extend from product promotion to event sponsorship (national events)

Sectoral contribution
Foresight to increase brand spending and transform the sector's recall from the unorganised to brand-driven organised


Lux
cozi

THE POWER OF **BRANDS**

HOW WE SEEDED A SCENTED VEST IN THE MINDS OF CONSUMERS

The prisms through which a vest was conventionally appraised were through the senses of touch and sight.

As a result, vests would be appraised for their softness, smoothness and whiteness.

This changed in the last few months.

Starting April 2019, Lux introduced a unique dimension – scent - in the appraisal of vests.

The Company introduced a scented vest, the first time in India.

Most companies would have entered this segment with moderate promotion that would have been progressively scaled; Lux entered with a sizable promotional outlay.

The launch of Lux Cozi scented vest addressed a long-standing need: to counter the effect of sweat and body odour with a pre-scented product.

The product evoked curiosity, admiration and offtake, creating a foundation of sustainable year-on-year growth.

Thinking out of the box can be business-strengthening.

THE POWER OF **BRANDS**

HOW WE LAUNCHED TWO BRANDS IN THE THERMAL CATEGORY

The conventional approach to brand building was to launch one product in every category.

At Lux, we walked the road less travelled. We launched two products in the thermal category in 2005 and 2007. We did so convinced that the thermal winter wear category was largely under-represented.

When our trade partners heard of this unusual strategy, they were confused. The standard response: “If you launch two products, won’t you compete with yourself?”

Besides, a number of observers saw our decision two launch two high-inventory seasonal products within a four-month window as dangerous.

Lux responded to this challenge. The Company positioned its two products differently at similar prices. The two products evoked different recalls.

The result: the two products carved away a larger aggregated market share than competition; the two combined reported 50% revenue growth in 2018-19.

Going against the grain pays.

Did you know?
Lux employed the services of Amitabh Bachchan as a brand ambassador for a hosiery brand for the first time. Lux engaged the legendary Indian superstar to endorse its winter wear Venus brand for a period of two years starting 2018.


eekend

THE POWER OF **BRANDS**

HOW WE TRANSFORMED LYRA INTO A CATEGORY WINNER

When we selected to launch women's leggings in 2012, the first response was one of disinterest.

The category was seen as commodity; there were a number of unorganised manufacturers; price-based competition was intense. The conclusion was that this was possibly the last category where any organised manufacturer would enter.

We entered this segment for precisely the same reasons: there was no organised competition; the room for branding the category was high; there was a room among discerning users for a premium legging product.

The result was the launch of Lyra in 2012.

Most companies would have increased marketing recruitment. We selected to increase brand spending instead.

Most companies would have called the experiment off after the first few years of sluggish offtake. We persisted.

The tide eventually turned. The category attracted attention. Discerning consumers brought this differentiated bottomwear.

The result: Lyra has reported a 25% CAGR in the last six years, emerging as one of the remarkable recent success stories of ours.

Persistence made the difference.

A product of Ebell Fashions Private Limited (Proposed to be merged with Lux Industries Limited), the scheme of merger is subject to requisite approvals of the regulatory authorities.

THE POWER OF **BRANDS**

HOW WE TRANSFORMED ONN INTO A GROWTH BRAND

When Lux selected to launch a premium innerwear brand called ONN – its first such offering - in 2010, the Company's partners were confused.

"Lux has always been a wholesale-driven brand. How will it succeed with a retail-driven product?" was their principal argument.

At Lux, we remained undeterred. We were convinced that a premium innerwear market existed; we were convinced that consumers intended to graduate purchases; we were convinced that growth in the number of aspirational consumers represented the next big opportunity.

ONN was not an overnight success; product Offtake stagnated for some years; sales increase was nominal at best. During this challenging period, Lux continued to invest in the brand year-on-year.

The patience paid off.

During a challenging 2018-19, when realisations for most brands remained sluggish, ONN reported an attractive increase in the average selling price.

Sustained conviction made the difference.

THE POWER OF **BRANDS**

HOW WE GREW THE LUX CLASSIC BRAND WITH NEGLIGIBLE PROMOTIONAL SPENDING

When Lux decided to launch Lux Classic as an economy product, most concluded that the Company would utilise its extensive spending ammunition in making this product a success.

Lux took a contrarian perspective instead. It believed that the product could be grown year-on-year with negligible brand spending.

The sceptics were many. Some indicated that a product without corresponding brand spending was bound to disappear.

Others concluded that without corresponding promotional support, the product would have to be extensively discounted.

At Lux, we took a different view. The Company utilised its existing distribution network. The Company held its price line.

Despite these challenging realities, Lux Classic surprised: offtake continued to strengthen and the product reported a high return on investment.

Flexibility made the difference.

THE POWER OF **BRANDS**

HOW WE MADE LUX COZI INTO A GLOBAL BRAND

Lux Cozi was a successful Indian brand when the Company decided to export the brand for the first time.

There were a number of challenges even before the first consignment left India. The argument was whether there was at all a market for the product in a world marked by a number of brand options. The argument was whether the Company should export in its own name or become a back-end supplier to an existing international brand.

Lux decided to create an international presence in its own brand. The Company decided to back this presence with promotional spending across targeted global markets. It selected to position the product with the same prudence as it was doing in India.

The positive body language worked. The Company widened its coverage to around 47 countries. Exports increased 22.79% during the year under review. Exports accounted for 11% of revenues in 2018-19.

Guts worked.

THE POWER OF **BRANDS**

HOW WE TRANSFORMED GENX INTO A POPULAR YOUTH BRAND

When we launched GenX in 2001 as an innerwear brand (comfortable innerwear, casual wear and sportswear for men across metros, semi metros and semi-urban India), the biggest challenge was to counter the competition from unorganised players.

The Company countered the vast price gap between branded and non-branded products through patient brand building and active communication.

GenX reinvented its presence: from an innerwear brand to gym wear (2005) and casualwear (2009) with more than 80 styles addressing the rising demand of India's youth with high-end products at economical prices.

The Company launched a wide range of pre-winter products (sweatshirts, hoodies, jackets and track suits) in 2019. Since 2017, these brands are available at retail points spread across India as well as online.

The result: GenX emerged as a mid-segment brand leader and one-stop solution for the fashion-conscious youth.

GenX plans to invest more on marketing and advertisement to introduce around five new designs a year to sustain its growth story.

Looking ahead can be value-accretive.

A product of J.M.Hosiery & Co Limited (Proposed to be merged with Lux Industries Limited), the scheme of merger is subject to requisite approvals of the regulatory authorities.

At Lux, **it's not about the brand alone...**

When Lux contemplated a shift in Lux Cozi brand ambassador from Sunny Deol in 2015, the suggestion was debated.

Sunny Deol had helped the Company enhance visibility across 11 years; he commanded a tough image; there was a question of whether consumers would be able to relate to the switch; any switch to a younger celebrity was perceived as radical in a sector driven by the status quo.

However, there was a contrary perspective as well. The Lux brand needed rejuvenation; it needed a younger brand ambassador to connect with the growing number of millennial consumers; it needed an aspirational platform.

Lux switched to emerging popular Indian film star Varun Dhawan in 2017. The Company backed this 360-degree transition through a change in its communication pitch and positioning. Offtake spiked; Lux Cozi reported remarkable growth in 2017-18 and in 2018-19.

Courage made the difference.

During the last couple of decades, Lux has rewritten its rules related to product concept, positioning and launch.

In 2018-19, the Company made a decisive break in this approach.

The Company selected to launch 'one8', a brand owned by and featuring Virat Kohli, India's cricket captain.

The rules of this game were now completely different: in the past Lux had selected to follow its own voice; in this case, the Company was provided brand guidelines within which to work. In the past, the Company's products were marketed across the wide range of retailers; in this case, there was a greater need to control all related variables (point of sale, manner of sale and price of sale). In the past, new products were marketed through the existing distribution network; for 'one8' a new distribution channel is being created.

The willingness to play a new game represents the challenge-embracing character of Lux.

The brand will be launched in 2019-20 with a new mindset, raising the organisational benchmark for Lux.

A bit of daring makes all the difference.

Lyra was a growing bottomwear brand addressing the women's segment for the first few years in its existence.

In 2017, Lux took a courageous call: it would extend Lyra to lingerie.

There were a number of industry sceptics: 'What experience does Lux have in the lingerie segment?' said some. 'There is no synergy between leggings and lingerie,' pronounced others. 'The Company will need to address various manufacturing, distribution and communication challenges,' said others.

Lux began to work on the various challenges bottom-up. The Company created a distribution network from scratch. It focused on enhancing wallet share among existing women customers. It priced mid-level and not necessary low. It addressed the class audience and not the mass.

Even better, the success of the Lyra lingerie brand revitalised the Lyra leggings recall, strengthening offtake of the latter.

Foresight made the difference.

Our business model

At Lux, we have continuously reviewed, adapted and reinforced our business model. Our proactive responsiveness in a rapidly-evolving market environment has translated into attractive growth over several market cycles.

Our business model is based on the following principles

- Rich experience
- Wide distribution network
- Competitiveness
- Extensive scale
- Diversified product bouquet
- Robust Balance Sheet

The outcome of our business model, 2018-19

Increased revenue generated from domestic business to ₹**1081.88** crore in 2018-19 from ₹974.36 crore during 2017-18

Increased exports to ₹**136** crore in 2018-19 from ₹105 crore during 2017-18

Increased EBITDA to ₹**189.48** crore from ₹156.07crore during 2017-18

Reported an overall people retention of **95**% with a retention rate of 90% at the senior managerial level

Sectoral context

Income: Per capita income increased from ₹1,03,870 in 2016-17 to ₹1,12,835 in 2017-18 to ₹1,25,397 in 2018-19, signaling the increasing purchasing power of the people.

Increasing urbanisation: By 2019-20, ~35% of India's population will be living in urban centres, contributing 70-75% of India's GDP.

Premiumisation focus: The Indian innerwear market was once highly price sensitive and people exercised caution in spending on innerwear. However, this trends has changed. The market is witnessing the introduction of premium innerwear brands by Indian and global brands. Established brands are introducing newer and better lines of innerwear.

Booming innerwear sector: The current size of the innerwear market is ₹27,931 crore, and estimated to grow at a CAGR of 10% over the next decade to an estimated ₹74,258 crore by 2027.

Growing ecommerce: The e-commerce sector is growing. India's e-commerce revenue is expected to increase from US$24 billion in 2017 to US$84 billion in 2021, driven by increased online shopping, smartphone usage and internet penetration across the semi-urban and rural segments.

Policy support: The government implemented various policy initiatives and programmes for the development of textiles and handicrafts, particularly in the area of technology, infrastructure creation, and skill development such as Amended Technology Upgradation Funds Scheme (ATUFS), PowerTex India Scheme, Scheme for Integrated Textile Parks, and SAMARTH scheme for capacity building in the textile sector.

(Source: Business Standard, Live Mint, Economic Times, India Today)

How Lux is capitalising on a growing opportunity

The Company offers a range of products from ₹38 to ₹1350 per piece, more than 100 products across 15 brands and more than 5000 SKUs across its existing range of products.

The Company sells 2000 pieces every minute, testifying to customers' preference for its products.

The Company has its finger on the pulse of customer preferences, which translates into portfolio and product evolution.

The Company has a manufacturing capacity of 2000 lakh garment pieces per year. The Company's Dankuni factory is equipped to manufacture 5 lakh pieces of knitted products a day, the largest in India's innerwear textile sector.

The Company ranks first in the branded innerwear segment in West Bengal.

The Company has consistently responded with innovation and invested in automated technologies to address consumer expectations. It enhanced its manufacturing facilities by installing ultrasonic cutting systems, increasing efficiency and global competitiveness.

The Company exports to 47 countries. It is creating an online presence, while enhancing access and availability of its products through e-commerce-focused websites.

An extensive distribution network has helped replenish sales with speed. The Company's, pan-India family of distributors comprises more than 950 intermediaries that enhance product accessibility.

Increased international presence in more than **47** countries

Launched India's first **scented vest,** an innovative product

The Company spent ₹**90.89** crore on advertising in 2018-19

Our integrated value-creation report

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

This Integrated Value-Creation Report overcomes the shortcomings of the conventional communication approach through a comprehensive reporting framework that reconciles 'hard' and 'soft' initiatives into an integrated format.

Integrated reporting combines different reporting strands (financial, management commentary, governance and remuneration, and sustainability reporting) into a coherent whole that explains an organization's holistic ability to create, enhance and sustain value.

The primary purpose of integrated reporting is to explain to providers of financial capital how an organization enhances value over time. The impact of the integrated report extends beyond financial stakeholders; it enhances understanding across all stakeholders - employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - focused on an organization's ability to enhance value across time.

Integrated Reporting highlights how green and ethical values drive long-term growth. This shift from the 'hard' to 'soft' (non-financial data) helps screen a company more comprehensively, addressing the needs of the investor fraternity/government agencies.

Our strategy

Strategic focus	Innovate and excel	Cost leadership	Supplier of choice	Robust people practices	Responsible corporate citizenship	Value-creation
Key enablers	We are nurturing a culture of process innovation and product excellence, reflected in the widening of our product basket. The Company automated its manufacturing process by installing ultrasonic cutting systems, increasing efficiency and global competitiveness.	Driving a focus on operational excellence and cost leadership. Lux focused on superior cost management through extensive investment in manufacturing integration and scale with the objective to reduce costs and strengthen trade terms.	Lux reinforced its customer engagement through adequate capacity, timely product delivery and high product quality. The Company has 950+exclusive distributors with over 35 years of engagement. There was less than 1% attrition among distributors in 2018-19.	Lux is an employer of 1,496+ employees, one of the largest in the sector. The Company's people engagement has been marked by delegation, empowerment, responsibility and accountability. The result is that Lux's invigorating workplace is marked by training, engagement, appraisal transparency and attractive reward.	The Company is a responsible corporate citizen engaged in community development. The Company invested ₹2.02 crore in CSR activities in 2018-19.	Lux is associated with more than 500 contractors engaged in manual-intensive stitching operations, in turn employing more than 40,000 workers - a robust employment-generating ecosystem.
Material issues / addressed	Strengthened the brand in a competitive market. Increased the number of countries exported to from 22 to 47 over the past five years.	Addressed raw material volatility and created a larger pool for reinvestment.	Enhanced revenue visibility through multi-year distributor agreements; focused on a sell-and-make approach. Strengthened pan-India presence and relevance.	Created a professional culture seeking overarching excellence in every activity.	Community engagement, widening prosperity. Addressed relatively unmet needs of society.	Addressed consumer needs by producing high quality products.
Capitals impacted	Manufactured, intellectual, financial.	Financial, intellectual, natural, social and relationship.	Intellectual, manufactured, social and relationship.	Intellectual, human.	Social and relationship, natural.	Intellectual, manufactured, social and relationship.

How we enhance value

Our resources	Value created	Value shared with
Financial capital The financial resources that we seek are based on funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.	**Financial capital** Turnover: ₹**1217.88** crore Earnings per share: ₹**40.12** RoCE: **29.96**% Market capitalization: ₹**3,467.87** crore	**Investors** The Company enriched investors through dividends and capital appreciation
Manufactured capital Our manufacturing assets, technologies and equipment for production constitute our manufactured capital. The logistics for the transfer of raw materials and finished products are integral to our manufacturing competence.	**Manufacturing capital** Revenues earned from domestic markets: ₹**1081.88** crore Revenues earned from exports: ₹**136** crore	**Suppliers** The Company enhanced value for distributors and retailers through sustained resource offtake and timely payments
Human capital Our management, employees and contract workers form a part of our workforce, the experience and competence enhancing value.	**Human capital** Number of employees **1496** Total remuneration, **2018-19** ₹43.49 crore	**Employees** The Company provided remuneration worth ₹43.49 crore and stable employment
Intellectual capital Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge account for our intellectual resources.	**Intellectual capital** Cumulative senior management experience **15-20** years	**Customers** The Company provided high product quality and timely delivery
Natural capital While we depend partly on raw materials sourced from nature (cotton) we have moderated the impact that our operations may have on the natural environment	**Natural capital** No wastes generated	**Government and regulations** The Company paid ₹170.88 crore to the exchequer; the employment catalysed the local community through downstream economic benefits
Social and relationship capital Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.	**Social and relationship capital** CSR spending: ₹**2.02** crore	**Communities** The Company maintains harmonious engagement with communities

Business enablers

Branding and distribution

Snapshot

- The Company deepened its international presence
- The Company focused in quality material and contemporary designs (European and American influences)

Overview

Lux, known for its strong product portfolio management, best-in-class quality as well as innovation in products and services, is confident of meeting customer expectations. The Company is one of the most respected brands within the segments of its presence in India. Over the years, the Company has brought a differentiated capability to its brands by engaging in prominent celebrity endorsements and continuous investments in the state-of-the-art facility.

In a typically undifferentiated product with low brand loyalty, the Company is creating a distinctive differentiation through extensive branding and quality-enhancing programmes. These initiatives have enabled the Company to emerge as a first-mover in a competitive industry and report consistent growth even in sluggish macro-economic environments.

Strengths

Team: The Company's sales team comprised 270 employees with an average age of 35-40, the right mix of rich experience and enthusiasm.

Robust distribution network: The Company has 950+ exclusive distributors with over 35 years of engagement. This relation is reflected in an attrition rate of less than 1% attrition.

Diversified product range: The Company offers a range of >100 products under 15 brands for men, women and children, ensuring relevance across ages, genders, geographies and seasons. Lux offers 5000 SKUs across all major brands.

Premiumising: Lux markets products under distinct mass, semi-premium and premium segments

Presence: The Company's portfolio comprises more than 5000 SKUs across major brands, among the largest innerwear ranges in the industry, graduating into a one-stop destination

Capitalising opportunity: The Company was the first Indian innerwear company to organise distributor and owner conferences within and outside India.

Strong distributor network: The Company enjoys relationship with more than 950 distributors for over 35 years. The Company suffered less than 1% attrition among distributors.

Outlets: The Company is among few innerwear companies to possess nine exclusive brand outlets and 160 large format stores to showcase the entire product range under a single roof.

Celebrity endorsement: Lux has been investing in prudent celebrity endorsement to address the mass segment.

Highlights, 2018-19

- The Company's revenues from the premium brands increased from 3.9% in 2012-13 to 10.0% in 2018-19
- The Company generated ₹136 crore from exports
- The Company engaged in branding through above-the-line and below-the-line activations
- The Company deepened its presence in high-growth segments of active wear and sportswear
- The Company invested ₹90.89 crore in branding, 7.47% of turnover
- The Company on-boarded Amitabh Bachchan as brand ambassador for Lux Venus and winter wear brand Inferno, strengthening offtake
- The Company on-boarded Varun Dhawan as brand ambassador for Lux Cozi, repositioning for a young audience
- Lux's ONN is a premium brand growing at ~20% every year
- The Company addressed tropical countries with demographics similar to India: 47 countries largely comprising the Middle East, Africa, Australia and Europe
- The Company enjoys a wide presence in the northern, eastern and western parts of the country, generating 70% of revenues from these zones

Outlook, 2019-20

- The Company plans to market globally a unique collection of socks, innerwear and sleepwear under the brand One8
- The Company will launch a dealer financing scheme Lux Suvidha Scheme, by entering into a financing relationship with banks
- The Company expects to earn ₹175 crore from exports
- The Company expects to generate 22% of revenues from the premium segment

There was less than 1% attrition among Lux distributors

2000 Lux pieces are sold per minute

Lux is India's largest domestic innerwear player by volume

Lux is India's number one innerwear exporter

Business enablers

A culture of manufacturing excellence

Snapshot

- The Company continued to invest in scale with the objective to moderate production costs
- The Company continued to up-grade equipment to enhance process and product quality

Overview

At Lux, we recognise the role of state-of-the-art equipment in creating superior products. The Company's six manufacturing facilities are located across three states.

At Lux Industries, we always emphasised quality, innovation and technology. As technologies change, equipment upgradation is continuous. The Company imported technologically advanced equipment over the years.

Strengths

Leadership: The Company manufactures 20 crore garment pieces a year, one of the largest in the Indian innerwear textiles sector.

Scale: The Company possesses the capacity to produce 5 lakh units of finished products a day

Fully automated: The Company's six new in-house fully-automated stitching units manufacture premium products like leggings, ONN brand products and export wear.

Efficient team: The Company hired over 150 operators and 10 senior technicians to ensure operational seamlessness

Maintenance: The Company's skilled technicians are engaged in periodic equipment maintenance

Fully equipped: The Company possesses over 350 circular knitting machines, sinker and interlock machines

State-of-the-art technology: The Company enhanced cutting-edge technology orientation by introducing a bouquet of modern equipment imported from reputed brands. The Company imported 108 sewing machines from Singapore, 11 high-speed knitting machines from Germany, 60 sock knitting machines from China and 2 cutting machines from Singapore & Italy.

Highlights, 2018-19

- The Company moderated manufacturing costs
- The Company improved sewing efficiency and product delivery to enhance capacity unlocking
- The Company produced two lakh units

Lux is present across the entire manufacturing value chain.

Process	In house/ outsource
Yarn	Outsourced. Although raw material prices have been increasing, the mills from which yarn is procured is run exclusively under supervision of Lux, thereby fluctuation in prices were absorbed.
Knitting	In-house
Processing (bleaching, dyeing and colouring)	Outsourced but fully controlled
Cutting	In-house
Stitching	Outsourced but fully controlled
Packaging	In house

Business enablers

Balance Sheet robustness

Snapshot

- The Company sustained its credit rating to “AA” for long-term bank facilities
- The Company moderated its gearing despite revenue growth

Overview

In the business of apparel and innerwear manufacture, marked by a continuous pressure to expand capacities and address overheads, there is always a priority in the prudent management of funds. The Company’s finance team provided the management with a real-time understanding of the financial health of the business, prompting immediate corrective action whenever necessary. The finance team addressed issues pertaining to buyer requirements, cost and credit control, cash flow management, taxation issues, customs clearances, letters of credit formalities and other banking transactions.

Strengths

Stable margins: The Company maintained a growth in EBITDA margin over the last five years

Consistent dividend: Lux a track record of regular dividend payment to shareholders. The value of dividends increased by 60% in the last five years

Highlights, 2018-19

- The Company reduced its receivables from 10-15 days in 2018-19
- The Company achieved a positive cash flow of ₹120 crore
- The Company reduced short-term loans from ₹316 crore in 2017-18 to ₹172 crore in 2018-19
- The Company managed its working capital by tightening inventory and debtors receivables
- The Company reported a profit after tax of ₹101.31 crore but generated a higher cash flow of ₹192.83 crore
- The Company’s average debt cost was 7%
- The Company moderated its debt-equity ratio from 1.03 in 2017-18 to 0.44 in 2018-19
- The Company grew EBITDA margin from 14.46% in 2017-18 to 15.56% in 2018-19

Outlook, 2019-20

- The Company focuses on reducing its working capital cycle
- The Company focuses on reducing short-term loan by 20%, with an objective to do more business with less cash
- The Company plans to achieve a revenue of ₹1,400 crore, a growth of 13%-15%
- The Company expects to moderate receivables by 20 days on a higher turnover
- The Company expects to strengthen its EBIDTA margin by at least 100 bps

Corporate Social Responsibility

The Lux Group is committed to sharing business success with communities that have been a part of its success. The value of corporate citizenship is rooted in responsibility to society and polity that provide a platform for business activities. The Company adheres to the best industrial practices, adopting the best technologies and environment-friendliness.

Some of the most important engagements for the Company have comprised Swacch Bharat Abhiyan through installation of bins in various areas to make and environment clean and safe.

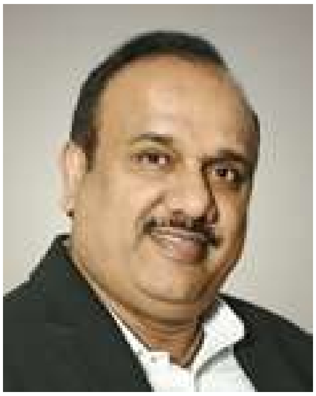
The Company has extended beyond these life supports to focus on education, healthcare, rural and urban infrastructure development, support for the elderly, old age homes, environmental protection and the promotion of traditional arts and culture.

In keeping with these values, the Lux Industries built the Saraswati Sishu Mandir School at Bali (Murshidabad), to provide quality education to local children.

The Company, through its CSR Trust, the Lux Foundation, carried out these projects in partnership and consultation with NGOs, registered trusts and Section 8 companies, who also help the Lux Industries to implement its CSR goals.

Board of Directors

Ashok Kumar Todi
Chairman



Pradip Kumar Todi
Managing Director

Prabha Devi Todi
Executive Director

Nandanandan Mishra
Independent Director

Snehasish Ganguly
Independent Director

Rusha Mitra
Independent Director

K.K. Agrawal
Independent Director

Committees

Audit	Nomination and Remuneration	Corporate Social Responsibility	Stakeholders' Relationship
Risk Management	Share Transfer	Committee of Directors	

Corporate Information

Board of Directors

Mr. Ashok Kumar Todi
Chairman

Mr. Pradip Kumar Todi
Managing Director

Mrs. Prabha Devi Todi
Executive Director

Mr. Nandanandan Mishra
Independent Director

Mr. Kamal Kishore Agrawal
Independent Director

Mr. Snehasish Ganguly
Independent Director

Ms. Rusha Mitra
Independent Director

Chief Financial officer

Mr. Ajay Kumar Patodia

Company Secretary and Compliance Officer

Mrs. Smita Mishra

Registrar and Share Transfer Agents

Karvy Fintech Private Limited
(Formerly Karvy Computershare Pvt. Ltd.)
Karvy Selenium Tower B, Plot - 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad - 500032
E-mail: einward.ris@karvy.com

Auditors

M/s. S.K. Agrawal and Co.
Chartered Accountants

Suite Nos. 606-608
The Chambers, Opp. Gitanjali Stdm.
1865, Rajdanga Main Road, Kasba
Kolkata - 700107

Bankers

Allahabad Bank,
Park Street Branch

State Bank of India,
Overseas Branch, Strand Road

HDFC Bank,
Stephen House Branch

Registered Office

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

Corporate Office

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

Statutory section

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 24th Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2019.

1. Standalone Financial Highlights

(₹ in lakhs)

Particulars	March 31,2019	March 31,2018
Revenue from Operations (Gross)	120,868.07	107,750.50
Other Income	919.78	185.45
Total Revenue	121,787.85	107,935.95
Profit Before Tax	15,464.14	12,102.01
Tax Expense (Including Deferred Tax)	5,332.74	4,314.13
Profit after Tax	10,131.40	7,787.87

Consolidated Financial Highlights

(₹ in lakhs)

Particulars	March 31,2019	March 31,2018*
Revenue from Operations (Gross)	120,704.77	107,750.50
Other Income	904.26	185.89
Total Revenue	121,609.63	107,936.40
Profit Before Tax	15,211.25	12,102.14
Tax Expense (Including Deferred Tax)	5,331.84	4,314.16
Profit after Tax	9,879.41	7,787.97

*Note: During the financial year 2018-19, Altai Industries Private Limited became the subsidiary of your company and thus Consolidation of accounts is not applicable for the financial year 2017-18.

2. Operating and Financial Performance

Your company delivered another year of steady performance in the backdrop of continuing sluggishness in the macro-economic environment. This year the Company's total revenue crossed the ₹1200 crores mark as against ₹1079 crores in the previous year. Profit before Tax is ₹154.64 crores as against ₹121.02 crores in the previous year. The Net Profit after tax is ₹101.31 crores as against ₹77.88 crores for the previous year. The earnings per share is ₹40.12 against ₹30.84 in the previous year.

The Dankuni Plant of your company having an area of 5 lakhs square feet is now running at optimum utilisations, combining with cost efficiency measures have helped Company to improve margins. The Company has its other manufacturing capacities at Dhulagarh, Ludhiana and Tiruppur. The Company has its sales offices almost all over the country.

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

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

3. Composite Scheme of Arrangement

During the year under review, the Composite Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 (the 'Scheme") for Amalgamation of Transferor Companies i.e. J.M. Hosiery & Co. Limited and Ebell Fashions Private Limited into Transferee Company i.e. Lux Industries limited is under process and expect to be completed as soon as possible after meeting all the requisite regulatory requirements. The Appointed Date for the Scheme is April 1, 2018.

4. Performance of Subsidiary Companies

Altai Industries Private Limited became the subsidiary of Lux Industries Limited during the financial year 2018-19 and this Company has been incorporated for the purpose of manufacturing and branding new line of item under hosiery for better control in quality. Artimas Fashions Private Limited the wholly owned subsidiary of Company started manufacturing hosiery goods under the brand name of One8- Brand of Indian Cricket Team's Captain Virat Kohli.

5. Dividend

Over the years, Lux has consistently followed a policy of paying high dividend, keeping in mind the cash-generating capacities, the expected capital needs of business and strategic considerations. For Financial Year 2018-19 the Board is pleased to recommend a dividend @ 175% (₹3.50 /-) on 25,253,000 Equity Shares of ₹2/- each. [Previous year, the total dividend was declared @ 100% i.e. ₹2.00/- each on 25,253,000 Equity Shares of ₹2/- each. Payment of dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.

6. Capacity Expansion

During the financial year 2018-19, the Dankuni Plant of your company having an area of 5 lakhs square feet is now running at optimum utilisations, combining with cost efficiency measures have helped Company to improve margins. Company has the lowest conversion cost while manufacturing hosiery in our industry.

7. Material Changes and Commitments

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

8. Consolidated Financial Statements

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

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

9. Share Capital

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

10. Transfer to Reserves

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

11. Transfer to Investor Education and Protection Fund

During the financial year under review, your Company has transferred unpaid/unclaimed dividend, amounting to ₹6,87,768/- for Financial Year 2010-11 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, 2012 at the Annual General Meeting held on September 28, 2012 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by November, 2019 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.

6,005 Equity shares in respect of 4 folios corresponding to the dividend for the year ended on March 31, 2012 which remained unclaimed for seven consecutive years will be liable to transferred to the IEPF Authority in compliance with Section 124 of the Companies Act, 2013 read with rule 6 of the Investor Education and

Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2017 due individual notices to concerned Shareholders and advertisements in newspapers will be served by the Company so that they can claim before transferring to avoid transfer of their shares to IEPF.

Equity Shares corresponding to the dividend declared for the year ended on March 31, 2013 and remaining unclaimed for seven consecutive years will also be transferred to the IEPF, if the dividend is not encashed within October 31, 2020. Individual notices will be sent to the concerned Shareholders and advertisements will be made in the newspapers in this regard. The advertisement will also be made available on the website of the Company.

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

12. Fixed Deposits

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

13. Particulars of Loans, Guarantees or Investments

The Company has not given any new loan during the financial year 2018-19, however, charged interest on outstanding balance of loan given during the financial year 2015-16 and for Artimas Fashions Private Limited loan given during the year there was no outstanding balance as on 1st April, 2018. Details of the same are given below.

(₹ in lakhs)

Name	Rate of Interest	Max amount of Outstanding	Purpose
Manamaa Garments	8%	55.88	Loan
Jalan & Sons	8%	32.37	Loan
Artimas Fashions Private Limited	9%	320.60	Loan

During the year under review the Company has invested in 50.87% shares of Altai Industries Private Limited resulting said Private Limited Company becoming Subsidiary of Lux Industries Limited.

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

14. Internal Control System and their adequacy

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

15. Corporate Social Responsibility Initiatives

Pursuant to section 135 of the Companies Act 2013, read with rules made there under, your directors have constituted a Corporate Social Responsibility Committee. The Company works primarily through its CSR trust, the Lux Foundation towards supporting projects in the areas of education the Company has also contributed funds for the schemes relating to eradicating hunger and poverty, promoting education, animal and social welfare and medical aid. 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/upload%20pdf/Cgovernance/policies_03.pdf

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

16. Management Discussion and Analysis Report

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

17. Corporate Governance

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'**.

18. CEO and CFO Certification

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

19. Directors and Key Managerial Personnel

Induction

During the financial year under review the board in their meeting held on March 29, 2019 has appointed Ms. Rusha Mitra as Additional Director (in the capacity of Independent, Non-Executive) of the Company.

Re-appointments

The term of 5 year as Managing Director of Company of Mr. Pradip Kumar Todi will expire on September 27, 2019. The Directors recommend his re-appointment for a period of 5 year with effect from September 28, 2019 subject to approval of shareholders at ensuing Annual General Meeting.

Mr. Nandanandan Mishra, Mr. Snehasish Ganguly and Mr. Kamal Kishore Agrawal were reappointed as independent director, effective April 1, 2019 and the same was approved by shareholders at their meeting held on September 27, 2018.

Based on the terms of appointment, Mr. Pradip Kumar Todi,Managing Director subject to retirement by rotation, in the current term being longest service member and who is liable to retire being eligible, seeks re-appointment. The Board recommend his re-appointment.

Change in designation

The board of Directors has appointed Ms. Rusha Mitra as Additional Director (in the capacity of Independent, Non-Executive) in their meeting held on March 29, 2019 now the designation of Ms. Rusha Mitra, as an Additional director of the Company will be changed from Additional Director to Independent Director subject to approval of shareholders at ensuing Annual General Meeting.

Brief resume / details of Mr. Pradip Kumar Todi (DIN: 00246268) and Ms. Rusha Mitra (DIN: 08402204) is furnished in the annexure to the notice of the ensuing Annual General Meeting as required under the Code of Corporate Governance.

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

Sl. No.	Name of the KMP	Designation
1.	Shri Ashok Kumar Todi	Whole-time Director
2.	Shri Pradip Kumar Todi	Managing Director
3.	Mr. Ajay Kumar Patodia	Chief Financial Officer
4.	Mrs. Smita Mishra	Company Secretary and Compliance Officer

Declarations from Independent Directors

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

Familiarisation Program

At the time of appointing a Director, a formal letter of appointment is given to him / her, which, inter alia, explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The format of the letter of appointment is available on our website at http://www.luxinnerwear.com/upload%20pdf/Cgovernance/id_02.pdf. The Director is also explained in detail the various compliances required from him/her as a director under various provision of Companies Act, 2013, and such other rules and regulations.

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

During the financial year under review, your Company organised 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/upload%20pdf/Cgovernance/id_01.pdf

Board Evaluation

Pursuant to the provisions of section 178 of Companies Act, 2013 and Regulation 17, 19 and 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 and Remuneration Committees. The manner in which the evaluation has been carried out has been explained in Nomination and Remuneration Policy in the Corporate Governance Report. Further, the Independent Directors of the Company met once during the year on February 12, 2019 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 and 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/upload%20pdf/Cgovernance/policies_07.pdf

Meetings

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

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

20. Director's Responsibility Statement

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

a. that in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;

b. that such accounting policies as mentioned in the notes to annual accounts have been selected and applied consistently and judgments and estimates have been made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the annual accounts of the Company have been prepared on a 'going concern' basis;

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

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

21. Related Party Transactions

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

Company at large. All the related party transactions are reviewed by the Audit Committee. The prescribed Form AOC-2 is not applicable to the Company. A policy on related party transactions and dealing with related parties as approved by the Board has been posted on the Company's website:-

http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_09.pdf

Further as required under Part A of Schedule V of SEBI (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 following promoters are holding more than 10% of shareholding with whom transactions were held by the Company:-

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

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

22. Subsidiaries, Associate and Joint Ventures Companies

The Company has one Wholly Owned Subsidiary Artimas Fashions Private Limited (Unlisted Private Limited Company) and during the year the Company has invested in 50.87% shares of Altai Industries Private Limited resulting said Private Limited Company become Subsidiary of Company. Further the Company does not have associate and there were no joint ventures entered into by the Company.

23. Vigil Mechanism

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

http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_10.pdf

24. 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 and Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Auditor's Report is annexed herewith as **Annexure 'H'**.

25. Auditors

M/s S. K. Agrawal And Co., Chartered Accountants (Firm Registration Number: 306033E) Statutory Auditors of the Company have submitted their Independent Auditor's report on the financial statement of the Company for the year ended on March 31, 2019.

Members of the Company at the Annual General Meeting(AGM) held on September 21, 2017, approved the appointment of M/s. S. K. Chartered Accountant, as the Statutory Auditor of the Company for a period of five years commencing from the conclusion of the 22nd AGM of the Company held on September21, 2017 until the conclusion of the 27th AGM of the Company to be held in the year 2022.

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

26. Insider Trading Code

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') on prevention of insider trading, your Company had instituted a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code lays down guidelines, which advise Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances. During the year under review Company has made changes in the insider trading policy of the Company as required in amendment in SEBI (Prohibition of Insider Trading) Regulations, 2015 to be effective from April 01, 2019. Your Company has further put in place a Code of practices and procedures of fair disclosures of unpublished price sensitive information during the year under review Company has revised this code to incorporate changes as required in amendment in SEBI (Prohibition of Insider Trading) Regulations, 2015 to be effective from April 01, 2019 and the revised code was duly uploaded to the exchange. Both the aforesaid Codes are in line with the PIT Regulations. The code may be accessed on the Company's website:-

http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_02.pdf

27. Ratings

During FY under review, Acuite Research and Ratings Limited (Previously known as SMERA Ratings Limited) has reaffirmed the following ratings given to the Company:-

(₹ in Crores)

Ratings	Amount	Category
ACUITE AA	359.18	Long-Term Instruments
ACUITE A1+	1.50	Short Term Instruments

28. Extract of Annual Return

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

29. Business Responsibility Report

The Company was ranked 385 by National Stock Exchange out of 500 top listed companies in India based on market capitalisation as on March 31, 2018. Accordingly in compliance with regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 it has been prepared and forms part of the Annual Report as **Annexure 'J'.**The Report provides a detailed overview of initiatives taken by your Company from environmental, social and governance perspectives.

30. Business Risk Management

The Board of the Company realises that risk evaluation and risk mitigation is its vital responsibility. Pursuant to section 134 (3) (n) of the Companies Act, 2013 and 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.

31. Industrial Relation

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

32. Particulars of Employees

As on March 31, 2019, total number of employees on the records of your Company was 1496 as against 1407 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.

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

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

33. Prevention of Sexual Harassment at workplace

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

34. Board Policies

During the year Company has not approved any new policy however various existing policies were amended and revised by the board as required under Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018.

During the year board revised and adopted following policies:

Name of the Policy	Summary of Key Changes	Web link (if any)
Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information	The Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information was amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, incorporating 'legitimate purpose' in connection with sharing of Unpublished Price Sensitive Information (UPSI)	http://www.luxinnerwear.com/upload%20pdf Cgovernance/policies_02.pdf
Code of Internal Procedure and Conduct to Prohibit Insider Trading in Securities of Lux Industries Limited	The Insider Trading Policy was amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, incorporating the key change including in definition of designated persons, maintenance of digital database.	-
Code of Conduct	The Policy on Code of Conduct was amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 for changing the definition of Senior Management Personnel.	http://www.luxinnerwear.com/upload%20pdf/Cgovernance/code%20of%20conduct.pdf
Whistleblower Policy	The Whistleblower policy was amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. Enabling employees to report instances of leak of UPSI	http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_10.pdf
Policy on Material Subsidiaries	The Policy on Material Subsidiaries was amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 for changing the definition of material subsidiaries.	http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_08.pdf
Nomination and Remuneration Policy	The Nomination and Remuneration Policy was amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.	http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_07.pdf
Related Party Transaction Policy	The Related Party Transactions Policy was amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The key changes include, threshold limits for determining materiality.	http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_09.pdf
Risk Management Policy	The Risk Management Policy was amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The key changes include, to cover cyber security in the policy.	-

35. Annexures forming part of Board Report

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

Annexure	Particulars
Annexure - A	Dividend Distribution Policy.
Annexure - B	Annual Report on Corporate Social Responsibility (CSR) Activities.
Annexure - C	Management Discussion and Analysis Report.
Annexure - D	Report on Corporate Governance.
Annexure - E	Certification by Managing Director and Chief Financial Officer of the Company.
Annexure - F	Auditors' Certificate on Corporate Governance.
Annexure - G	Certificate from Practicing Company Secretary.
Annexure - H	Secretarial Auditor's Report.
Annexure - I	Extract to the Annual Return in Form MGT-9.
Annexure - J	Business Responsibility Report ('BRR').
Annexure - K	(i) Details pertaining to remuneration as required under section 197 (12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (ii) Statement containing the names of top ten employees as required under section 197(12) of the Companies Act 2013 read with the rule 5(2) and 5(3) of the Companies (Appointment and Remuneration Personnel) Rules 2014.
Annexure - L	Statement containing salient features of the financial statements of Subsidiaries in Form AOC-1.
Annexure - M	Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo.

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

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

37. 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

Sd/-
Ashok Kumar Todi
Chairman
DIN:00053599

Kolkata
April 22, 2019

ANNEXURE ‘A’ TO BOARD’S REPORT

DIVIDEND DISTRIBUTION POLICY

1. Scope Purpose and Objective

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

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

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

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

The Policy shall not apply to:

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

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

2. Effective Date

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

3. Definitions

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

4. Parameters and Factors for declaration of Dividend

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

4.1.1 Financial parameters and Internal Factors:

i. Operating cash flow of the Company

ii. Net operating profit after tax

iii. Profit available for distribution

iv. Earnings Per Share (EPS)

v. Working capital requirements

vi. Capital expenditure requirement

vii. Business expansion and growth

viii. Likelihood of crystalisation of contingent liabilities, if any

ix. Up gradation of technology and physical infrastructure

x. Creation of contingency fund

xi. Acquisition of brands and business

xii. Cost of Borrowing

xiii. Past dividend payout ratio / trends.

4.1.2 External Factors:

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

i. Economic environment

ii. Capital markets

iii. Global conditions

iv. Statutory provisions and guidelines

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

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

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

i. Proposed expansion plans requiring higher capital allocation

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

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

iv. Proposal for buy-back of securities

v. In the event of loss or inadequacy of profit

4.3 Utilisation of retained earning

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

- Market expansion plan
- Product expansion plan
- Increase in production capacity
- Modernisation plan
- Diversification of business
- Long term strategic plans
- Replacement of capital assets
- Where the cost of debt is expensive
- Dividend payment

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

4.4 Manner of dividend payout

4.4.1 In case of final dividend:

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

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

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

4.4.2 In case of interim dividend:

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

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

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

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

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

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

5. Disclosures

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

6. Policy Review and Amendments

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

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

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

ANNEXURE 'B' TO BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

   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 education
   - Promotion of health care through support for medical facilities
   - Supporting economically backward group
   - Animal welfare
   - Support to elderly people
   - Women Empowerment
   - Promotion of traditional art and culture
   - Promotion of sports
   - Benefit of Armed Forces.

   The CSR Policy is available on the Web Link:-
   http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_03.pdf

2. **Composition of CSR committee:**

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

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

   Average net profit: ₹9,766.11 Lakhs

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

   The Company is required to spend ₹195.52 Lakhs

5. **Details of CSR spend for the financial year:**

   a) Total amount spent for the financial year:-₹201.77 Lakhs

   b) Amount unspent if any:- Nil

c) Manner in which the amount spent during the financial year is detailed below:-

Sl. No.	CSR Project/ Activities	Sector	Locations	Amount outlay (budget) project or program wise ₹ (In Lakhs)	Amount spent on the project or programs ₹ (In Lakhs)	Cumulative expenditure up to the reporting period ₹ (In Lakhs)	Mode of implementation (Direct or through implementing agencies
1	Promotion of Education	Schedule VII (ii) Promotion of Education	Local and Other area, Kolkata, Bali-Murshidabad.	72.00	71.06	71.06	Lux Industries Limited/ Lux Foundation Through Pradip Kumar Todi and others.
2	Healthcare	Schedule VII(i) Promoting healthcare	Local area, West Bengal- Kolkata	3.00	2.18	2.18	Anandloke Hospital
3	Social Welfare	Schedule VII (iii) Social Welfare of Socially and economically backward group	Local area, West Bengal- Kolkata	25.00	26.14	26.14	Save the Children, Natraj Yuva Sangh,Jeeban Prabhadhan Samooh, Paschim Bangya Marwari Sammelan, Purvanchal Kalyan Ashram, Calcutta Centre Mahavir Seva Sadan, East Kolkata Nagarik Foundation, Calcutta Vastra Vyavsayi Seva.
4	Animal Welfare	Schedule VII (iv) Animal Welfare	Jalore, Salasar-Rajasthan,	60.00	66.00	66.00	Shri Hanuman Seva Samity, Rajasthan Gokalyan, Shri Nimbark Gauseva Trust, Beriwala Seva Trust.
5	Support to elderly people	Schedule VII (iii) Old age homes, day care centres and other facilities for senior citizen.	Local area, West Bengal- Kolkata	1.50	1.57	1.57	The Little Sister of Poor.
6	Promotion of traditional art and culture	Schedule VII (v) Promotion of traditional art and culture	Local area, West Bengal- Kolkata	22.00	21.82	21.82	Shri Venkatesh, Shri Shiv Sakti Seva Trust, Narayani Dham Debsar, Satsang Parivar Trust, Salt Lake Sanskritik Sansad.
7	Women Empowerment	Schedule VII (iii)	Local area, West Bengal- Kolkata	3.00	3.00	3.00	Carethan
8	Promotion of Sports	Schedule VII (vii)	Local area, West Bengal- Kolkata	5.00	5.00	5.00	Income Tax Sports and R.C.
9	For the benefit of Armed Forces	Schedule VII (vi)	Local area, West Bengal- Kolkata	5.00	5.00	5.00	India's Bravehearts
				194.50	**201.77**	**201.77**	

Major Sector Covered in CSR

During Financial Year 2018-19,Lux has contributed towards infrastructure support to Government School at Bali, Murshidabad, West Bengal.

6. **In case the Company has failed to spend the two percent 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's Report:** Not Applicable.
7. **Responsibility Statement:**

<u>The Responsibility Statement of the CSR Committee of the Board is reproduced below:-</u>

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

For and on behalf of the Board of Directors

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

Kolkata
April 22, 2019

ANNEXURE 'C' TO BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic overview

Following a robust growth of 3.8% in 2017 and the first half of 2018, the global economy slowed significantly in the second half of 2018, reflecting a confluence of factors such as the failure of the Brexit negotiations, tightened financial conditions, geopolitical tensions, and higher crude oil prices that affected the major economies. Owing to this, global economic growth in 2018 was estimated at 3.6%.

Crude prices remained volatile since August 2018 as a result of multiple factors including the American policy pertaining to Iranian exports and softening global demand. Oil prices dropped from a four year peak of US$ 81 per barrel in October 2018 to US$ 61 per barrel in February 2019. While advanced economies are showing signs of a slowdown, emerging economies like India and China are expected to fuel the world's economic growth engines.

Global growth is expected to remain at 3.2% in 2019 while bounce back to 3.5% in 2020. The unwinding of the US fiscal stimulus and the fading of the favourable spill-overs from US demand to trading partners will be offset by a pickup in growth in emerging markets and developing economies. Global oil supply is expected to increase gradually, lowering oil prices to US$68.76 a barrel in 2019 and to ~US$60 a barrel in 2023.

Global economic growth over six years

Year	2015	2016	2017(E)	2018(E)	2019 (P)
Real GDP Growth (%)	3.2	3.1	3.8	3.6	3.2

[Source: World Economic Outlook, July 2019]
E: Estimated; P: Projected

Indian economic overview

India is the sixth-largest economy and retained its position as the fastest-growing trillion-dollar economy. After growing 7.2% in 2017-18, the Indian economy was expected to grow at 6.8% in 2018-19. The principal developments during the year under review comprised a sustained increase in per capita incomes, decline in national inflation, steadying interest rates, and weakened consumer sentiment starting from the second half of the financial year.

The weaker sentiment was on account of a large non-banking financial company announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment, which resulted in a slower GDP growth of 5.8% in fourth and 6.6% in the third quarter of the year under review compared with 8.2% and 7.1% GDP growth in the first two quarters of FY2018-19.

In 2018, the country attracted more foreign inflows than China - ~US$ 38 billion, higher than China's US$ 32 billion. India witnessed a 23-notch increase to 77th position in the World Bank's report on the ease of doing business. The commencement of the US-China trade war opened a new opportunity for India. Inflation (including food and energy prices) was pegged at 2.6% on an annual basis, one of the lowest in years. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitalisation, renewable energy capacity generation and infrastructure building. (Source: CSO)

Outlook

India's growth is expected to be sluggish through 2019-20 before reviving in line with its fundamentals across the long-term.

Global textiles and apparel industry overview

The global textiles and apparel industry was valued at ~US$ 925.3 billion in 2018 compared to ~US$ 872 billion in 2017. In 2016, the Asia Pacific region accounted for 59.6% of the global textile business due to the advantage of lower production costs. Global apparel demand is expected to grow to US$ 2.6 trillion by 2025, riding economic growth, income and aspirations primarily in the Asia Pacific region. China is the largest exporter, accounting for 36% of total global exports, followed by India, Bangladesh and Germany with trade worth US$ 37 billion, US$ 35 billion and US$ 34 billion respectively. *(Source: Wazir, the Business Research Company,Grand View Research, Shenglufashion.com).*

Outlook

Global demand for apparels is projected to grow at a

CAGR of 5% to reach US$ 2.6 trillion by 2025. India and China are projected to grow at a steady CAGR of 12% and 10% respectively. China is set to become the largest consumer by 2025 with a market size of US$ 450 billion, while India is set to overtake Japan and reach a market size of US$ 160 billion, catalysed by higher economic growth and rise in per capita income.

The global trade and textiles and apparel is projected at US$ 1,000 billion in 2025 from the current market value of US$ 764 billion, growing at a CAGR of 3.4%. *(Source: Wazir, Grand View Research)*

The Indian textile and apparel industry overview

The Indian textile and apparel industry was estimated at US$ 100 billion in 2018. Demand for the products in this industry strengthened on account of rising per capita income, favorable demographics and a shift in preference for branded products. India's textile and apparel export stood at US$ 35.97 billion in FY19. Since 2015, India has enjoyed the position of the fifth-largest market for textile and apparel products in the world.

The apparel market in India is growing at a CAGR of 8%, the highest among the top ten countries by apparel market size. The market is expected to reach US$ 97 billion by 2025. As the apparel market grows in size, women's apparel is poised to emerge as the dominant segment, following a characteristic pattern of mature markets like the US and the UK, where the ratio of women's wear to men's wear is ~2:1. Women's apparel currently constitutes a low 37% share of the overall apparel market and valued at US$ 19 billion. It is expected to outpace men's wear and occupy a 41% market share by 2025.

Increased penetration of organised retail, favourable demographics and rising income levels are set to drive textile demand. Apart from abundant availability of raw materials, India enjoys a comparative advantage in terms of skilled manpower and a lower cost of production relative to major textile producing countries.

(Source: IBEF, PwC, Ministry of Textiles, Make in India, Technopak, Aranca Research, National Bureau of Statistics,)

Budgetary provisions, 2018-19

- The Government of India allocated ~₹7,148 crore (US$ 1 billion) for the textile industry.
- The Central Government allocated ₹30 crore (US$ 4 million) for the Scheme for Integrated Textile Parks, under which there are 47 ongoing projects
- ₹2,300 crore (US$ 355.27 million) have been allocated for the Technology Up-gradation Fund Scheme.
- The allocation for ROSL stood at ₹2,163.85 crore (US$ 334.24 million), expected to be beneficial for exporters of made-ups and apparels as backlog will be cleared and working capital released.
- The Government of India allocated ₹112.15 crore (US$ 17.32 million) towards schemes for power-loom units.
- ₹700 crore was allocated towards ATUFS for the next fiscal compared to ₹622.63 crore for 2018-19.
- Allocation for Central Silk Board increased from ₹501 crore to ₹730 crore.

(Source: Economic Times, Financial Express, Union Budget 2018-19)

Staple fibre production

Total fibre production stood at 1.319 million tonnes in FY2017-18. Polyester staple fibre production during the April to October period of FY2019 stood at 263.65 million kilograms compared to 295.76 million kilograms in the corresponding period of the previous fiscal. Production of viscose staple fibres increased by 41.25% to 179.63 million kilograms compared to 127.17 million kilograms during the April to July period of 2017-18. *(Source: IBEF, Textile Excellence)*

Spun yarn production

In 2018-19, spun yarn production increased by 3.20% to 586.2 million kilograms. During the April to July period of 2018-19, cotton yarn production went up by 2.53%, to 1,398.71 million kilograms. Blended yarn production accounted for 18.25% of total spun yarn production, rising by 3.07% during the April to July period of 2018-19 to 355.24 million kilograms. Finally, production of 100% non-cotton spun yarn, which accounts for ~10% of the total spun yarn production, rose by 3.76% to 192.41 million kilograms during the April to July period of 2018-19. *(Source: Textile Excellence)*

Filament yarn production

Filament yarn production (which includes polyester, viscose, nylon and polypropylene) stood at 374.17 million kilograms during the April to July period of 2018-19. Polyester filament yarn accounted for >90% of the total filament yarn production and the share of viscose filament yarn was >4%. *(Source: Textile Excellence)*

Big numbers

7
(%)
India's textiles industry contributed to India's industrial output (in value terms) in 2017-18

2
(%)
Contribution to India's GDP, 2017-18

>45
(million)
Number of employment generated, 2017-18

35.97
(US$ billion)
Textile exports FY2018-19

300
(US$ billion)
Textile exports by 2024-25

34.9
(million bales)
Estimated production of raw cotton in India, FY2017-18

1.319
(million tonnes)
Production of fibre in India in FY2017-18

0.603
(million tonnes)
Estimated production of fibre in India, FY2018-19

5,676
(million kilograms)
Production of yarn in FY18

71.52
(%)
Cotton yarn's share in total yarn production, FY2017-18

66,514
(million square metres)
Fabric production in India in FY2017-18

7.80
(%)
Growth of textile manufactured under IIP index in 2018

9
(US$ billion)
Estimated market size of the Indian online fashion market in FY2017-18

30
(US$ billion)
Estimated market size of the Indian online fashion market, 2020

(Source: Ministry of Textiles, Cotton Corporation of India, Aranca Research, Hindu Business Line, Technopak, Make in India, Ministry of Statistics and Programme Implementation, IBEF)

Fabric production

Fabric production in India rose to 66,514 million square metres in FY18 from 52,665 million square metres in FY07. Cotton fabrics accounted for the majority share of 60%, while man-made and blended fabrics had a share of 23% and 17%, respectively. *(Source: IBEF)*

Production of yarn (million kilograms)

Year	Production
FY13	4,867
FY14	5,309
FY15	5,488
FY16	5,665
FY17	5,667
FY18	5,676

(Source: IBEF)

Textiles and apparel exports from India (US$ billion)

Year	Exports
FY2016	36.73
FY2017	36.64
FY2018	35.38
FY2019	35.97

(Source: Financial Express, IBEF)

Country-wise export of cotton yarn from India

Country	Export
China	25%
Bangladesh	20%
Pakistan	7%
Egypt	5%
Portugal	5%
RoW	38%

(Source: Wazir, 2017-18)

Country-wise exports of polyester filament yarn from India

Year	Production
Turkey	37%
Brazil	27%
Bangladesh	6%
Egypt	4%
Korea	3%
RoW	23%

(Source: Wazir, 2017-18)

Emerging trends

Textile parks: As of October 2017, the foundation stone for Kakatiya Mega Textile Park, India's largest textile park was laid in the Warangal district of Telangana. The park will be spread across 2,000 acres and is expected to generate 22,000 direct and 44,000 indirect jobs. 14 companies have already planned to set up units in the textile park worth total investments of ₹3,000 crore (US$ 463 million). Since 2014, 19 textile park projects were sanctioned under Scheme for Integrated Textile Park under the PPP mode with 40% government assistance of up to ₹40 crore (US$ 6 million).

Multi-fibre arrangement: With the expiry of multi-fibre arrangement in January 2005, cotton prices in India were integrated with international realisations.

Public-private partnerships: The Ministry of Textiles commenced an initiative to establish institutes under the PPP model to encourage private sector participation in the development of the textile industry.

Technical textiles: Technical textiles industry, which had a market size of ₹116,000 crore (US$ 18 billion) in 2017-18, is projected to grow at 20% y-o-y supported by various flagship schemes. US$ 70.83 million was allocated to promote the use of geotechnical textiles in the North Eastern states.

Policy boost: As of August 2018, the Government of India increased the basic customs duty to 20% from 10% on 501 textile products, to boost Make in India and promote employment among indigenous communities.

Backward integration: During Textiles India 2017, the Ministry of Textiles signed 65 MoUs with various domestic and international organisations. The MoUs signed related to the exchange of information and documentation, R&D, commercialisation of handloom products and silk production, geotextiles, skill development, supply of cotton and trade promotion with overseas partners, among others.

(Source: IBEF, Ministry of Textiles)

Growth drivers

Rising incomes: Rising disposable income is causing an increase in discretionary spending, which is enhancing the demand for new sophisticated products. Segments like maternity and innerwear in apparel are growing at a rate of 17% because of this trend.

Premiumisation focus: The Indian innerwear market was once highly price sensitive and people spent on innerwear cautiously. However, the market has changed and is witnessing the advent of premium innerwear brands along with the entry of global brands. Many established brands are introducing new and better product lines, while adhering to customer satisfaction.

Working women: The increasing female workforce and a shift in consumer buying behaviour from need-based purchase to aspirational buying has increased the demand for apparel products, typically in the fusion and western wear market.

Single-brand retail: The Central Government's execution of 100%-FDI in single-brand retail has made India a lucrative market, causing a rise in investments and leading to the entry of several big global players. These developments are driving growth in the apparel market.

Online brands: The e-retail market in India is valued at US$ 16.3 billion and expected to grow at a CAGR of 45% from 2017 to 2020. This growth in e-commerce has facilitated the creation of brands online and provided entrepreneurs a platform to sell their products to a nation-wide market without incurring high set-up costs. Venture capitalists are investing heavily in such businesses to capitalise on this high-growth segment.

Fashion market: The fashion market in India is currently estimated at US$ 70 billion, of which only 25% is organised and projected to grow at 15% CAGR and become a US$102 billion market by 2022.

Abundant availability: The fundamental strength of the textile industry in India is its strong production base of wide range of fibre /yarns from natural fibres like cotton, jute, silk and wool to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

Growing middle-class: India's middle-class is forecast to expand by 1.4% per year, outpacing China, Mexico, and Brazil. As a result, India is set to evolve from an increasingly important sourcing hub into one of the most attractive consumer markets outside the Western world.

Increasing exports: India is the world's second-largest textile exporter. Capacity built over years has led to low cost of production per unit in India's textile industry. This has lent a strong competitive advantage to the country's textile exporters relative to key global peers. In the coming decades, Africa and Latin America could turn out to be key markets for Indian textiles.

Westernwear demand: Western wear is growing at a CAGR of 17%. The market is valued at ~ US$ 700 million with both global and national players. With more than 40% of the population working and rising urbanisation, the demand for western wear is likely to increase further and become one of the top segments by market share.

Growing fashion-consciousness: With the rise in disposable income and sophistication of digital and other media, consumers are becoming more aware, fashion conscious demanding under varieties and designs. There is a trend towards brand loyalty, where style and design are among the top-three considerations for consumers.

(Source: Ministry of Textiles, IMF, McKinsey Global Institute, Aranca Research, IBEF, PwC)

Outlook

The Indian textile industry is set for robust growth, buoyed by both strong domestic as well as export demand. The sector is expected to reach US$ 226 billion by FY2023 on the back of a growing population. Increasing urbanisation will also drive fashion trends. Supported by the potent combination of rising disposable income and consumerism, the retail sector has experienced a rapid growth in the last decade with several international players joining the game in India. The organised apparel segment is expected to grow at a CAGR of more than 13% over a 10-year period. India could become the one-stop sourcing destination for companies from the ASEAN, as there exist several opportunities for textile manufacturing companies from the countries of the block to invest in India. The Government of India is taking initiatives to attract foreign investments in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France. The total FDI inflow in the textile sector, inclusive of dyed and printed textile, between April 2000 and June 2018 stood at US$ 2.97 billion *(Source: IBEF, Department of Industrial Policy and Promotion)*

Indian innerwear segment overview

The current size of the innerwear market is ₹27,931 crore, which is estimated to grow at a CAGR of 10% over the next decade to become ₹74,258 crore by 2027. It accounts for a 7% share of the men's apparel market. The market is dominated by a large number of small-scale players, making ~60-65% of the market unorganised. However, the segment is evolving gradually and moving towards organised retail. Lately, the premium innerwear market in India has been experiencing the increasing entry of global brands, mostly through partnerships and tie-ups with home-grown brands.

Men innerwear segment

Men's innerwear is divided into super-premium, premium, medium, and economy segments. Unlike women's segment, within the men's innerwear, the economy niche is the highest contributor at 53%. The mid-price segment contributes 32%, and the premium and super-premium sub-segments together constitute 15%. It is expected that the premium and mid-price sub-segments will grow fastest and exponentially in the next few years. The men's innerwear market, which was estimated to be worth ₹9,477 crore in the year 2017, is estimated to grow at a CAGR of 7% to reach ₹17,894 crore by 2027. This is largely due to consumers becoming more informed. They seek high fashion quotient along with comfort, hygiene, brand image and smart prices.

Youth residing in metros and mini metros engage mostly with premium brands. The keenness to show off brands, coupled with a desire to look good, is a significantly strong attribute in the choice of innerwear products and subcategories.

Women innerwear segment

The women's innerwear segment is poised to grow at an impressive 12% over the next decade to ₹56,364 crore by 2027 from the current market size of ₹18,454 crore. The Indian innerwear market is primarily dominated by women's innerwear, which accounts for 64% of the total innerwear market and accounts for 15% of the women's apparel market. Branded innerwear contributes 38-42% of the women's innerwear market and this share is expected to grow to 45-48% by 2022. Increased purchasing power with more women joining the workforce along with higher awareness about fits, quality, colours and styling, has led to a significant boost in the women's lingerie segment in India. Bras and panties contribute 85% of the total women's lingerie segment. Women are conscious about brands and styles for their intimate wear. The trend is not restricted to just metros but can be witnessed spreading in Tier-I, II and III cities. Price points vary based on the range and category of products. The basic mass range of innerwear priced ₹60 to ₹150, the premium mass range of innerwear is ₹100 to ₹250, the premium range extends from ₹150 to ₹400 while the luxury range extends from ₹400 to ₹3,000. *(Source: Technopak, India Retailing, Indian Retailer)*

Emerging trends

Consumer mindset: Although the urban consumers are willing to pay higher for quality and value-added products, the majority of the volumes are derived from the rural markets or price-sensitive suburban markets.

Cultural changes: With the change in lifestyle and influence of global trends, Indian consumers have become more aspirational and fashion-conscious, even as they are price-sensitive with respect to buying preferences.

Qualitative excellence: Domestic organised brands are at par with the international standards and offerings, if trend and quality are concerned. Organised Indian players have carved a niche by offering trendy products at pocket-friendly prices.

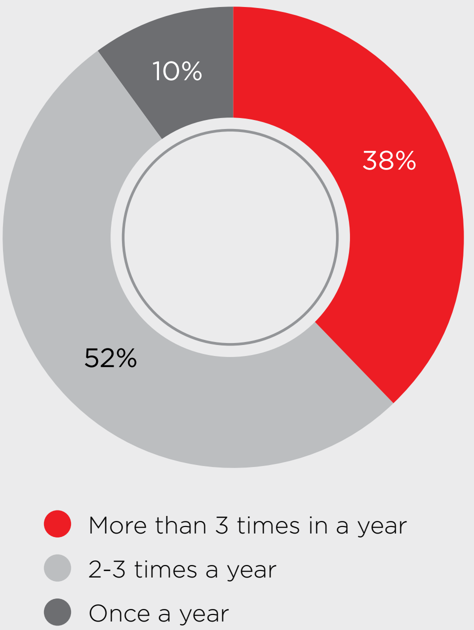
Newer fabrics: Cotton has always been preferred in this segment, but with technical advancements, we notice a wide array of comfortable fabrics being used. From nylon to organic cotton, spandex blended cotton fabric to modal and from micro-fibre to more durable material, materials used for manufacturing innerwear have come much beyond compared to what it was.

Newer styles: The innerwear industry is filled with advancements and innovation. The amount of various types of innerwear is large. This category is quickly fusing innovation into its articles of clothing. There is evident in new shades like pop colours, glow-shine waist bands, abstract patterns, stretchable wears and quick-dry fabrics.

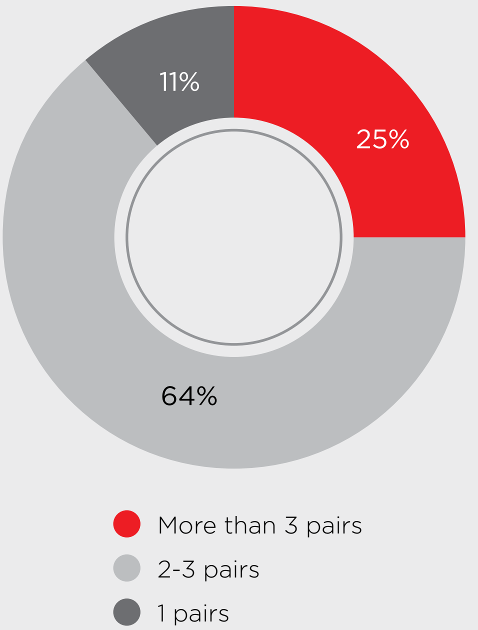
Newer subs-segments: Indian consumers are becoming conscious about their attire and every purpose. In the Indian innerwear market, there is an emergence in categories like shape wear, intimate wear, active wear and racer backs. Some other categories or trends gaining popularity comprise prints, spandex blend and bio-wash.

Kids' innerwear: Kids' apparel is one of the fastest-growing markets in India at a rate of 15% per annum. The first thing that parents consider while purchasing undergarment for their kids is the 'fit' with considerations like styles, designs, colours and brand names becoming secondary. However, lots of people opt for brands, as they ensure product quality. 'Price' stands at a lower position indicating that consumers are ready to spend for good quality and well-fitted undergarments. The kids' innerwear is still predominantly unorganised and the potential would be huge if its channelised properly.

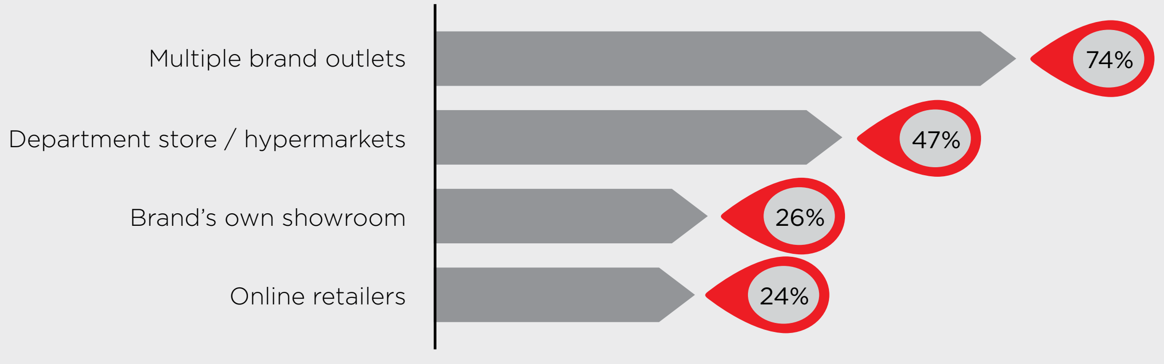
Shopping frequency



Quantity purchased per shopping trip



Channels preferred



(Source: Wazir Advisors)

Company overview

Incorporated in 1995, Lux Industries has emerged as one of the largest players in the hosiery business having a market share of ~20% of the organised industry. The Company has more than 100 products across 15 brands to address the burgeoning need of customers. The Company has ~5,000 SKUs under various brands and sub-brands. The Company has six manufacturing facilities with a cumulative capacity of 2,000 lakh garment pieces a year. With a focus on growing exclusive retail outlets and in providing customers with a seamless buying experience, the Company's products are available in ~4,50,000 retail points spread across India. Lux has a presence across the globe with exports to 47 countries.

Financial performance

The Company's revenues grew by 13% to reach ₹1217.88 crore in 2018-19 following an improvement in sales volumes. EBIDTA stood at ₹189.48 crore compared to ₹156.07 crore in the previous year. Interest cost decreased to ₹23.60 crore in 2018-19 compared to ₹25.42. The Company reported a post-tax profit of ₹101.31 crore in 2018-19 compared to a post-tax profit of ₹77.88 crore in the previous year. Consequently, the Company proposed a dividend of ₹3.50 per equity share worth ₹88,385,500 (fully paid-up).

Key financial ratio

Particulars	2017-18	2018-19	% change
Debtors' turnover	3.23	3.22	(0.51)
Inventory turnover	2.86	3.20	11.70
Current ratio	1.36	1.77	30.12
Interest coverage ratio	5.76	7.55	31.10
Operating profit margin%	14.68	15.56	5.96
PAT margin%	7.38	8.32	12.66
Debt/Equity ratio	1.03	0.44	(57.42)
RONW (%)	24.44	24.48	0.14

Explanation on key financial ratios

- Significant change in Current Ratio: During the year, current liability decreased due to a repayment of short-term borrowings.
- Significant change in debt equity ratio: During the year short-term debt was re-paid and retained earnings of the Company increased.
- Return on Net Worth: There was an increase in net worth due to an increase in Net profit.

Risk management

Economic risk: Slowdown in the economy could impact the industry

Mitigation: The Indian economy is posed for strong growth. After growing at a dismal 7.2% in 2017-18 the Indian economy grew at 6.8% in 2018-19 which is expected to revive across the foreseeable future.

Industry risk: Slowdown in the downstream sector could impact offtake of the Company

Mitigation: The domestic textile and apparel industry was estimated at US$ 100 billion in 2018. The apparel market in India is growing at a CAGR of 8%, the highest among the top-ten countries by apparel market size and is expected to reach US$ 97 billion by 2025.

Competition risk: An increasing number of players could intensify competition and impact market share.

Mitigation: Through prudent and proactive investments in R&D, stringent quality checks, cost optimisation of products, timely delivery of their products and a robust distributor network, the Company has set itself apart from competition.

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

Mitigation: The Company strengthened its cash flows by reducing the working capital cycle to 165 days during FY2018-19 from 179 days during FY2017-18, improving its debt-equity ratio to 0.44.

Financing risk: Decline in long-term funding at competitive costs can be detrimental to the prospects of the Company

Mitigation: The Company had a net worth of ₹413.92 crore as on 31st March 2019, indicating the robustness of the Balance Sheet.

People risk: There is an urgent requirement of qualified and talented manpower to look after day-to-day operations

Mitigation: The Company's employee strength stood at 1496 on 31st March 2019 while its retention rate stood 96% for FY2018-19.

Trend risk: An inability to stay abreast of the latest fashion trends can result in lower sales.

Mitigation: The Company has a specialised in-house design team, which has helped it stay ahead of these trends and adapt to demands of customers.

Internal control systems and their adequacy

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

Human resources and industrial relations

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. The Company's employee strength stood at 1,496 as on 31st March 2019.

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.

ANNEXURE 'D' TO BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

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

1. Company's philosophy on Corporate Governance

Your Company is committed to and continues to practice good Corporate Governance. It will always be our endeavor to attain highest levels of accountability and equity in all actions and enhancement of value of all the stakeholders. The Company makes all legal and regulatory compliances. The Company is committed to benchmark itself with the best standards of Corporate Governance not only in form but also in substance. We adopt best corporate practices and principles of integrity and accountability to achieve excellence in its dealings. Apart from accepting the role of a responsible Corporate Representative, your Company recognises 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, 2019, the Company's Board of Directors comprised of seven directors. The Chairman of the Board is an Executive Promoter Director. In addition, the Board comprises of six other Directors; one Promoter Executive Director, one Woman Executive Director (as prescribed under Regulation 17 of Listing Obligations and Disclosures Requirements Regulations, 2015), one woman non-executive independent director (as prescribed under Regulation 17(1) of SEBI(LODR) (Amendment) Regulations, 2018) and remaining three being Non–Executive Independent Directors. None of the Directors on the Board were member of more than ten Committees or acted as Chairman of more than five Committees, (as prescribed in Regulation 26 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) across all companies in which they were Director. Moreover, none of the Directors were acting as Independent Director in more than seven listed companies and none of the Independent Director who has served as a Whole Time Director in any listed company was an Independent Director in more than three listed companies.

Shri Ashok Kumar Todi, Shri 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, 2019 is as under:

Name of the Director	Name of the Company*	Category of Directorship	No. of other Directorships**	No. of Committee Memberships***	
				Chairman	Member
Executive and Non- Independent Director					
Shri Ashok Kumar Todi, Chairman	Lux Industries Limited	Executive and Non-Independent	15	-	1
Shri Pradip Kumar Todi, Managing Director	Lux Industries Limited	Executive and Non-Independent	15	-	-
Smt. Prabha Devi Todi	Lux Industries Limited	Executive and Non-Independent	1	-	-

Name of the Director	Name of the Company*	Category of Directorship	No. of other Directorships**	No. of Committee Memberships***	
				Chairman	Member
Non- Executive and Independent					
Shri Nandanandan Mishra	Lux Industries Limited Viaan Industries Limited United Credit Limited Mideast Integrated Steels Limited	Non- Executive and Independent	3	4	6
Shri Snehasish Ganguly	Lux Industries Limited	Non- Executive and Independent	9	1	2
Shri Kamal Kishore Agrawal	Lux Industries Limited	Non- Executive and Independent	1	-	1
Smt. Rusha Mitra****	Lux Industries Limited	Non- Executive and Independent	-	-	-

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

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

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

****Appointed as independent director with effect from 29th March, 2019.

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, 2018
Shri Ashok Kumar Todi	6/6	Yes
Shri Pradip Kumar Todi	5/6	Yes
Shri Nandanandan Mishra	6/6	Yes
Shri Snehasish Ganguly	6/6	No
Shri Kamal Kishore Agrawal	6/6	Yes
Smt. Prabha Devi Todi	6/6	No
Smt. Rusha Mitra*	-	Not applicable

*Ms. Rusha Mitra was appointed as member of Board of Director of the Company (in capacity of Non-executive Independent Director) in the Board meeting held on March 29, 2019 and has attended the said meeting as an invitee.

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

Mr. Pradip Kumar Todi, Managing Director (DIN: 00246268), re-appointed on Annual general meeting held on September 26, 2014 w.e.f. September 28, 2014, whose term expires on September 27, 2019, being eligible offers himself for re-appointment as Managing Director of the Company. The Board has approved his re-appointment on 22nd April, 2019 subject to approval of shareholder for a period of five years with effect from September 28, 2019.

Mr. Pradip Kumar Todi, Managing Director (DIN: 00246268), being liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

Ms. Rusha Mitra appointed as Additional Director (in the capacity of Independent, Non-Executive) by board in their meeting held on March 29, 2019 now the designation of Ms. Rusha Mitra, as an Additional director of the Company will be changed from Additional Director to Independent Director subject to approval of shareholders at ensuing Annual General Meeting.

Brief profile of Mr. Pradip Kumar Todi (DIN: 00246268) and Ms. Rusha Mitra (DIN: 08402204) is given in the annexure to the notice of AGM.

d. Independent Directors:

The Independent Directors of the Company are individuals of eminence and repute in their respective fields and they actively contribute to the strategic direction, operational excellence and 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 organises familiarisation programme generally forming a part of Board process and sometime separate programme for Independent Directors were also held by Company Secretary and functional heads. Such programmes include briefing on Regulatory changes and the implications thereof; Annual operating plan and performance of the Company; Major business customers of the Company; Strategic investments in the Company; Different Products of the Company.

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

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

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

f. Codes and Policies:

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

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

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

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

The Company has received affirmations from Board Members as well as Senior Management confirming their compliance with the said Code for the FY 2018-19. An annual declaration signed by the Managing Director, and CFO to this effect forms part of this Report. The Code is available on the website of the Company at:

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

h. Key Board qualifications, expertise and attributes:

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

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

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

3. Board/ Committee Meetings

a. Details of Board Meeting held during the Year:

Date of Board Meeting	17.5.18	26.6.18	10.8.18	2.11.18	12.2.19	29.3.19
Board Strength	6	6	6	6	6	6
No. of Directors Present	6	6	6	6	6	5

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

b. Details of Shareholding of Directors as on March 31, 2019:

SL No.	Name	No. of shares held
1	Shri Ashok Kumar Todi	37,30,000
2	Shri 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 and Committee Members are duly incorporated in the Minutes after which these are entered in the Minutes Book within 30 days from the date of meeting.

d. Independent Directors Meeting:

During the year under review, the Independent Directors met on February 12, 2019, inter alia, to evaluate:-

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

All the independent Directors were present at the meeting.

e. Committees of the Board:

Audit Committee

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

i. Composition of Audit Committee:

The composition of the Audit Committee as on March 31, 2019 is as follows:

Name of the Committee Member	Category
Shri Nandanandan Mishra, Chairman	Independent, Non-Executive
Shri Snehasish Ganguly, Member	Independent, Non-Executive
Shri 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, five meetings of the Audit Committee were held on May 17, 2018, June 26, 2018, August 10, 2018, November 02, 2018 and February 12, 2019 and attendance was as under:

Name of the Committee Member	No. of Meetings	
	Held	Attended
Shri Nandanandan Mishra, Chairman	5	5
Shri Snehashish Ganguly, Member	5	5
Shri Kamal Kishore Agrawal, Member	5	5

iii. Terms of reference of the Audit Committee:

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are true and accurate and provide sufficient information.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of their audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
7. Discussion with Internal Auditors with respect to the coverage and frequency of internal audits as per the annual audit plan, nature of significant findings and follow up thereof.
8. Obtaining an update on the Risks Management Framework and the manner in which risks are being addressed.
9. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loan/advances/investment already made by the Company.
11. Audit Committee can:-
    a. Call for comments of auditors about internal control systems, scope of audit and their observations.
    b. Review the financial statements before submission to the board and may discuss related issue with Internal/Statutory Auditors and Management.

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

Detailed terms of reference of the Audit Committee has been uploaded in the Company website: http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_11.pdf

Nomination and Remuneration Committee

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 and Remuneration Committee:

The composition of the Nomination and Remuneration Committee as on March 31, 2019 is as follows:

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

The Company Secretary acts as the Secretary of the Committee.

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

The Committee met thrice during the financial year ended March 31, 2019 on August 10, 2018, February 12, 2019 and March 29, 2019 and all the members had attended the meeting..

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

Brief terms of reference of the Committee include the following:

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

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

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

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

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

- **Appointment criteria and qualifications:**

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

for extension of appointment beyond seventy years

• **Term / Tenure:-**

1. Managing Director/Whole-time Director/Manager (Managerial Person):-
   - The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director:
   - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
   - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
   - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

• **Evaluation:**

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

• **Removal:**

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

• **Retirement:**

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

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, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force, SEBI (LODR) Regulations, 2015 as applicable from time to time.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment or from 1st April, as the case may be, within the slab approved by the shareholders.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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

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

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

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

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

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

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

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

4. Stock Options:-

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

Details of Remuneration to all the Directors for the year ended March 31, 2019

(₹ in lakhs)

Name of Directors	Remuneration (Salary)	Sitting Fees		Total
		Board Meeting	Other Committee	
Shri Ashok Kumar Todi	300.00	-	-	300.00
Shri Pradip Kumar Todi	300.00	-	-	300.00
Smt. Prabha Devi Todi	-	-	-	-
Shri Nandanandan Mishra	-	0.30	0.60	0.90
Shri Snehasish Ganguly	-	0.30	0.50	0.80
Shri Kamal Kishore Agrawal	-	0.30	0.80	1.10
Ms. Rusha Mitra*	NA	NA	NA	NA

*Ms. Rusha Mitra was appointed as member of Board of Director of the Company (in capacity of Non-executive Independent Director) in the Board meeting held on March 29, 2019 and has attended the said meeting as an invitee.

Board Diversity Policy

- **Purpose:**

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

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

- **Scope:**

  This Policy is applicable to the Board of the Company.

- **Policy Statement:**

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

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

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

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

- **Monitoring and Reporting:**

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

Stakeholder Relationship Committee (Previously known as Shareholders Grievance Committee)

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

(a) Composition of Stakeholder Relationship Committee:

Details of the composition of the Stakeholder Relationship Committee as on March 31, 2019 is as follows:

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

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

The Committee met once on February 12, 2019 and all members had attended the meeting.

During the year the Company has received 7 complaints which were attended to. No investors' complaint is pending as on March 31, 2019.

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

Brief terms of reference of the Committee include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. ;

- Reviewing of measures taken for effective exercise of voting rights by shareholders;
- Reviewing of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Reviewing of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

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

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

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

The Company Secretary has also been designated as Compliance Officer.

Corporate Social Responsibility (CSR) Committee

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

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

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

The composition of the committee as on March 31, 2019 is as under:

Name of the Committee Member	Category
Shri Ashok Kumar Todi, Chairman	Non-Independent, Executive
Shri Pradip Kumar Todi, Member	Non-Independent, Executive
Shri 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, 2019, four meetings of the Corporate Social Responsibility Committee were held on May 17, 2018, August 10, 2018, November 02, 2018 and February 12, 2019 and all the members had attended the meeting.

Risk Management Committee

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

(a) Composition of Risk Management Committee:

The composition of the committee as on March 31, 2019 is as under:

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

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

The Committee met once during the financial year ended March 31, 2019 on February 12, 2019 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 Organisation. The Company has a robust risk management framework to identify, monitor and minimise risks as also identify business opportunities.

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

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

Committee of Directors

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

(a) Composition of Committee of Directors:

The composition of the committee as on March 31, 2019 is as under:

Name of the Committee Member	Category
Shri Ashok Kumar Todi, Chairman	Non-Independent, Executive
Shri 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, 2019, six meetings of the Committee of Directors were held on June 18, 2018, September 04, 2018, October 12, 2018, December 06, 2018, January 04, 2019 and February 26, 2019 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
Shri Ashok Kumar Todi, Chairman	Non-Independent, Executive
Shri 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, 2019, seven meetings of the Share Transfer Committee were held on April 09, 2018, April 13, 2018, May 21, 2018, May 31, 2018, June 13, 2018, September 14, 2018 and December 22, 2018 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 2018-19.

(b) Disclosures by management to the Board:

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

5. Disclosure regarding appointment or reappointment of Directors

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

6. Compliance certificate of the Auditors

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

7. Code of Conduct

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

8. CEO and CFO Certification

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

9. Certificate from Company Secretary in Practice

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

10. General Body Meeting

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

AGM	Date and Time	Venue	Special Resolution
21st	September 27, 2016, 11.00 a.m.	India Power Convergence Centre, Plot no. X-1, 2 and 3, Block- EP Sector – V, Salt lake City, Kolkata – 700091.	i) Maintain and keep the Company's Registers and copies of Annual Returns at a place other than Registered Office of the Company.
22nd	September 21, 2017, 11.00 a.m.	India Power Convergence Centre, Plot no. X-1, 2 and 3, Block- EP Sector – V, Salt lake City, Kolkata – 700091.	i) Re-appointment of Shri Ashok Kumar Todi as a Whole Time-Director.
23rd	September 27, 2018, 11.00 a.m.	India Power Convergence Centre, Plot no. X-1, 2 and 3, Block- EP Sector – V, Salt lake City, Kolkata – 700091.	i) Continuation of appointment of Mr. NANDANANDAN MISHRA (DIN 00031342) as an Independent Director. ii) Re-appointment of Mr. NANDANANDAN MISHRA (DIN 00031342) as an Independent Director. iii) Re-appointment of Mr. SNEHASISH GANGULY (DIN 01739432) as an Independent Director. iv) Re-appointment of Mr. KAMAL KISHORE AGRAWAL (DIN 01433255) as an Independent Director

b) Passing of Resolutions by Postal Ballot:

During the financial year 2018-19, the Company has passed no resolution by postal ballot.

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

c) Extra-ordinary General Meeting:

No Extra-ordinary General Meeting was held by the Company in the financial year 2018-19.

11. Disclosures

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

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

b) Disclosure of Accounting Treatment:

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

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

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

d) Risk Management:

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

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

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

f) Compliance with Governance Framework

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

g) Vigil Mechanism:

The Company has a vigil mechanism contained in the Whistle Blower Policy, in terms of section 177 of the Companies Act, 2013 to deal with instances of fraud and mismanagement, if any. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. A quarterly report with number of complaints, if any, received under the Policy and their outcome placed before the Audit Committee and the Board. The policy on vigil mechanism may be accessed on the Company's website,

http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_10.pdf

h) Legal Proceedings

There is no pending case related to any dispute.

i) Disclosure of Non Mandatory Requirement:

Chairman's Office:

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

Nomination and Remuneration Committee:

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

Shareholders' Rights:

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

Audit Qualification:

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

12. Means of Communication

Company Web site:

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

NSE Electronic Application Processing System (NEAPS):

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

BSE Corporate Compliance and Listing Centre (Listing Centre):

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

Financial Results:

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

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

News Releases and Presentations:

Official news releases and official media releases are sent to Stock Exchanges on which the shares of the Company are listed and are also uploaded on the Company's website at www.luxinnerwear.com.

Presentations to Institutional Investors/ Analysts:

During the year presentation were made to Institutional Investors/ Analysts and intimation about the same were duly given to Stock Exchanges and copy of Investor Presentation of company is also available on the website of the Company www.luxinnerwear.com.

Annual Report:

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

Green Initiative:

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

Detail of total fees paid to statutory auditor

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

(₹ in lakhs)

Type of Service	2018-19	2017-18
Audit fees	10.00	10.00
Others	0.58	Nil
Total	**10.58**	**10.00**

Complaints pertaining to sexual harassment

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

Particulars	Numbers
Number of complaints file during the financial year.	Nil
Number of complaints disposed of during the financial year.	Nil
Number of complaints pending as on end of the financial year.	Nil

13. General Shareholder Information

Annual General Meeting:

Date and Time	September 5, 2019, 11:00 a.m.
Venue	India Power Convergence Centre (Formerly DPSC Auditorium) Plot No. X -1, 2 and 3, Block – EP, Sector – V Salt Lake City, Kolkata - 700091
Book closure dates	August 30, 2019 to September 5, 2019
Proposed dividend	₹3.50 (175%) 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, 2019
Second Quarterly Results	2nd week of November, 2019
Third Quarterly Results	2nd week of February, 2020
Fourth Quarterly Results	3rd week of May, 2020
Annual General Meeting	September, 2020

Details of Stock Exchange and Stock Code:

Exchange	Code
Bombay Stock Exchange Limited (BSE)	539542
National Stock Exchange Limited (NSE)	LUXIND

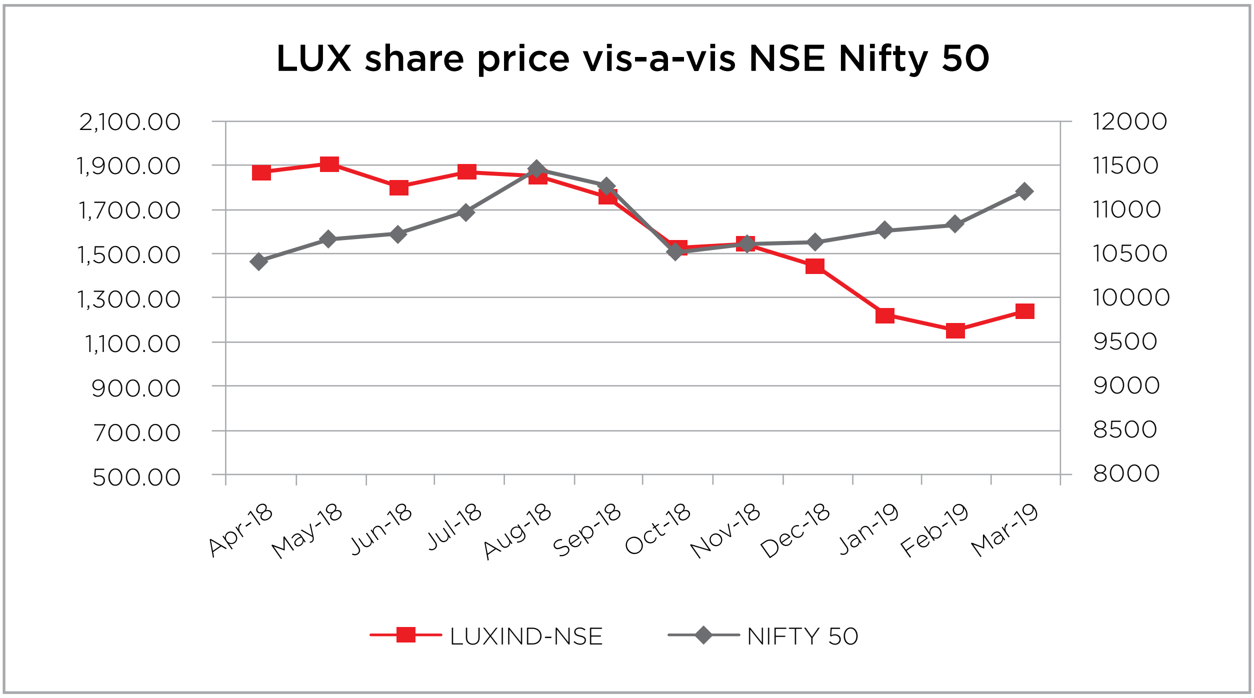
Payment of Listing Fee:

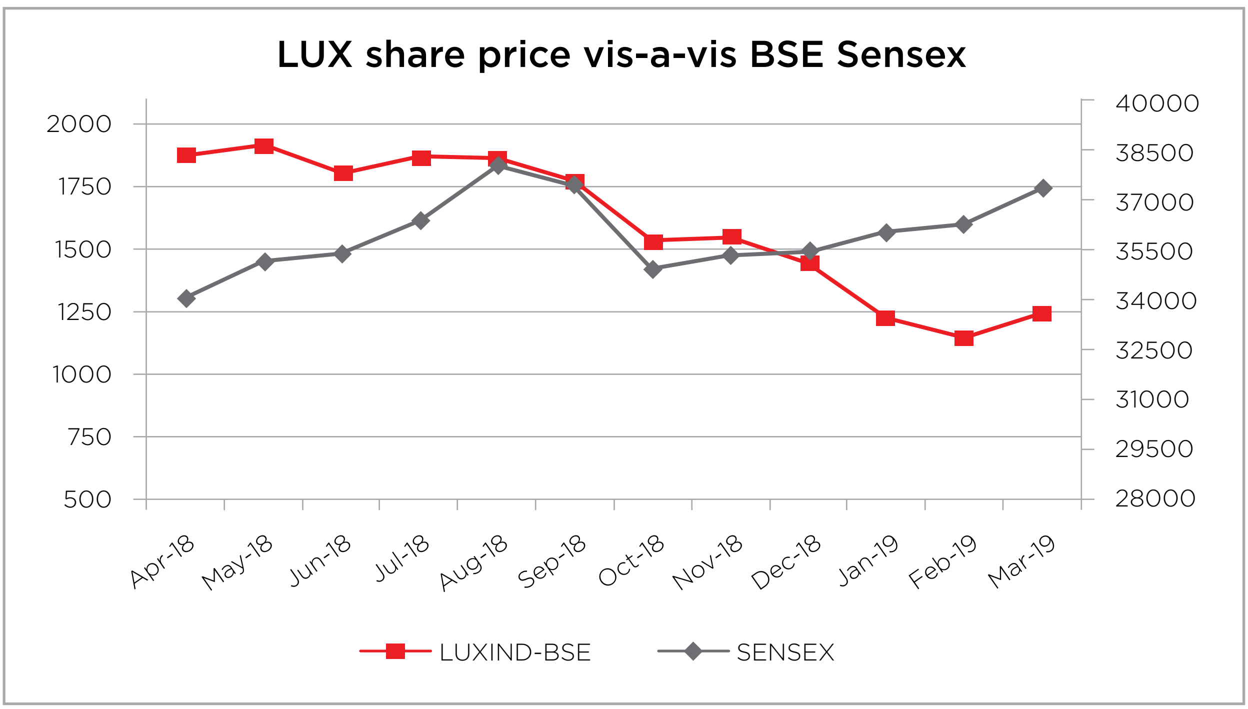
Annual listing fees for the year 2019-20 have been duly paid to the above Stock Exchanges.

Stock Price data:

Month	The National Stock Exchange of India Ltd. (NSE)			Bombay Stock Exchange Limited (BSE)		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
April, 2018	2040	1708.05	1328153	2040	1702	82827
May, 2018	2094	1730	1746408	2089.95	1733	53141
June, 2018	1945	1660	1627062	1940	1671.65	51904
July, 2018	1960	1790.25	1492108	1959.65	1779.40	35998
August, 2018	2015.5	1705	1352424	2016	1699.95	108720
September, 2018	1939.7	1585	1142415	1934.1	1601	53529
October, 2018	1639	1426	968338	1650	1411	24219
November, 2018	1644.4	1464	880209	1640	1461.75	11728
December, 2018	1565	1342.05	1077450	1556.6	1346.15	55191
January, 2019	1395	1055.1	1713458	1395.2	1054.95	71888
February, 2019	1239	1072.55	952083	1235.5	1070	68884
March, 2019	1399	1090	1390667	1396.7	1097.5	84935

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





Dematerialisation of Shares:

The Company has arrangements with both NSDL and CDSL to establish electronic connectivity for scrip less trading and as on March 31, 2018, 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, 2019

Category	Number of Shares	% to total equity
A. Demat mode		
No. of Shares held by NSDL	23,686,294	93.80
No. of Shares held by CDSL	1,564,442	6.20
Total	**25,250,736**	**99.99**
Physical mode	2264	0.01
Grand total	**25,523,000**	**100.00**

Unclaimed Dividend:

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

Year	Dividend Type	Dividend per share (₹)	Date of declaration	Due date for transfer
2011-2012	final	2.20	September 28, 2012	November 05, 2019
2012-2013	final	2.20	September 27, 2013	November 04, 2020
2013-2014	final	3.00	September 26, 2014	November 03, 2021
2014-2015	final	6.00	September 26, 2015	November 03, 2022
2015-2016	interim	6.00	March 12, 2016	March 19, 2023
2015-2016	final	1.00	September 27, 2016	November 04, 2023
2016-2017#	final	1.40	September 21, 2017	October 28, 2024
2017-18 #	final	2.00	September 27, 2018	November 04, 2025

#Note: For the financial year 2016-17, and 2017-18 the Company declared dividend on the face value of ₹2/- each and dividend declared in the previous financial years were at the face value of ₹10/-each.

The Company is sending periodic communication to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividend. Shareholders are cautioned that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company. Further detail process of sending dividend and shares to IEPF and for claiming shares and dividend is provided in the director's report section of this Annual Report.

As per Regulation 34(3) read with Schedule V of the Listing Regulations, 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.

Distribution of Shareholding as on March 31, 2019:

Sl. no.	Range of Shares held	No. of Shareholders	%	No. of shares	%
1	1-5000	11260	97.69	1267613	5.02
2	5001- 10000	146	1.27	556132	2.20
3	10001- 20000	39	0.34	263103	1.04
4	20001- 30000	15	0.13	189616	0.75
5	30001- 40000	9	0.08	163093	0.65
6	40001- 50000	8	0.07	176803	0.70
7	50001- 100000	24	0.21	857308	3.39
8	100001 and Above	25	0.22	21779332	86.24
	Total	**11,526**	**100.00**	**25,253,000**	**100.00**

Share Transfer System:

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

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

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

Shareholding pattern as on March 31, 2019:

Category	Number of		% to total equity
	Shareholders	Shares	
A. Promoters and Promoters Group			
- Indian Promoters	9	1,86,15,000	73.71
B. Public Shareholding			
- Corporate Bodies	340	26,43,353	10.47
- NBFC	3	36,480	0.14
- Banks	1	2,570	0.01
- Indian Financial Institutions	1	4,088	0.02
- Non Resident-Non Repatriation	56	30,797	0.12
- Non Resident Indians	86	51,438	0.20
- Foreign Portfolio Investors	21	417162	1.65

Category	Number of		% to total equity
	Shareholders	Shares	
- Mutual Funds	2	480967	1.90
- Alternative Investment Fund	3	300994	1.19
- IEPF	1	3,705	0.01
- Indian Public	10935	2650424	10.50
- HUF and Trusts	5	4185	0.57
- Clearing Members	63	11837	0.05
Total	**11526**	**25,253,000**	**100.00**

Credit Rating:

The rating obtained by the Company during the financial year were provided in the director report section of this Annual Report.

Location of Plants:

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

Address for Correspondence:

Karvy Fintech Private Limited "Karvy Selenium Tower B", Plot No. 31 and 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032. Toll Free No : +18003454001 Fax:+91-40-23420814 E-Mail: einward.ris@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

Registrar and Share Transfer Agents:

	Local Address
Karvy Fintech Private Limited, "Karvy Selenium Tower B", Plot No. 31 and 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032. Toll Free: +18003454001 E-Mail: einward.ris@karvy.com	Karvy Fintech Private Limited Apeejay House, Block "B", 3rd Floor 15, Park Street, Kolkata – 700016 Tel : +033-66285934/901

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Todi
Chairman
DIN:00053599

Kolkata
April 22, 2019

ANNEXURE 'E' TO BOARD'S REPORT

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

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

1. We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31st March, 2019 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 2018-19.

	Sd/-	**Sd/-**
	Pradip Kumar Todi	**Ajay Kumar Patodia**
Kolkata	Managing Director	Chief Financial Officer
April 22, 2019	(DIN: 00246268)	(PAN: AFVPP9103P)

ANNEXURE 'F' TO BOARD'S REPORT

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 ('the Company'), for the year ended 31 March 2019, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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 an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For, **S. K. AGRAWAL and CO.**
Chartered Accountants
ICAI Firm Registration No-306033E

Sd/-
Sandeep Agrawal
Partner
Membership No: 058553

Kolkata
April 22, 2019

ANNEXURE 'G' TO BOARD'S REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Lux Industries Limited having CIN L17309WB1995PLC073053 and having registered office at 39, Kali Krishna Tagore Street, Kolkata-700007(hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers , we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	ASHOK KUMAR TODI	00053599	21/07/1995
2	PRADIP KUMAR TODI	00246268	21/07/1995
3	PRABHA DEVI TODI	00246219	11/02/2015
4	NANDANADAN MISHRA	00031342	31/07/2007
5	KAMAL KISHORE AGRAWAL	01433255	10/03/2008
6	SNEHASISH GANGULY	01739432	10/10/2003
7	RUSHA MITRA	08402204	29/03/2019

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

For M R & Associates
Company Secretaries

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

Place : Kolkata
Date :22.04.2019

ANNEXURE 'H' TO BOARD'S REPORT

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2019

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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,2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

i) The Companies Act, 2013 (the Act), amendment and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time;

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

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016;

We further report that 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 as mandated and issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange Limited.

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

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had obtained approval of shareholders by way of special resolution passed at the Annual General Meeting held on 27.09.2018 for the following matters for,

i) Continuation of appointment of Mr. Nandanadan Mishra, as an Independent Director as per regulations 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018 who has attain the age of seventy five years as on 20th October, 2017 under the designation " Non-Executive Director" of the Company .

ii) Re-appointment of Mr. Nandanadan Mishra, Mr. Snehasish Ganguly and Mr. Kamal Kishore Agrawal as an Independent Director as per section 149 of the Companies Act, 2013 for the term period of five years with effect from 01.04.2019

We further report that the Company in their Board meeting have approved the scheme of amalgamation of M/s J.M. Hosiery & Co Limited and M/s Ebell Fashions Private Limited with M/s Lux Industries Limited and their respective shareholders.

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

For M R & Associates
Company Secretaries

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

Place : Kolkata
Date :22.04.2019

“ANNEXURE – A”

(TO THE SECRETARIAL AUDIT REPORT OF LUX INDUSTRIES LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019)

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 :22.04.2019

ANNEXURE 'I' TO BOARD'S REPORT

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS

1.	**CIN**	L17309WB1995PLC073053
2.	**Registration Date**	21st July 1995
3.	**Name of the Company**	LUX INDUSTRIES LIMITED
4.	**Category / Sub-Category of the Company**	Indian, Non- Government Company, Limited by Shares
5.	**Address of the Registered office and contact details**	39, Kali Krishna Tagore Street, Kolkata-700007 Phone no. 91-33-40402121 Fax: 91-33-40012001
6.	**Whether listed company**	Yes
7.	**Name, Address and Contact details of Registrar and Transfer Agent:-**	Karvy Fintech Private Limited, "Karvy Selenium Tower B", Plot No. 31 and 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032 Toll Free: +18003454001 E-Mail: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No	Name And Address of the Company	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Artimas Fashions Private Limited	Wholly Owned Subsidiary	100.00	2(87)(ii)
2	Altai Industries Private Limited	Subsidiary	50.87	2(87)(ii)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	18615000	0	18615000	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):-	**18615000**	**0**	**18615000**	**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)	**18615000**	**0**	**18615000**	**73.71**	**18615000**	**0**	**18615000**	**73.71**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	800191	0	800191	3.17	480967	0	480967	1.90	-1.27
b) Banks / FI	9245	0	9245	0.04	6658	0	6658	0.03	0.03
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	0	0	0	0	0
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	355739	0	355739	1.41	417162	0	417162	1.65	0.24
Sub-total (B)(1):-	**1165175**	**0**	**1165175**	**4.62**	**904787**	**0**	**904787**	**3.58**	**-1.00**
2. Non-Institution									
a) Bodies Corp.									
i) Indian	2246500	0	2246500	8.90	2643353	0	2643353	10.47	1.57
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital Up to ₹2 lakh	2893029	2458	2895487	11.47	2545464	2264	2547728	10.09	-1.38
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	0	0	0	0	102696	0	102696	0.41	0.41
c) Other (specify) Alternative Investment Fund	91931	0	91931	0.36	300994	0	300994	1.19	1.05
Trust	3840	0	3840	0.02	4185	0	4185	0.02	0
Non Resident Indians	84362	0	94362	0.33	51438	0	51438	0.20	-0.16
Clearing Members	17967	0	17967	0.07	11837	0	11837	0.05	-0.02
Non Resident Indian Non Repatriable	28933	0	28933	0.11	30797	0	30797	0.12	-0.01
NBFC Registered with RBI	100100	0	100100	0.40	36480	0	36480	0.14	-0.26
IEPF	3705	0	3705	0.01	3705	0	3705	0.01	0.00
Sub-total (B)(2):-	**5470367**	**2458**	**5472825**	**21.67**	**5730949**	**2264**	**5733213**	**22.70**	**1.20**
Total public shareholding(B)=(B)(1)+(B)(2)	**6635542**	**2458**	**6638000**	**26.29**	**6635736**	**2264**	**6638000**	**26.29**	**0.00**
C. Shares held by Custodian for GDRs and ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**25250542**	**2458**	**25253000**	**100.00**	**25250736**	**2264**	**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	3723000	14.74	NIL	3723000	14.74	NIL	NIL
2	PRADIP KUMAR TODI	4482500	17.75	NIL	4482500	17.75	NIL	NIL
3	ASHOK KUMAR TODI	3730000	14.77	NIL	3730000	14.77	NIL	NIL
4	BIMLA DEVI TODI	3505000	13.88	NIL	3505000	13.88	NIL	NIL
5	SHOBHA DEVI TODI	2752500	10.90	NIL	2752500	10.90	NIL	NIL
6	UDIT TODI	186000	0.74	NIL	186000	0.74	NIL	NIL
7	SAKET TODI	136000	0.54	NIL	136000	0.54	NIL	NIL
8	SHILPA AGRAWAL	50000	0.20	NIL	50000	0.20	NIL	NIL
9	NEHA TODI	50000	0.20	NIL	50000	0.20	NIL	NIL
	Total	**18615000**	**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	3723000	14.74	3723000	14.74
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			3723000	14.74
2	PRADIP KUMAR TODI				
	At the beginning of the Year	4482500	17.75	4482500	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	3730000	14.77	3730000	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	3505000	13.88	3505000	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	2752500	10.90	2752500	10.90
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			2752500	10.90
6	UDIT TODI				
	At the beginning of the Year	186000	0.74	186000	0.74
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			186000	0.74
7	SAKET TODI				
	At the beginning of the Year	136000	0.54	136000	0.54
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			136000	0.54
8	SHILPA AGRAWAL				
	At the beginning of the Year	50000	0.20	50000	0.20
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			50000	0.20
9	NEHA TODI				
	At the beginning of the Year	50000	0.20	50000	0.20
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			50000	0.20

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning/end of the year		Date of Change	Increase/ decrease in the shareholding	Reason for Increase or decrease	Cumulative Shareholding during the year 2018-19	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	**Panghat Vanijya Pvt. Ltd.**							
	Shareholding at beginning of the year	609000	2.41		There is no change in the shareholding of the holder during the year 2018-19			
	Shareholding at the end of the year	609000	2.41					
2	**Reliance Capital Trustee Co. Ltd, A/C Reliance small**							
	Shareholding at beginning of the year	458513	1.82	13.04.2018	10000	sale	448513	1.78
				27.04.2018	56627	Sale	391886	1.55
				04.05.2018	133827	Sale	258059	1.02
				18.05.2018	65460	sale	192599	0.76
				25.05.2018	97609	Sale	94990	0.38
				01.06.2018	37373	Sale	57617	0.23
				08.06.2018	20707	Sale	36910	0.15
				15.06.2018	36910	Sale	-	-
	Shareholding at the end of the year	0.00	0					
3	**Mangalnidhi Mercantile Pvt. Ltd.**							
	Shareholding at beginning of the year	445000	1.76		There is no change in the shareholding of the holder during the year 2018-19			
	Shareholding at the end of the year	445000	1.76					
4	**Kotak Midcap**							
	Shareholding at beginning of the year	341678	1.35	20.04.2018	1920	Purchase	343598	1.36
				11.05.2018	1629	Sale	341969	1.35
				08.06.2018	11558	Purchase	353527	1.40
				15.06.2018	30000	Purchase	383527	1.52
				29.06.2018	6459	Sale	377068	1.49
				06.07.2018	9148	Sale	367920	1.46
				10.08.2018	11599	Sale	356321	1.41
				12.10.2018	10254	Purchase	366575	1.45
				19.10.2018	18829	Purchase	385404	1.45
				26.10.2018	12000	Purchase	397404	1.57
				02.11.2018	7382	Purchase	404786	1.60
				11.01.2019	20225	Purchase	425011	1.68
				18.01.2019	8322	Purchase	433333	1.72
				08.02.2019	5502	Purchase	438835	1.74
				15.02.2019	11239	Purchase	450074	1.78
				22.02.2019	21825	Purchase	471899	1.87
				01.03.2019	5000	Purchase	476899	1.89
				22.03.2019	4064	Purchase	480963	1.90
	Shareholding at the end of the year	480963	1.90					
5	**Abakkus Growth Fund- 1**							
	Shareholding at beginning of the year	-	-	-	-	-	-	-
				08.03.2019	300000	Purchase	300000	1.19
	Shareholding at the end of the year	300000	1.19					
6	**Cliff Trexim Pvt. Ltd.**							
	Shareholding at beginning of the year	183000	0.72	17.08.2018	25000	sale	158000	0.63

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 2018-19	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				31.08.2018	25000	Sale	133000	0.53
				30.11.2018	4000	purchase	137000	0.54
				30.11.2018	4000	Sale	133000	0.53
	Shareholding at the end of the year	133000	0.53					
7	**K India Opportunities Fund Limited-Class G**							
	Shareholding at beginning of the year	173088	0.69	31.12.2018	3724	sale	169364	0.67
				04.01.2019	625	Sale	168739	0.67
				22.02.2019	28154	Sale	140585	0.56
				01.03.2019	16497	Sale	124088	0.49
	Shareholding at the end of the year	124088	0.49					
8	**Shivalik Remedies Private Ltd**							
	Shareholding at beginning of the year	-	-	-	-	-	-	-
				29.03.2019	172218	Purchase	172218	0.68
	Shareholding at the end of the year	172218	0.68					
9	**Chennai Ferrous Industries Limited**							
	Shareholding at beginning of the year	-	-	-	-	-	-	-
				11.05.2018	39786	Purchase	39786	0.16
				18.05.2018	60038	Purchase	99824	0.40
					48269	Purchase	148093	0.59
					4769	Purchase	152862	0.61
					190	Sale	152672	0.60
	Shareholding at the end of the year	152672	0.60					
10	**Monet Securities Private Limited**							
	Shareholding at beginning of the year	152396	0.60	13.04.2018	25066	Sale	127330	0.50
				20.04.2018	25000	Purchase	152330	0.60
				27.04.2018	3700	Purchase	156030	0.62
				11.05.2018	5100	Purchase	161130	0.64
				01.06.2018	13790	Sale	147340	0.58
				29.06.2018	19	Purchase	147359	0.58
				10.08.2018	50	Purchase	147409	0.58
				07.09.2018	12000	Sale	135409	0.54
				28.09.2018	350	Purchase	135759	0.54
				25.09.2018	25000	Sale	110759	0.44
				05.10.2018	350	Sale	110409	0.44
				12.10.2018	6200	Purchase	116609	0.46
				19.10.2018	50	Purchase	116659	0.46
				23.11.2018	13500	Sale	103159	0.41
				30.11.2018	63550	Sale	39609	0.16
				07.12.2018	6750	Sale	32859	0.13
				28.12.2018	4000	Purchase	36859	0.15
				18.01.2019	57800	Purchase	94659	0.37
				15.02.2019	17250	Purchase	111909	0.44
				01.03.2019	76882	Purchase	188791	0.75
				08.03.2019	153791	Sale	35000	0.14
				15.03.2019	35000	Sale	-	-
	Shareholding at the end of the year	-	-					

(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	Shri Ashok Kumar Todi - Chairman and Whole Time Director				
	At the beginning of the year	3730000	14.77		
	Changes during the year	No change during the year			
	At the end of the year	-	-	3730000	14.77
2	Shri Pradip Kumar Todi- Managing Director				
	At the beginning of the year	4482500	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	372300	14.74	-	-
	Changes during the year	No change during the year			
	At the end of the year	-	-	3723000	14.74

Other directors, Mr. Nandanandan Mishra, Mr. Kamal Kishore Agrawal, Mr. Snehasish Ganguly, Ms. Rusha Mitra and Mrs. Smita Mishra, Company Secretary and Mr. Ajay Kumar Patodia, Chief Financial Officer do not hold any shares in the Company 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 (₹ in Lakhs)

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	27709.17	5205.08	-	32914.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**27709.17**	**5205.08**	**-**	**32914.25**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	11578.65	3241.73	-	14820.38
Net Change Indebtedness	**11578.65**	**3241.73**	**-**	**14820.38**
At the end of the financial year				
i) Principal Amount	16130.52	1963.35	-	18093.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**16130.52**	**1963.35**	**-**	**18093.87**

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
		Shri Ashok Kumar Todi – Chairman	Shri Pradip Kumar Todi – Managing Director	
1	**Gross Salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	300.00	300.00	600.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others specify	-	-	-
5	Others please specify	-	-	-
	Total (A)	**300.00**	**300.00**	**600.00**
	Ceiling as per the Act	1570.43 Lakhs (being10% of the net profits of the Companycalculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to other directors:-

(Amount In ₹ Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri Nandanandan Mishra	Shri Kamal Kishore Agarwal	Shri Snehasish Ganguly	Smt Prabha Devi Todi	
1	Fee for attending board/committee meeting	0.90	1.10	0.80	-	2.80
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.90	1.10	0.80	-	2.80
2	Other Non-Independent Directors					
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	**0.90**	**1.10**	**0.80**	**-**	**2.80**
	Total Managerial Remuneration					2.80
	Overall ceiling as per the Act	157.04 Lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013				

Notes

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

(2) Ms. Rusha Mitra appointed with effect form 29.03.2019 as Independent Director and has not attended any board meetings in the capacity of Director in the financial year 2018-19.

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	39.18	11.56	50.74
	(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)	**39.18**	**11.56**	**50.74**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Todi
Chairman
DIN:00053599

Kolkata
April 22, 2019

ANNEXURE 'J' TO BOARD'S REPORT

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended March 31, 2019 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 2018-19.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L17309WB1995PLC073053
Name of the Company	Lux Industries Limited
Registered Office Address	39, Kali Krishna Tagore Street, Kolkata-70007.
Website	www.luxinnerwear.com
E-mail Id	cs@luxinnerwear.com
Financial Year reported	2018-19
Sectors that the Company is engaged (Industry activity code wise)	Group*: 143 Class: 1430 Sub-Class: 14309 Description: Manufacture of other knitted and crocheted apparel including hosiery. *As per classification under National Industrial Classification.
List three key products/services that the Company manufactures/ provides (as in balance sheet)	Vests Briefs Thermal wear
Total number of locations where business activity is undertaken by the Company	The headquarter of the Company is in Kolkata. We have 6 manufacturing plants in 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 47 countries and are committed to cover more countries by 2020.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ In Lakhs)

Paid up Capital	529.98
Total Turnover	121,787.85
Total Profit after tax	10,131.40
Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profits (%)	Our total spending on CSR is ₹201.77Lakhs which is 2.07% of average net profits of the last three financial years
List of activities on which expenditure in (4) above has been incurred	(a) Promotion of Education (b) Medical Facilities (c) Social Welfare (d) Animal Welfare (e) Promotion of traditional art and culture (f) Support to elderly people. (g) Women Empowerment. (h) Promotion of Sports. (i) Benefit of Armed Forces.

SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company?	The Company has 1) One wholly owned subsidiary Artimas Fashions Private Limited and 2) One Subsidiary Altai Industries Private Limited.
Do the Subsidiary Company participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Currently, the Company is carrying the BR initiative individually. The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of running business with responsibility.

SECTION D: BUSINESS RESPONSBILITY (BR) INFORMATION

Details of Director responsible for implementing BR Policies- (Name, DIN, Designation, Contact Details)	1) Mr. Ashok Kumar Todi DIN:00053599 Designation: Chairman Contact Details: 033-40402121 2) Mr. Pradip Kumar Todi DIN:00246268 Designation: Managing Director Contact details:033-40402121 3) Mr. Kamal Kishore Agrawal DIN:01433255 Designation: Independent Non-Executive Director Contact details: 9830007755
Details of BR head responsible for implementing BR Policies (Name, Designation, Contact Details)	Mr. 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]	Principle 4 [P4]
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 WELLBEING OF ALL EMPLOYEES.	BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED.
Principle 5 [P5]	**Principle 6 [P6]**	**Principle 7 [P7]**	**Principle 8 [P8]**
BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.	BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT.	BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER.	BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.
Principle 9 [P9]			
BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER.			

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

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

6	Is the Policy uploaded on the website of the Company? what is its link?	Yes, the weblink is as follows:www.luxinnerwear.com
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Company has uploaded its BR Policy on its website.
8	Does the Company have in-house structure to implement the policy/ policies.	Yes.
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The board has given responsibility to CSR Committee of the Company to redress the stakeholder's grievances.
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, the Company has an external agency to carry out independent audit of the working of its BR policy.

(b) Governance related to BR

- The frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. (Within 3 months, 3-6 months, Annually, More than 1 year)

  Annually
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

  Yes, Company has published its BR Report which forms part of the Directors Report under Annual report of the Company for the financial year 2018-19 and the same can be viewed under investor section on the website of the Company, the weblink is as follows: www.luxinnerwear.com

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

No.	Questions	Yes/No
1	Does the policy relating to ethics, bribery and corruption cover only the Company? Does the above mentioned policy extend to the Group/JV/Suppliers/ Contractors/NGOs/ Others	All the companies in Lux Group and its employees are covered by the Policy relating to ethics, bribery and corruption. The Company's Code of Conduct ensures that all its employees, suppliers and vendors respect human rights not only among themselves, but also within communities in which they operate. Lux has instituted a set of policies, codes, and guidelines to govern its employees. This mechanism includes directors, senior executives, officers, employees and third parties including suppliers and customers associated with Lux. In this regard Company has following policies: Code of Conduct and Business Ethics: This Code is applicable to Company's directors, senior management and employees. All those concerned are required to strictly adhere to this Code of Conduct and Business Ethics. Any violation of any Code of Conduct is/ shall be viewed strictly and shall lead to disciplinary action, up to and including discharge. The Company has established a vigil mechanism for employees and directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. This Policy does not extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others. However, the Company encourages them to participate in the BR initiatives of the Company.

2	Details of stakeholder complaints received in the past financial year and what % was satisfactorily resolved by the management? If so, provide details thereof.	No complaints of this nature was received in the past financial year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

No.	Questions	Yes/No
1	List up to 3 of your products or services whose design has 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 and small producers, including communities surrounding their place of work? If Yes, What steps have been taken to improve their capacity and capability of local and small vendors?	Yes, while the criteria for selection of goods and services is quality, reliability and price, Lux gives preference to small organisations, particularly promoted by entrepreneurs from socially backward communities.
5	Does the Company have a mechanism to recycle products and waste? What is the percentage of recycling of products. Also, provide details thereof/ What is the percentage of recycling of waste. Also, provide details thereof	Yes, the nature of the Company's business is such that there are no emissions or process wastes. Around 95% cutting waste generated are resaled and ultimately recycled.

Principle 3 : Businesses should promote the wellbeing of all employees

No.	Questions	Yes/No
1	Total number of employees	1496
2	Total number of employees hired on temporary/contractual/casual basis	Nil
3	Number of permanent women employees	134
4	Number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognised by management? What percentage of your permanent employees is members of this recognised 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 2018-19, 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.
7	What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/ Temporary/Contractual Employees (d) Employees with Disabilities	All the categories of employees mentioned here have been covered through our training modules. Training on health and safety is imparted to employees as a part of the induction training.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

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 and marginalised stakeholders.	Yes, there are no such stakeholders.
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised 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.

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

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

No.	Questions	Yes/No
1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, The Company or its executive(s) is the member, or associated with the (a) Bharat Chamber of Commerce; (b) Merchant Chamber of Commerce; (c) Indian Chamber of Commerce; (d) Federation of Hosiery Manufacturers Association of India; (e) West Bengal Hosiery Association; and (f) South India 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 and Social Welfare d. Promotion of traditional art and culture. e. Making available safe drinking water. f. Support to elderly people. g. Social Welfare of socially and economically backward group. h. Women empowerment.
2	Details of Programmes:	Lux has taken various step with the help of through in-house team, government bodies, trust, NGOs to promote education to tribal children, Contribution in making schools in rural areas And also promoting health care by providing medical facilities to underprivileged people and contribution for ambulance, Animal Welfare and Supporting to elderly People and Social Welfare of Socially and economically backward group and making available safe drinking water.
3	Are the programmes/projects undertaken through, in-house team, own foundation, external NGO, government structures, any other organisation?	Through own foundation external registered trust, NGO, local municipal bodies and government structures.

<table>
<tr><th>No.</th><th>Questions</th><th colspan="2">Yes/No</th></tr>
<tr><td>4</td><td>Have you done any impact assessment of your initiative?</td><td colspan="2">Yes, the Company during financial year 2018-19 has done various impact assessment.</td></tr>
<tr><td rowspan="10">5</td><td rowspan="10">What is your company's direct contribution to community development projects- Amount in Rupees and the details of the projects undertaken.</td><td>Activities</td><td>₹ in Lakhs</td></tr>
<tr><td>Promotion of Education</td><td>71.06</td></tr>
<tr><td>Medical Facilities</td><td>2.18</td></tr>
<tr><td>Social Welfare</td><td>26.14</td></tr>
<tr><td>Animal Welfare</td><td>66.00</td></tr>
<tr><td>Promotion of traditional art and culture</td><td>21.82</td></tr>
<tr><td>Support to elderly people</td><td>1.57</td></tr>
<tr><td>Women Empowerment</td><td>3.00</td></tr>
<tr><td>Promotion of Sports</td><td>5.00</td></tr>
<tr><td>Benefit of Armed Forces</td><td>5.00</td></tr>
<tr><td>6</td><td>Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain</td><td colspan="2">Yes. Most of our programmes are participatory in nature and focus on institution development and capacity building.</td></tr>
</table>

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

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

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Todi
Chairman
DIN:00053599

Kolkata
April 22, 2019

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

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

(1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of the Director/ KMP	Director Identification Number (DIN)/ PAN	Title	Remuneration in fiscal 2019 (in ₹ lakhs)	Remuneration in fiscal 2018 (in ₹ lakhs)	% increase of remuneration in 2019 as compared to 2018[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	300.00	300.00	Nil	324.00	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 1% . The Company PAT has increased by 30%..
Pradip Kumar Todi	00246268	Managing Director	300.00	300.00	Nil	324.00	
Nandanandan Mishra[2]	00031342	Independent Director	0.90	0.75	20%	0.97	
Kamal Kishore Agrawal[2]	01433255	Independent Director	1.10	0.90	22%	1.19	
Snehasish Ganguly[2]	01739432	Independent Director	0.80	0.65	23%	0.86	
Ajay Kumar Patodia	AFVPP9103P	Chief Financial Officer	39.18	30.00	31%	42.35	
Smita Mishra	BCLPM5354D	Company Secretary	11.56	8.50	36%	12.50	

(1) MRE - Median Remuneration of employees Based on annualised salary

(2) Difference in remuneration for the year 2019 as compared to to year 2018 is due to number of meetings attended

(2) The Median Remuneration of Employees (MRE) of the Company during the financial year was ₹0.93 Lakhs.

(3) In the financial year, there was decrease of 7.12 % in the Median Remuneration of Employees.

(4) There were 1496 employees on the rolls of Company as on 31st March, 2019.

(5) Relationship between average increase in remuneration and company performance: The Profit before Tax for the financial year ended 31st March, 2019 increased by 28% whereas the average remuneration decreases by 7.13%.

(6) Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year was 2.05% whereas the increase in the managerial personnel was 1%. Average increase in remunerartion of employees compared to increase in remuneration of KMP is in line with the performance of the Company over period of time. There is no exceptional increase in the Managerial Remuneration.

(7) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Todi
Chairman
DIN:00053599

Kolkata
April 22, 2019

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

THE STATEMENT SHOWING THE LIST OF TOP TEN EMPLOYEES AND THEIR REMUNERATION AS ON 31ST MARCH, 2019

The statement showing the list of top ten employees and their remuneration as on 31st March, 2019:

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	Shri Ashok Kumar Todi	Chairman, Whole Time Director	300.00	B. Com, 41 years	21/Jul/1995	61 years	NA	14.77	Elder brother of Shri Pradip Kumar Todi and Brother in law of Mrs. Prabha Devi Todi	Permanent
2	Shri Pradip Kumar Todi	Managing Director	300.00	B. Com, 37 years	21/Jul/1995	57 years	NA	17.75	Younger brother of Shri Ashok Kumar Todi and Brother in law of Mrs. Prabha Devi Todi	Permanent
3	Ajay Kumar Patodia	Chief Financial Officer	39.18	FCA, FICWA, DISA (ICAI), SAP (FI), IFRS (C), 25 years	01/Apr/2005	45 years	M. V. Cotspin Ltd.	-	-	Permanent
4	Bibekananda Maity	Head-Information Technology	32.22	MBA, PGDCA, MCA, 25 years	02/Nov/2015	50 years	Aryan Mining and Trading Corporation Ltd.	-	-	Permanent
5	Saket Todi	Senior Vice President-Marketing	30.00	MBA and B. Com, 5 years	01/Apr/2014	30 years	NA	0.54	Son of Mr. Ashok Kumar Todi and Nephew of Mrs. Prabha Devi Todi and Pradip Kumar Todi	Permanent
6	Udit Todi	Senior Vice President-Strategy	30.00	MBA and B. Com, 5 years	01/Apr/2014	30 years	NA	0.74	Son of Shri Pradip Kumar Todi and Nephew of Mrs. Prabha Devi Todi and Ashok Kumar Todi	Permanent
7	Priyanka Todi	Vice President-Electronic Media	30.00	B. Com, 11 years	01/Apr/2014	35 years	NA	-	Daughter of Mr. Ashok Kumar Todi and Niece of Mrs. Prabha Devi Todi and Pradip Kumar Todi	Permanent

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
8	Anand Poddar	Head- Advertisement	20.22	B. Com (H), Diploma in Advertising Management, 14 years	01/Aug/2005	34 years	NA	-	-	Permanent
9	Vikash Malhotra	Vice President- Sales	20.00	PG in Sales and Marketing, 22 years	25/Jun/2016	44 years	Bodycare International Ltd.	-	-	Permanent
10	Shikha Jajoo	General Manager Finance	18.00	B. Com, FCA, 20 years	01/May/2017	44 years	Practicing Professional	-	-	Permanent

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Todi
Chairman
DIN:00053599

Kolkata
April 22, 2019

ANNEXURE 'L' TO BOARD'S REPORT

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl. No.	Particulars	Name	Name
1.	Name of the subsidiary	Artimas Fashions Private Limited	Altai Industries Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.
4.	Share capital	2,00,000.00	20,05,000.00
5.	Reserves and surplus	(23,473,674.37)	(87,166)
6.	Total assets	33,189,732.53	20,05,000.00
7.	Total Liabilities	33,189,732.53	20,05,000.00
8.	Investments	8,95,000.00	-
9.	Turnover	1,60,000.00	-
10.	Profit before taxation	(24,426,008.57)	(87,166.00)
11.	Provision for taxation	(91,157.20)	-
12.	Profit after taxation	(24,334,851.37)	(87,166.00)
13.	Proposed Dividend	-	-
14.	% of shareholding	100%	50.87%

Part "B": Associates and Joint Ventures

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

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Todi
Chairman
DIN:00053599

Kolkata
April 22, 2019

ANNEXURE 'M' TO BOARD'S REPORT

INFORMATION UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF DIRECTOR'S REPORT FOR THE YEAR ENDED MARCH 31, 2019

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 utilising alternate sources 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 and DEVELOPMENT AND TECHNOLOGY ABSORPTION

a. Expenditure on Research and 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 the 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:-

- Automatic Cutting Machine from Bierrebi Italia, SRL
- Sewing and Stitching Machine from Brother Machinery(Asia) Ltd., Hongkong,
- Sewing and Stitching Machine from Pegasus Sewing Machine Pte Ltd., Singapore

(b) The year of import: 2018-19.

(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 export plans:

During the year the Company exported its products to Middle East Countries, Africa, Australia and South East Countries.

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

(₹ in lakhs)

Sl. No.	Particulars	Current Year	Previous Year
i)	Earning	13,254.13	10313.45
ii)	Outgo	12.44	1037.10

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Todi
Chairman
DIN:00053599

Kolkata
April 22, 2019

Independent Auditor's Report

To the Members of
Lux Industries Limited

Report on the audit of Standalone Ind AS financial statements

Opinion

We have audited the standalone financial statements of Lux Industries Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss including Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Revenue Recognition

We have identified this as an area of importance because the Company's revenue is a material item in view of adoption of Ind AS 115 "Revenue from Contracts with Customers".

The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period and disclosures thereof.

Our audit procedures included but were not limited to:

- Evaluation of the Company's accounting principles in relation to implementation of the new revenue accounting standard;
- Created an understanding of the Company's routines and internal controls associated with revenue recognition;
- Examination of a selection of transactions to ensure that they have been reported correctly according to agreements and in the correct periods;

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Other Section of Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that gives a true and fair view of the financial position, financial performance, Changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statements of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the

Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note no. 31 of the Ind AS financial statements).

   ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-
Sandeep Agrawal
(Partner)
Membership No. 058553

Place: Kolkata
Dated: 22nd April, 2019

Annexure-A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of Lux Industries Limited (the Company) on the standalone Ind AS financial statements for the year ended on March 31, 2019. We report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventories have been physically verified during the year by the management at regular intervals (except for materials lying with third parties which have substantially been confirmed by such third parties at the year end). In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.

iv In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 with respect to Loans and Advances made, guarantee given and investment made.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.

vi. According to the information and explanation given to us, the Central Govt. of India has not specified the maintenance of cost records under sub section (1) of section 148 of the Act for the product of the Company.

vii According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, GST and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of service tax, sales tax, duty of excise and value added tax have not been deposited by the Company on account of disputes:

Name of the Statue	Nature of dues	Amount (₹ in Lakhs)	Period to which amount relates	Forum where the dispute is pending
West Bengal Sales Tax Act	Penalty	30.84	2003-04	High court, Kolkata
West Bengal Sales Tax Act	Penalty	19.17	2004-05	High court, Kolkata
Punjab Vat Act, 2005	Vat and Penalty	11.71	2002-03 to 2005-06	Division Bench, Kolkata, High court

Name of the Statue	Nature of dues	Amount (₹ in Lakhs)	Period to which amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service Tax and Penalty	136.23	2007-08 to2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise Duty and Penalty	47.79 197.97 100.52	2012-13 2011-12 to 2012-13 2011-12	Customs, Excise and Service Tax Appellate Tribunal

viii. In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution and banks. The Company does not have any loans or borrowings from Government and has not issued any debentures.

ix. To the best of our knowledge and belief and according to the information and explanations given to us, the term loan have been applied by the Company during the year for the purpose for which they were raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us, the Company has paid/provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Sd/-
Sandeep Agrawal
(Partner)
Membership No. 058553

Place: Kolkata
Dated: 22nd April, 2019

Annexure-B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Lux Industries Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
Sandeep Agrawal
(Partner)
Membership No. 058553

Place: Kolkata
Dated: 22nd April, 2019

Standalone Balance Sheet as at March 31, 2019

(₹ in Lakhs)

	Notes	As at 31-Mar-2019	As at 31-Mar-2018
ASSETS			
A Non-current assets			
Property, plant and equipment	4	13,180.05	12,528.37
Capital work-in-progress	4	40.83	530.53
Other intangible assets	4	44.18	106.30
Financial assets			
Investments	5	462.66	84.91
Other financial assets	6	325.83	293.90
Other non-current assets	7	5.64	49.49
Total Non-current assets		**14,059.19**	**13,593.50**
B Current assets			
Inventories	8	25,097.26	29,917.63
Financial assets			
Trade receivables	9	36,829.14	38,909.47
Cash and cash equivalents	10	192.27	210.68
Bank balance other than above	11	6.35	11.22
Loans	12	393.41	84.55
Other financial assets	6	259.99	240.91
Other current assets	13	3,505.29	4,237.91
Total Current assets		**66,283.71**	**73,612.37**
TOTAL ASSETS		**80,342.89**	**87,205.87**
EQUITY AND LIABILITIES			
C Equity			
Equity share capital	14	529.98	529.98
Other equity	15	40,862.45	31,332.22
Total Equity		**41,392.43**	**31,862.20**
D Non-current liabilities			
Financial liabilities			
Borrowings	16	533.33	492.86
Deferred tax liabilities (Net)	29	757.69	619.83
Provisions	17	288.18	228.88
Total Non-current liabilities		**1,579.20**	**1,341.57**
E Current liabilities			
Financial liabilities			
Borrowings	16	17,239.79	31,648.08
Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	18	508.96	122.12
B) total outstanding dues of creditors other than micro enterprises and small enterprises	18	15,759.21	18,736.95
Other financial liabilities	19	2,503.74	2,414.79
Provisions	17	57.59	47.03
Other current liabilities	20	744.26	986.70
Current tax liabilities	21	557.71	46.43
Total current liabilities		**37,371.26**	**54,002.10**
TOTAL EQUITY AND LIABILITIES		**80,342.89**	**87,205.87**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Sd/-
Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : April 22, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-
Ashok Kumar Todi
Chairman
(DIN - 00053599)

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

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

Sd/-
Smita Mishra
Company Secretary
(Mem No - A26489)

Standalone Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lakhs)

		Notes	Year ended 31-Mar-2019	Year ended 31-Mar-2018
I	Revenue from operations	22	1,20,868.07	1,07,750.50
II	Other Income	23	919.78	185.45
III	**Total income (I+II)**		**1,21,787.85**	**1,07,935.95**
IV	**Expenses**			
	Cost of raw materials consumed	24	46,529.94	50,451.81
	Purchases of traded goods	24	7,666.96	3,333.97
	(Increase) / decrease in inventories of finished goods, work-in-progress & traded goods	24	3,505.44	(5,238.30)
	Employee benefit expense	25	4,349.22	3,747.05
	Finance costs	26	2,360.44	2,542.44
	Depreciation and amortisation expense	27	1,123.55	962.59
	Other expenses	28	40,788.16	40,034.38
	Total expenses (IV)		**1,06,323.71**	**95,833.94**
V	**Profit Before Tax (III - IV)**		**15,464.14**	**12,102.01**
VI	**Tax expense**			
	(i) Current tax	29	5,179.00	4,243.00
	(ii) Deferred tax	29	133.71	71.13
	(iii) Income tax for earlier years		20.03	-
	Income tax expense (i+ii+iii)		**5,332.74**	**4,314.13**
VII	**Profit for the Year (V-VI)**		**10,131.40**	**7,787.87**
VIII	**Other comprehensive income**			
A	(i) Items that will not be reclassified subsequently to profit and loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)		11.87	(31.06)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(4.15)	10.75
	Other comprehensive income for the year (net of tax) (i-ii)		**7.72**	**(20.31)**
	Total comprehensive income for the period, net of income tax (VII + VIII)		**10,139.11**	**7,767.56**
	Earnings per equity share [nominal value of share ₹2 (March 31, 2018 ₹2)]			
	Basic in ₹ per share	30	40.12	30.84
	Diluted in ₹ per share	30	40.12	30.84
Summary of significant accounting policies		3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Sd/-
Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : April 22, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-
Ashok Kumar Todi
Chairman
(DIN - 00053599)

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

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

Sd/-
Smita Mishra
Company Secretary
(Mem No - A26489)

Standalone Statement of changes in equity for the year ended March 31, 2019

a. Equity share capital

	No. of shares	₹ in Lakhs
Equity shares of ₹ 2 each issued, subscribed and fully paid		
As at April 1, 2017	**2,52,53,000.00**	**529.98**
Changes in equity share capital during the period	-	-
As at March 31, 2018	**2,52,53,000.00**	**529.98**
Changes in equity share capital during the period	-	-
As at March 31, 2019	**2,52,53,000.00**	**529.98**

b. Other Equity

(₹ in Lakhs)

	Capital Redemption Reserve	Securities premium	General reserve	Retained earnings	Other Comprehensive Income Reserves	Total
Balance as at April 1, 2017	**-**	**653.58**	**1,477.70**	**21,862.85**	**1.61**	**23,995.73**
Add: Profit for the year	-	-	-	7,787.87	-	7,787.87
Add/ (Less): Transfer to Capital Redemption Reserve on redemption of preference shares	5,600.00			(5,600.00)	-	-
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-	-	-	(20.31)	(20.31)
Less: Dividend	-	-	-	353.54	-	353.54
Less: Dividend distribution tax	-	-	-	77.55	-	77.55
Balance as at March 31, 2018	**5,600.00**	**653.58**	**1,477.70**	**23,619.64**	**(18.69)**	**31,332.22**
Add: Profit for the year	-	-	-	10,131.40	-	10,131.40
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-	-	-	7.72	7.72
Less: Dividend	-	-	-	505.06	-	505.06
Less: Dividend distribution tax	-	-	-	103.82	-	103.82
Balance as at March 31, 2019	**5,600.00**	**653.58**	**1,477.70**	**33,142.16**	**(10.98)**	**40,862.45**

Nature and Purpose of Reserves:

(A) Capital Redemption Reserve: This reserve has been created on redemption of Preference Share Capital and can be utilized in accordance with the provisions of the Companies Act, 2013.

(B) Securities Premium: This reserve represents premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(C) General Reserve: This reserve is a free reserve which is used from time to time to transfer profits from retained earnings and can be utilized in accordance with the provisions of the Companies Act, 2013.

(D) Retained Earnings : This reserve represents undistributed cumulative profits of the Company and can be utilized in accordance with the provisions of the Companies Act, 2013

(E) Other comprehensive Income Reserves : This reserve represents effect remeasurements of defined benefit plans that will not be reclassified to Statement of Profit & Loss.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Sd/-
Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : April 22, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-
Ashok Kumar Todi
Chairman
(DIN - 00053599)

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

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

Sd/-
Smita Mishra
Company Secretary
(Mem No - A26489)

Standalone Statement of Cash Flows for the year ended March 31, 2019

(₹ in Lakhs)

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Cash flows from operating activities		
Profit / (Loss) before tax	15,464.14	12,102.01
Adjustment to reconcile profit / (loss) before tax to net cash flows:		
Depreciation and amortisation of property, plant and equipments and intangible assets	1,123.55	962.59
Finance costs	2,360.44	2,542.44
Profit on sale of property, plant and equipment	-	(0.73)
Loss on sale of property, plant and equipment	0.83	10.30
Finance income	(46.84)	(24.63)
Bad Debt (net)	7.78	68.21
Provision for doubtful debts and advances (net)	38.58	-
Gain on Investment carried at Fair value through Profit or Loss	(367.55)	-
Operating profit before working capital changes	**18,580.93**	**15,660.18**
Movements in working capital:		
(Increase) / decrease in trade and other receivables	2,072.54	(11,501.82)
(Increase) / decrease in inventories	4,820.37	(6,642.30)
(Increase) / decrease in other assets	747.62	(211.68)
Increase / (decrease) in trade and other payables	(2,590.91)	6,829.21
Increase / (decrease) in other liabilities	336.88	(123.13)
Cash generated from / (used in) operations	**23,967.44**	**4,010.47**
Direct taxes paid (Net of refunds)	(4,687.75)	(4,243.00)
Net cash flow from / (used in) operating activities	**19,279.69**	**(232.53)**
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets and capital advance	(1,240.93)	(1,758.38)
Proceeds from sale of property, plant and equipment and intangible assets	16.69	20.86
Investment in shares	-	(10.40)
Increase in loan given	(308.86)	-
Decrease/(Increase) in term deposit	(0.01)	(161.19)
Finance income	24.69	32.77
Net cash flow from / (used in) investing activities	**(1,508.41)**	**(1,876.34)**

Standalone Statement of Cash Flows for the year ended March 31, 2019

(₹ in Lakhs)

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Cash flows from financing activities		
Proceeds/ (repayment) of non-current borrowings	(412.09)	(6,376.15)
Proceeds/ (repayment) from current borrowings	(14,408.29)	10,442.23
Interest paid	(2,360.44)	(2,013.07)
Dividend Paid	(505.06)	(353.54)
Dividend tax paid	(103.82)	(77.55)
Net cash flow from / (used in) in financing activities	**(17,789.69)**	**1,621.92**
Net increase / (decrease) in cash and cash equivalents	**(18.41)**	**(486.96)**
Cash and cash equivalents at the beginning of the year	210.68	697.64
Cash and cash equivalents at the end of the year	**192.27**	**210.68**
Components of Cash and cash equivalents		
Cash on hand (Refer Note - 10)	110.93	69.60
Balances with banks - in current account (Refer Note - 10)	81.34	141.08
Total Cash and cash equivalents	**192.27**	**210.68**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Sd/-
Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : April 22, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-
Ashok Kumar Todi
Chairman
(DIN - 00053599)

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

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

Sd/-
Smita Mishra
Company Secretary
(Mem No - A26489)

Notes to Standalone Financial Statements for the year ended March 31, 2019

1. Reporting entity

Lux Industries Limited ('the Company') is a public company domiciled and headquartered in India, having its registered office situated at 39, Kali Krishna Tagore Street, Kolkata. The Company has its shares listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is primarily engaged in the manufacturing and sales of knitwears. The Company has operations in India and caters to both domestic and international markets. The Company also has a wholly-owned subsidiary in India in the name of Artimas Fashions Private Limited and a subsidiary Altai Industries Private Limited. The Manufacturing units of the Company are located in Kolkata (West Bengal), Ludhiana and Tirupur, in the state of Tamil Nadu.

2. Basis of preparation of Standalone financial statements

(a) Statement of compliance

These Standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable.

The Standalone financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on April 22, 2019. The details of the Company's accounting policies are included in Note 3.

(b) Functional and presentation currency

These Standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

(c) Basis of measurement

The Standalone financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

(i) Certain financial assets and financial liabilities measured at fair value;

(ii) Assets held for sale-measured at the lower of its carrying amount and fair value less costs to sell; and

(iii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(d) Use of estimates and judgments

The preparation of the Company's Standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Standalone financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the Standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone financial statements.

Notes to Standalone Financial Statements for the year ended March 31, 2019

Critical accounting estimates and key sources of estimation uncertainty: Key assumptions

(i) Useful lives of Property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets. See note 3(d) and 4 for details.

(ii) Fair value measurement of financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss. See note 3(r) and 39 for details.

(iii) Defined benefit plan

The cost of the defined benefit plan includes gratuity and leave encashment. The present value of the obligations are determined using actuarial valuations using Projected unit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 3(g) and 35 for details.

(iv) Recognition of current tax and deferred tax

Current taxes are recognized at tax rates (and tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. See note 3(k) and 29 for details.

(v) Recognition and measurement of provisions and contingencies

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for. See note 3(h) and 31 for details.

(e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations

Notes to Standalone Financial Statements for the year ended March 31, 2019

meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 40.

3. Significant accounting policies

(a) Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realized within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within 12 months after the reporting date; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Notes to Standalone Financial Statements for the year ended March 31, 2019

Operating cycle

For the purpose of current/ non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

(b) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the Statement of Profit and Loss in the period in which they arise.

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains and losses resulting from such translation 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.

(c) Financial instruments

(i) Recognition and initial measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

(ii) Classification and subsequent measurement

Financial assets

(a) Financial assets at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at FVOCI

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(c) Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Notes to Standalone Financial Statements for the year ended March 31, 2019

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of Profit and Loss.

(iv) Off setting

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

• Tangible assets and Capital Work in Progress

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

Property, plant and equipment under construction and not yet ready for their intended use are disclosed as Capital working- progress.

Notes to Standalone Financial Statements for the year ended March 31, 2019

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other 'Non-Current Assets'.

- **Intangible assets & amortization:**
  Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly. The Intangible assets include Computer Software. Amortization of Intangible Assets is made based on management's evaluation of duration of life cycle of intangible assets. The amortization rate used are:

Asset	**%**
Computer Software:	40.00

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Depreciation and amortization for the year is recognized in the Statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method in the manner specified in Part C of Schedule II to the Companies Act, 2013. Depreciation for the assets purchased/ sold during a period is proportionately charged.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate. The estimated useful lives of the assets are as follows:

Class of assets	Useful lives of the assets (Years)
Factory buildings	30
Non factory buildings	60
Plant and equipment	10 to 15
Computer and data processing equipment	3
Office equipment	5
Furniture and fixtures	10
Vehicles	8 to 10
Computer software	2.5

(e) Inventories

Inventories which comprise raw materials, work-in progress, finished goods and packing materials are measured at the lower of cost and net realizable value.

The cost of inventories is based on the Weighted Average Cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. The Company has valued inventory net of input tax benefits. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and

Notes to Standalone Financial Statements for the year ended March 31, 2019

it is estimated that the cost of the finished products will exceed their net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.

Assessment of net realizable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed.

(f) Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including subsequent information.

(ii) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of Profit and Loss.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor

Notes to Standalone Financial Statements for the year ended March 31, 2019

exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

The Company makes specified monthly contributions to employee provident fund to Government administered provident fund scheme, which is a defined contribution plan. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

(iv) Other long term employee benefits

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(h) Provision, Contingent Liabilities And Contingent Assets

A provision is recognized if, as a result of past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provisions in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

During the financial year the Company has made provision for doubtful debts and doubtful advances to the extent of 100% of the total amount identified as doubtful debts and advances.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot

Notes to Standalone Financial Statements for the year ended March 31, 2019

be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(i) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Products

Revenue from sale of products is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the Company believes that the control gets transferred to the customer on dispatch of the goods from the factory/ depots and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them.

Rendering of Services

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

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Dividend income is recognized in Statement of Profit and Loss on the date on which the Company's right to receive payment is established. Interest income is recognized using the effective interest method.

All other income are recognized on accrual basis.

(j) Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are deducted

Notes to Standalone Financial Statements for the year ended March 31, 2019

from the cost of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the statement of profit & loss.

(k) Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognized in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(l) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection

Notes to Standalone Financial Statements for the year ended March 31, 2019

with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(m) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

(n) Cash and cash equivalents

Cash and cash equivalents include cash and cash-on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(o) Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) Operating segment

Based on the synergies, risks and returns associated with business operations and in terms of Ind AS-108, the Company's operating operation comprises of only one primary segment viz. manufacturing and sale of Knitwear's. The Company also believes that even geographically, the product of the Company faces similar risk and returns and there is no separate segment that can be identified for the purpose of reporting under Ind AS 108 on "Segment Reporting".

(r) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

· In the principal market for the asset or liability, or

· In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Notes to Standalone Financial Statements for the year ended March 31, 2019

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(s) Business combinations

Business combinations are accounted for using the acquisition method, except for common control business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date.

(t) Changes in accounting policies and disclosures

Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset.

During the year, the Company has changed its accounting policy with respect to accounting of government grants related to assets by deducting the grants from the cost of the asset. Prior to this change in policy, the Company recognised such grants as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset.

As per Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, the changes have been applied retrospectively. Accordingly, profit after tax for the year ended 31st March 2018 is reduced by ₹135.59 lakhs and retained earnings as on 31st March 2018 is lower by ₹ 200.18 lakhs.

Also, refer note 43.

Notes to Standalone Financial Statements for the year ended March 31, 2019

(u) Recent Accounting pronouncements

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018.

In terms of the requirement of the new standard, revenue is recognised net of trade schemes and incentives payable to distributors/dealers and retailers. Revenue for comparative periods has been adjusted to confirm to current period classifications.

Accordingly, revenue from operations for the year ended March 31, 2018 is reduced by ₹ 6,024.66 lakhs.

Ind AS 116 – Leases Standards issued but not yet effective

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt this standard. However, adoption of this standard is not likely to have a significant impact in its Financial Statements.

Amendment to Ind AS 19 – Plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions, including current market interest rates and other current market prices, reflecting:

(a) the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and

(b) the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement."

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

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

(₹ in Lakhs)

Particulars	Gross Block				Depreciation/ Amortization				Net Block	
	As at April 1, 2017	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2018	As at April 1, 2017	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017
Tangible Assets										
Land	894.64	-	-	894.64	-	-	-	-	894.64	894.64
Building	6,305.11	648.00	-	6,953.11	163.74	202.56	-	366.30	6,586.80	6,141.37
Plant & Equipments	3,554.46	1,098.29	4.13	4,648.62	393.85	528.23	3.08	919.00	3,729.62	3,160.61
Office Equipments	107.88	30.70	-	138.58	19.85	26.25	-	46.10	92.48	88.03
Furniture & Fixture	353.06	186.92	-	539.98	37.22	51.31	-	88.53	451.45	315.84
Vehicle	547.87	395.87	33.50	910.25	47.21	93.78	4.12	136.87	773.38	500.66
	11,763.02	**2,359.78**	**37.63**	**14,085.17**	**661.87**	**902.13**	**7.20**	**1,556.81**	**12,528.37**	**11,101.15**
Capital Work in Progress	1,138.33	530.53	1,138.33	530.53	-	-	-	-	530.53	1,138.33
Sub Total (A)	**12,901.35**	**2,890.31**	**1,175.96**	**14,615.70**	**661.87**	**902.13**	**7.20**	**1,556.81**	**13,058.90**	**12,239.48**
Intangible Assets										
Computer software	129.08	52.87	-	181.95	15.19	60.46	-	75.65	106.30	113.89
Sub Total (B)	**129.08**	**52.87**	**-**	**181.95**	**15.19**	**60.46**	**-**	**75.65**	**106.30**	**113.89**
Total (A+B)	**13,030.43**	**2,943.18**	**1,175.96**	**14,797.65**	**677.06**	**962.59**	**7.20**	**1,632.45**	**13,165.20**	**12,353.37**

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 5 INVESTMENTS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
A. Non-Current Investments		
Equity instruments carried at fair value through profit or loss (FVTPL)		
Unquoted		
J.M. Hosiery & Co. Limited	442.01	74.46
84,000 equity shares (FV - ₹ 10 each)		
West Bengal Hosiery Park Infrastructure Limited	0.05	0.05
500 equity shares (FV - ₹ 10 each)		
Investment carried at Cost (Unquoted)		
Investment in Equity Instrument in Subsidiaries		
Artimas Fashions Private Limited	10.40	10.40
19,800 equity shares (FV - ₹ 10 each)		
Altai Industries Private Limited	10.20	-
102,000 (31 March 2018 : NIL) equity shares (FV - ₹ 10 each)		
Total	**462.66**	**84.91**
Aggregate amount of Unquoted investments	**462.66**	**84.91**
Investments carried at costs	**20.60**	**10.40**
Investments carried at fair value through profit or loss (FVTPL)	**442.06**	**74.51**

NOTE: 6 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Carried at amortized cost)		
Non-current		
Other bank balance		
Bank deposit more than 12 months maturity from Balance Sheet date (pledged)	243.96	243.95
Interest accrued on fixed deposit	40.64	18.49
Security deposit	41.23	31.46
	325.83	**293.90**
Current		
Security deposit	49.61	44.14
Loans and advances to employees	166.15	139.42
Other loans and advances	44.23	57.35
	259.99	**240.91**
Total	**585.82**	**534.81**

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 7 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Capital advances	3.33	48.15
Prepaid expenses	2.31	1.34
Total	**5.64**	**49.49**

NOTE: 8 INVENTORIES

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Valued at lower of cost and net realisable value)		
Raw Materials	2,408.76	3,248.33
Work-in-progress	8,335.46	10,614.13
Finished goods (Manufactured)	10,938.15	12,537.79
Stock-in-trade (Goods purchased for resale)	372.87	-
Packing materials	3,042.02	3,517.38
Total	**25,097.26**	**29,917.63**

NOTE: 9 TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Carried at amortized cost)		
Unsecured		
- Considered good	36,829.14	38,909.47
- Considered doubtful	152.53	183.99
Less: Loss for allowances		
- Provision for doubtful debt	(152.53)	(183.99)
	36,829.14	38,909.47
Total	**36,829.14**	**38,909.47**

NOTE: 10 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Balances with banks		
Current accounts	81.34	141.08
Cash in hand	110.93	69.60
Total	**192.27**	**210.68**

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Balances with banks		
Unpaid dividend - earmarked balances with Bank	6.35	11.22
Total	**6.35**	**11.22**

NOTE: 12 LOANS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Carried at amortized cost		
Loans Receivables considered good - Unsecured		
- to subsidiary company (Refer note 32)	320.60	-
- to others	72.81	84.55
Total	**393.41**	**84.55**

NOTE: 13 OTHER CURRENT ASSETS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Unsecured, considered good unless otherwise stated)		
Advances to supplier		
- Unsecured, considered good	596.09	1,327.41
- Unsecured, considered doubtful	44.82	6.24
	640.91	1,333.65
Less: Provision for doubtful advances	(44.82)	(6.24)
	596.09	**1,327.41**
Others		
Prepaid expenses	111.86	134.21
Balance with government authorities	2,462.74	2,090.18
Incentive / duty drawback receivable	334.58	686.11
Total	**3,505.29**	**4,237.91**

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 14 EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Authorised:		
45,000,000 Equity shares of ₹ 2/- each	900.00	900.00
(31.03.2018: 45,000,000 Equity shares of ₹ 2/- each)		
5,600,000 Preference shares of ₹ 100/- each	5,600.00	5,600.00
(31.03.2018: 5,600,000 Equity shares of ₹ 100/- each)		
Issued and subscribed equity share capital		
27,737,500 Equity shares of ₹ 2/- each	554.75	554.75
(31.03.2018: 27,737,500 Equity shares of ₹ 2/- each)		
Paid up equity share capital		
25,253,000 Equity shares of ₹ 2/- each	505.06	505.06
(31.03.2018: 25,253,000 Equity shares of ₹ 2/- each)		
Forfeited equity share capital		
Add: 2,484,500 equity shares (Paid-up)	24.92	24.92
(31.03.2018: 2,484,500 Equity shares (Paid-up))		
Total	529.98	529.98

	Equity share capital	
	No. of shares	₹ in Lakhs
Reconciliation of number of equity shares outstanding:		
As at March 31, 2017	2,52,53,000	529.98
Increase during the year	-	-
As at March 31, 2018	2,52,53,000	529.98
Increase during the year	-	-
As at March 31, 2019	2,52,53,000	529.98

(i) Terms / rights attached to Equity shares:

The Company has equity shares with a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the Company, after meeting all liabilities and distribution of all preferential amounts, in proportion to their shareholding.

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

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Ashok Kumar Todi	37,30,000	14.77%	37,30,000	14.77%
Pradip Kumar Todi	44,82,500	17.75%	44,82,500	17.75%
Bimla Devi Todi	35,05,000	13.88%	35,05,000	13.88%
Shobha Devi Todi	27,52,500	10.90%	27,52,500	10.90%
Prabha Devi Todi	37,23,000	14.74%	37,23,000	14.74%

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 15 OTHER EQUITY

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Capital Redemption Reserve	5,600.00	5,600.00
Securities premium	653.58	653.58
General reserve	1,477.70	1,477.70
Retained earnings	33,142.16	23,619.64
Other Comprehensive Income Reserves	(10.98)	(18.69)
Total	**40,862.45**	**31,332.22**

NOTE: 16 FINANCIAL LIABILITIES - BORROWINGS

(a) Non-current borrowings

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Carried at amortised cost)		
Secured		
Term Loans from Banks	854.08	1,266.17
Less: Current maturity of long term debts (refer note 19)	320.75	773.31
Total non-current borrowings	**533.33**	**492.86**

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

Name of the Bank / instrument	31-Mar-19	31-Mar-18	Nature of security	Repayment terms
Secured				
Allahabad Bank	217.06	315.60	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 installment of ₹34.25 lakhs each commencing from June, 2018. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	150.88	189.53	Exclusive Hypothecation charge over the machinery/equipments acquired underfacilities 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 ₹10.00 lakhs each commencing from December,2017. Interest @ MCLR is serviced on monthly basis as and when due.

Notes to Standalone Financial Statements for the year ended March 31, 2019

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

Name of the Bank / instrument	31-Mar-19	31-Mar-18	Nature of security	Repayment terms
Allahabad Bank	99.74	105.26	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan. It is 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 ₹5.50 lakhs each commencing from December,2018. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	63.00	62.97	Exclusive hypothecation charge over the machinery/ equipments acquired underfacilities 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 ₹3.35 lakhs each commencing from June, 2019. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	37.19	-	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 18 equal quarterly instalment of ₹2.55 lakhs each commencing from Sept, 2019. Interest @ 1Y MCLR is serviced on monthly basis as and when due.
State Bank of India	49.56	592.81	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 ₹107.00 lakhs each commencing from December, 2016. Interest @ MCLR + 1.50% is serviced on monthly basis as and when due.

Notes to Standalone Financial Statements for the year ended March 31, 2019

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

Name of the Bank / instrument	31-Mar-19	31-Mar-18	Nature of security	Repayment terms
HDFC Bank	112.10	-	Exclusive hypothecation charge over the machinery/ equipments acquired underfacilities 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 ₹5.90 lakhs each commencing from Jan, 2019. Interest @ 9.5% is serviced on monthly basis.
HDFC Bank	17.58	-	Exclusive hypothecation charge over the machinery/ equipments acquired underfacilities 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 ₹ 0.93 lakhs each commencing from Jan, 2019. Interest @ 9.5% is serviced on monthly basis.
HDFC Bank	106.97	-	Exclusive hypothecation charge over the machinery/ equipments acquired underfacilities 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 ₹ 5.96 lakhs each commencing from Jan, 2019. Interest @ 9.5% is serviced on monthly basis.

(b) Current borrowings

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Carried at amortised cost)		
From Banks (Secured) (refer note a)		
i) Loan repayable on demand		
Cash Credit Facilities	3,046.89	21,543.52
WCDL	3,499.04	-
ii) Packing credit	8,730.51	4,899.47
From Others (Unsecured)		
From related parties (refer note 32)	1,060.33	5,205.08
From body corporates	903.02	-
Total current borrowings	**17,239.79**	**31,648.08**

a) The loan is secured against hypothecation of entire stocks, book debts and other current assets, both present and future of Company. It is additionally secured by personal guarantee of the Directors.

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 17 PROVISIONS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Provision for employee benefits (Refer note 35)		
a) Non-Current	288.18	228.88
b) Current	57.59	47.03
Total	**345.77**	**275.91**

NOTE: 18 TRADE PAYABLES

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Carried at amortised cost)		
MSMED [refer note (a) below]	508.96	122.12
Other trade payables	15,759.21	18,736.95
Total	**16,268.17**	**18,859.07**

(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006		
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to micro and small enterprise	508.96	122.12
Interest due on above	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 19 CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Carried at amortised cost)		
Current maturities of long-term borrowings (Refer note 16)	320.75	773.31
Deposits from Dealers/ agents	1,425.36	1,216.49
Unclaimed dividend	6.35	11.22
Advance from customers	741.08	413.77
Payable against share allotment to subsidiary company (Refer note 32)	10.20	-
Total	**2,503.74**	**2,414.79**

NOTE: 20 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Statutory dues	143.60	201.06
Other payables	600.66	785.64
Total	**744.26**	**986.70**

NOTE: 21 CURRENT TAX LIABILITIES

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Income tax liabilities	557.71	46.43
Total	**557.71**	**46.43**

NOTE: 22 REVENUE FROM OPERATIONS

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Sale of products		1,19,569.48		1,06,497.09
Sale of Services				
Job Work		224.39		234.50
Other Operating Revenue				
i) Assistance Under WBIP Scheme	-		52.97	
ii) Export Incentive	782.10		771.15	
iii) Incentive received on yarn purchase	-		1.57	
iv) Others	292.10	1,074.20	193.22	1,018.91
Total Revenue from Operations		**1,20,868.07**		**1,07,750.50**

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 23 OTHER INCOME

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Interest Income from Financial Assets at amortized cost:				
i) On Fixed Deposit	24.33		8.17	
ii) On loan given to Subsidiary Company (Refer note 32)	13.42		-	
iii) On loans given to other entities	9.09	46.84	10.46	18.63
Rent income		1.05		6.00
Profit on Sale of Property, plant and equipment		-		0.73
Gain on Investment carried at Fair value through Profit or Loss		367.55		-
Foreign currency fluctuation gain (net)		328.58		160.08
Others		175.76		-
Total		**919.78**		**185.45**

NOTE: 24 COST OF RAW MATERIAL CONSUMED

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Yarn Consumed				
Opening Stock	3,248.33		2,114.77	
Add : Purchases during the year	35,535.41		36,517.87	
	38,783.74		38,632.64	
Less: Yarn Sale	1,088.00		219.38	
Less: Closing Stock	2,408.76	35,286.98	3,248.33	35,164.93
Packing Materials Consumed				
Opening Stock	3,517.38		3,246.93	
Add: Purchases during the year	9,724.55		12,722.53	
	13,241.93		15,969.46	
Less: Closing Stock	3,042.02	10,199.91	3,517.38	12,452.08
Consumption of Fabrics		1,043.05		2,834.80
Total		**46,529.94**		**50,451.81**
Purchase of Stock-in-Trade (Knitwear)		7,666.96		3,333.97
Total		**7,666.96**		**3,333.97**
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE				
Finished Goods				
Opening Stock	12,537.79		12,479.49	
Closing Stock	10,938.15	1,599.64	12,537.79	(58.30)
Work-in-progress				
Opening Stock	10,614.13		5,434.13	
Closing Stock	8,335.46	2,278.67	10,614.13	(5,180.00)
Stock in trade				
Opening Stock	-		-	
Closing Stock	372.87	(372.87)	-	-
Total		**3,505.44**		**(5,238.30)**

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 25 EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Salaries, Wages & Bonus	3,955.85		3,376.34	
Provision for Employment benefit	102.40	4,058.25	72.53	3,448.87
Contribution to Provident & Other Funds		130.10		149.54
Staff Welfare Expenses		160.87		148.64
Total		**4,349.22**		**3,747.05**

NOTE: 26 FINANCE COST

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Interest Expense		2,189.95		1,871.74
Interest and dividend on preference shares		-		533.51
Interest expense on financial liabilities measured at amortised cost		-		22.21
Bank Charges		170.49		114.98
Total		**2,360.44**		**2,542.44**

NOTE: 27 DEPRECIATION & AMORTIZATION EXPENSE

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Depreciation on Tangible Assets		1,059.68		902.13
Amortization on Intangible Assets		63.87		60.46
Total		**1,123.55**		**962.59**

NOTE: 28 OTHER EXPENSES

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Consumption of stores & spare parts		240.61		167.71
Power & Fuel		482.14		552.46
Rent		196.79		176.67
Repairs				
Repairs to buildings		83.67		27.36
Repairs to machinery		11.76		8.09
Repairs to other		75.67		103.99
Insurance		64.55		62.90
Rates & Taxes		25.47		150.04
Selling Expenses		1,310.09		1,075.19
Royalty		5.00		5.00
Advertisement & Publicity		9,089.45		10,868.59
Commission		942.95		980.37
Freight & Other Handling Charges		2,451.74		2,008.65

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 28 OTHER EXPENSES (Contd.)

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Bad Debts	39.24		72.41	
Less: Provision for Doubtful Debts	(31.46)	7.78	(4.20)	68.21
Provision for Doubtful Advance		38.58		-
Processing expense		24,059.03		22,156.18
Prior Period Items		5.53		3.85
Loss on Sale of Property, plant and equipment		0.83		10.30
Miscellaneous Expenses (Refer note 28.1)		1,686.52		1,598.82
Payment to auditors :				
- Statutory audit fees		10.00		10.00
Total		**40,788.16**		**40,034.38**

NOTE: 28.1

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

NOTE: 29 INCOME TAX

(₹ in Lakhs)

	31-Mar-2019	31-Mar-2018
A. Amount recognized in profit or loss		
Current Tax		
Current period	5,179.00	4,243.00
Changes in respect of current income tax of previous years	20.03	-
(a)	5,199.03	4,243.00
Deferred Tax		
Attributable to -		
Origination and reversal of temporary differences	133.71	71.13
(b)	133.71	71.13
Tax expenses reported in the Standalone Statement of Profit and Loss (a+b)	**5,332.74**	**4,314.13**
B. Income tax recognized in Other Comprehensive Income		
Deferred tax relating to items recognized in other comprehensive income during the year	(4.15)	10.75
Income tax expense charged to Other Comprehensive Income	**(4.15)**	**10.75**

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 29 INCOME TAX (Contd.)

(₹ in Lakhs)

	31-Mar-2019	31-Mar-2018
C. Reconciliation of tax expense and the accounting profit for March 31, 2019 and March 31, 2018:		
Accounting profit before income tax	15,464.14	12,102.01
Tax at the applicable India tax rate of 34.944% (34.608%)	5,403.79	4,188.26
Tax impact on amounts that are adjusted in determining taxable profit:		
Difference between depreciation as per IT Act and depreciation as per books	(159.21)	(173.43)
Other adjustments	88.17	299.30
	5,332.75	**4,314.13**

(₹ in Lakhs)

	31-Mar-2019	31-Mar-2018
D. Reconciliation of applicable tax rate and effective tax rate:		
Applicable tax rate	34.94%	34.61%
Tax effect of difference between depreciation as per IT Act and depreciation as per books	-1.03%	-1.43%
Tax effect of other adjustments	0.57%	2.47%
Effective tax rate	**34.48%**	**35.65%**

₹ in Lakhs

	Balance as on April 1, 2018	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2019
E. Recognized deferred tax assets and liabilities:				
Property, plant and equipment	(612.31)	(178.85)	-	(791.16)
Trade receivables	63.67	(10.37)	-	53.30
Other assets	22.13	(162.79)	-	(140.66)
Borrowings	2.18	(2.18)	-	(0.00)
Provisions	(95.50)	220.48	(4.15)	120.83
Total	**(619.83)**	**(133.71)**	**(4.15)**	**(757.69)**

(₹ in Lakhs)

	Balance as on April 1, 2017	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2018
Property, plant and equipment	(521.52)	(90.79)	-	(612.31)
Trade receivables	65.13	(1.46)	-	63.67
Other assets	18.48	3.65	-	22.13
Borrowings	(5.02)	7.20	-	2.18
Other financial liabilities	(180.01)	180.01	-	-
Provisions	63.49	(169.74)	10.75	(95.50)
Total	**(559.44)**	**(71.13)**	**10.75**	**(619.83)**

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 29 INCOME TAX (Contd.)

(₹ in Lakhs)

	31-Mar-2019	31-Mar-2018
F. Deferred tax reflected in the Balance Sheet as follows:		
Deferred tax assets	174.13	87.98
Deferred tax liabilities	(931.82)	(707.81)
Deferred tax assets / (liabilities) (net)	**(757.69)**	**(619.83)**

NOTE: 30 EARNINGS PER SHARE (EPS) (IND AS 33)

(₹ in Lakhs)

Sl. No	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Profit for the year	10,131.40	7,787.88
2	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS	252.53	252.53
3	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	252.53	252.53
4	Nominal Value per share (₹)	2/-	2/-
5	Earning per shares		
	Basic	40.12	30.84
	Diluted	40.12	30.84

NOTE: 31 PARTICULARS OF CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Claims against the Company not acknowledged as liabilities in respect of:		
Sales Tax Matters	61.72	61.72
Customs and Excise matters	346.27	346.27
Service tax matters	136.22	136.22
Provident Fund matters	972.83	-
Guarantee Given	101.05	101.05

The Company is contesting the demand and the management including its legal advisors believes that its position will likely be upheld in the appellate process. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

II. Commitments:

a. Estimated amount of contracts to be executed on capital account (Net of Advances) ₹ Nil (Previous year NIL). The Company has other commitments, for purchase/ sales orders which are issued after considering requirements per operating cycle for purchase/ sale of goods and services, in normal course of business.

b. The Company did not have any long term commitments/ contracts including derivative contracts for which there will be any material foreseeable losses.

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 32 RELATED PARTY DISCLOSURE (IND AS 24)

A. List of related parties where control exists:

Name of the subsidiary	Country of incorporation	Percentage of holding
Artimas Fashions Private Limited	India	100%
Altai Industries Private Limited (Incorporated on February 22nd, 2019)	India	50.87%

B. Key management personnel:

Shri Ashok Kumar Todi, Executive Chairman (Whole Time Director)

Shri Pradip Kumar Todi, Managing Director

Shri Ajay Kumar Patodia, Chief Financial Officer

Smt Smita Mishra, Company Secretary

C. Other directors:

Smt Prabha Devi Todi – Executive Director

Shri Nandanandan Mishra – Independent Director

Shri Kamal Kishore Agrawal – Independent Director

Shri Snehasish Ganguly – Independent Director

Smt. Rusha Mitra - Independent Director

D. Relatives of Key management personnel

Smt Bimla Devi Todi

Smt Shobha Devi Todi

Shri Saket Todi

Shri Udit Todi

Smt Priyanka Todi

Smt Neha Todi

Smt Shilpa Agrawal

E. Entities where Key management personnel and their relative have significant influence

Biswanath Hosiery Mills Limited

Biswanath Real Estate Private Limited

J.M. Hosiery & Co. Limited

Rotex Intertrade Private Limited

Chitragupta Sale & Services Private Limited

Hollyfield Traders Private Limited

Ebell Fashions Private Limited

P.G Buildtech Private Limited

P.G.Infometic Private Limited

Todi Industries

Lux Foundation

Jaytee Exports

S D International

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 32 RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

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

(₹ in Lakhs)

Sl. No	Name of related party	Year ended March 31, 2019	Year ended March 31, 2018
1	**Sale of goods**		
	Ebell Fashions Private Limited	675.20	243.62
	J.M. Hosiery & Co Ltd	1,189.02	346.01
	Artimas Fashions Private Limited	163.30	-
	Todi Industries	3.69	-
2	**Sale of Focus License**		
	Ebell Fashions Private Limited	-	15.92
3	**Purchase of goods**		
	J.M. Hosiery & Co. Limited	5,993.73	2,861.66
	Jaytee Exports	304.64	932.37
	Ebell Fashions Private Limited	460.31	103.68
	Artimas Fashions Private Limited	1.73	-
	S D International	-	9.49
4	**Sitting Fees**		
	Shri Nandanandan Mishra	0.90	0.75
	Shri Kamal Kishore Agrawal	1.10	0.90
	Shri Snehasish Ganguly	0.80	0.65
5	**CSR Expenditure**		
	Lux Foundation	27.00	-
6	**Rent payment**		
	Hollyfield Traders Private Limited	1.80	1.80
	P.G. Infometic Private Limited	19.20	19.20
7	**Other services payment**		
	P.G. Infometic Private Limited - Data processing charges	24.00	24.00
	Biswanath Hosiery Mills Ltd - Royalty	5.00	5.00
	J.M. Hosiery & Co Ltd - Commission payment	-	5.70
	Todi Industries – Knitting Charges	205.32	2.00
8	**Received towards services**		
	Ebell Fashions Private Limited - Knitting services	215.52	162.20
	Artimas Fashions Private Limited - Rent	1.05	-
	Todi Industries – Knitting services	1.98	-
	S D International - Knitting services	1.76	-
9	**Reimbursement of taxes (Payment by Lux Industries Ltd)**		
	Biswanath Real Estate Pvt.Ltd.	7.16	0.19
10	**Reimbursement of taxes (Receipt)**		
	Biswanath Real Estate Private Limited	7.16	0.19

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 32 RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

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

(₹ in Lakhs)

Sl. No	Name of related party	Year ended March 31, 2019	Year ended March 31, 2018
11	**Dividend payment**		
	Shri Ashok Kumar Todi	74.60	52.22
	Shri Pradip Kumar Todi	89.65	62.76
	Smt Prabha Devi Todi	74.46	52.12
	Smt Bimla Devi Todi	70.10	49.07
	Smt Shobha Devi Todi	55.05	38.54
	Shri Saket Todi	2.72	1.90
	Shri Udit Todi	3.72	2.60
	Smt Shilpa Agrawal	1.00	0.70
	Smt Neha Todi	1.00	0.70
12	**Preference dividend payment**		
	Rotex Intertrade Private Limited	-	7.34
	Chitragupta Sales & Services Private Limited	-	7.34
	Hollyfield Traders Private Limited	-	5.38
	Biswanath Hosiery Mills Ltd	-	7.34
13	**Directors Remuneration**		
	Shri Ashok Kumar Todi	300.00	300.00
	Shri Pradip Kumar Todi	300.00	300.00
14	**Salary**		
	Shri Saket Todi	30.00	30.00
	Shri Udit Todi	30.00	30.00
	Smt Priyanka Todi	30.00	30.00
	Shri Ajay Kumar Patodia (CFO)	39.18	35.00
	Smt Smita Mishra (CS)	11.56	8.50
15	**Interest received**		
	Artimas Fashions Private Limited	13.42	-
16	**Interest paid**		
	Chitragupta Sales & Services Private Limited	21.64	53.23
	Rotex Intertrade Private Limited	40.85	35.56
	Hollyfield Traders Private Limited	63.02	28.62
	Biswanath Hosiery Mills Ltd	0.31	1.27
17	**Expenses On behalf of Subsidiary**		
	Altai Industries Private Limited	0.83	-
18	**Redemption of preference shares**		
	Chitragupta Sales & Services Private Limited	-	1,500.00
	Rotex Intertrade Private Limited	-	1,500.00
	Hollyfield Traders Private Limited	-	1,100.00
	Biswanath Hosiery Mills Ltd	-	1,500.00

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 32 RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

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

(₹ in Lakhs)

Sl. No	Name of related party	Year ended March 31, 2019	Year ended March 31, 2018
19	**Advance given**		
	P.G Buildtech Private Limited	20.00	-
20	**Advances received back**		
	P.G Buildtech Private Limited	20.00	-
21	**Loan taken**		
	Chitragupta Sales & Services Private Limited	830.00	6,420.00
	Rotex Intertrade Private Limited	1,595.00	8,334.72
	Hollyfield Traders Private Limited	1,125.00	3,665.00
	Biswanath Hosiery Mills Ltd	15.00	-
	Shri Ashok Kumar Todi	140.05	4,459.63
	Shri Pradip Kumar Todi	125.05	513.63
	Smt Prabha Devi Todi	90.00	52.00
22	**Loan repayment**		
	Chitragupta Sales & Services Private Limited	492.27	7,037.00
	Rotex Intertrade Private Limited	3,387.01	6,318.49
	Hollyfield Traders Private Limited	3,689.92	1,664.43
	Biswanath Hosiery Mills Ltd	32.45	1,528.46
	Shri Ashok Kumar Todi	482.32	5,318.26
	Shri Pradip Kumar Todi	94.12	540.58
23	**Loan given**		
	Artimas Fashions Private Limited	308.57	-
24	**Received against Loan**		
	Artimas Fashions Private Limited	0.05	-

G. Outstanding balances:

(₹ in Lakhs)

Sl. No	Name of related party	Year ended March 31, 2019	Year ended March 31, 2018
1	**Trade Payables**		
	J.M. Hosiery & Co. Limited	2,546.93	3,139.61
	Jaytee Exports	357.32	651.33
	Ebell Fashions Pvt.Ltd.	-	288.78
	Biswanath Hosiery Mills Ltd	5.40	43.33
	Hollyfield Traders Private Limited	4.50	2.70
	Artimas Fashions Private Limited	2.02	-
	Todi Industries	4.72	-
	S D International	-	9.50

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 32 RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

G. Outstanding balances:

(₹ in Lakhs)

Sl. No	Name of related party	Year ended March 31, 2019	Year ended March 31, 2018
2	**Unsecured Loans**		
	Chitragupta Sales & Services Private Limited	364.49	7.29
	Rotex Intertrade Private Limited	306.22	2,061.46
	Hollyfield Traders Private Limited	161.93	2,670.13
	Biswanath Hosiery Mills Ltd	-	17.17
	Shri Ashok Kumar Todi	0.08	342.34
	Shri Pradip Kumar Todi	35.86	4.93
	Smt Prabha Devi Todi	191.75	101.75
3	**Advances recoverable in cash or value**		
	Ebell Fashions Private Limited	-	802.06
	P.G.Infometic Private Limited	146.80	112.45
	Jaytee Exports	-	146.88
	Biswanath Hosiery Mills Ltd	-	-
	Todi Industries	5.92	-
	S D International	1.81	-
4	**Trade Receivables**		
	Artimas Fashions Private Limited	173.23	-
5	**Advance from Customer**		
	J.M. Hosiery & Co. Limited	29.78	-
	Ebell Fashions Pvt. Ltd	178.64	-
6	**Loans & Advances**		
	Artimas Fashions Private Limited	320.60	-
7	**Payable against Share Allotment**		
	Altai Industries Private Limited	10.20	-
8	**Other Advances**		
	Altai Industries Private Limited	0.83	-
9	**Security deposit**		
	P.G.Infometic Private Limited	25.00	25.00
10	**Investment in shares**		
	J.M.Hosiery & Co Ltd (at fair value)	442.01	74.46
	Artimas Fashions Private Limited	10.40	10.40
	Altai Industries Private Limited	10.20	-

NOTE: 33 SEGMENT REPORTING

In accordance with Ind AS 108 “Operating Segments”, segment information has been given in the Consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these financial statements.

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 34 CORPORATE SOCIAL RESPONSIBILITY

The details relating to Corporate Social Responsibility (CSR) expenditure are as follows:

As per Section 135 of the Companies Act, 2013, a CSR committee had been formed by the Company. The funds are utilized on the activities which are specified in Schedule VII of the Act. The utilization is done by way of contribution towards various activities.

a. Amount spent during the year on: (₹ in Lakhs)

Sl. No	Particulars	2018-19	2017-18
1	Construction/ acquisition of any assets	-	-
2	On purpose other than(1) above		
	- Education and Skill development	71.06	58.25
	- Health Care	2.18	18.13
	- Others	128.53	82.51
	Total	201.77	158.89

NOTE: 35 EMPLOYEE BENEFITS

1. Defined Contribution Plan:

a. Provident fund:

In accordance with Indian law, eligible employees of Lux Industries Limited are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).

a. Amount spent during the year on: (₹ in Lakhs)

Sl. No	Particulars	2018-19	2017-18
1	Contribution to Provident/Pension funds	66.05	88.10
	Total	**66.05**	**88.10**

2. Defined benefits plan:

a. Gratuity and leave encashment:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has not funded the scheme.

The Company also has a defined benefit leave encashment plan, wherein every employee on confirmation is entitled to get leave encashment benefit, which is payable on departure or on completion of 3 years of service at 15 days salary (last drawn salary) for each completed year of service. The Company has not funded the scheme. This has been implemented in the current year, accordingly prior year figures have not been given.

Notes to Standalone Financial Statements for the year ended March 31, 2019

(a) The following table's summarizes the components of the net benefit expenses recognized in the profit and loss account and amounts recognized in the balance sheet for respective plans.

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Present Value of Obligation at the beginning of the year	**275.93**	**183.46**	**-**
Current Service Cost	64.18	58.73	17.77
Interest Cost	20.45	13.79	-
Actuarial Losses / (Gain) recognized in other comprehensive income	(11.87)	31.06	-
Benefit Paid	(20.70)	(11.11)	-
Present Value of Obligation at the end of the year	**327.99**	**275.93**	**17.77**

(b) Expense recognized in Statement of Profit or Loss

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Current service cost	64.18	58.73	17.77
Interest cost	20.45	13.79	-
Total	**84.63**	**72.52**	**17.77**

(c) Remeasurements recognized in Standalone Other Comprehensive Income:

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Actuarial loss/ (gain) arising on defined benefit obligation from			
- financial assumptions	8.45	5.37	-
- experience adjustments	(20.32)	25.69	-
Total	**(11.87)**	**31.06**	**-**

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

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Discount Rate	7.70%	7.75%	7.70%
Rate of increase in Salaries	6%	6%	6%
Expected average remaining working lives of employees (years)	24.69	25.08	21.48
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees		

Notes to Standalone Financial Statements for the year ended March 31, 2019

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

(e) Sensitivity analysis – Revised defined benefit obligation due to change in assumptions

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Under Base scenario	328.00	275.93	17.77
Salary Escalation (Up by 1%)	358.41	301.34	19.65
Salary Escalation (Down by 1%)	301.70	253.93	16.15
Withdrawal Rates (Up by 1%)	331.52	279.11	18.02
Withdrawal Rates (Down by 1%)	323.63	272.05	17.49
Discount Rates (Up by 1%)	300.82	253.03	16.25
Discount Rates (Down by 1%)	360.01	360.01	19.56

NOTE: 36 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE BALANCE SHEET DATE

(₹ in Lakhs)

Particulars		As at 31-Mar-2019	As at 31-Mar-2018
Amount receivable in Foreign currency on account of	US$	60.53	16.18
Trade receivables	INR	4,193.58	1,053.91
Amount payables in Foreign currency on account of	US$	2.32	6.07
Trade payables	INR	160.38	395.38

NOTE: 37

Disclosures pursuant to Securities and Exchange Board of India(Listing obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013.

(₹ in Lakhs)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
a) Loans and advances in the nature of loan to others		
i) Loan to Jalan and Sons		
Balance at the year end	16.93	32.37
Maximum amount outstanding at any time during the year	32.37	32.37
It is repayable over a period of one year and carries rate of interest of 8%.		
ii) Loan to West Bengal Hosiery Park Infrastructure Ltd		
Balance at the year end	-	-
Maximum amount outstanding at any time during the year	-	0.40
It is repayable over a period of one year and carries rate of interest of 9%.		

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 37 (Contd.)

(₹ in Lakhs)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
iii) Loan to Mana Maa Garments		
Balance at the year end	55.93	52.18
Maximum amount outstanding at any time during the year	55.93	52.74
It is repayable over a period of one year and carries rate of interest of 8%.		
iv) Loan to Artimas Fashions Private Limited		
Balance at the year end	320.60	-
Maximum amount outstanding at any time during the year	320.60	-
It is repayable over a period of one year and carries rate of interest of 9%.		

Note: Such loan was utilized for working capital requirements.

(₹ in Lakhs)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
b) Investment by the Company in the shares of another Company		
i) Artimas Fashions Private Limited - wholly owned subsidiary		
Balance at the year end	10.40	10.40
Maximum amount outstanding at any time during the year	10.40	10.40
ii) Altai Industries Private Limited – Subsidiary		
Balance at the year end	10.20	-
Maximum amount outstanding at any time during the year	10.20	-

NOTE: 38 EVENT OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors has recommended equity dividend of ₹ 3.5 per share (P.Y ₹ 2 per Share) for the financial year 2018-19. 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.

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 39 ACCOUNTING CLASSIFICATION AND FAIR VALUES

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet as at March 31, 2019 are as follows:

(₹ in Lakhs)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Investment in equity instruments (Unquoted)	-	442.06	442.06	442.06
Trade Receivables	36,829.14	-	36,829.14	36,829.14
Cash and cash equivalents	192.27	-	192.27	192.27
Other bank balances	6.35	-	6.35	6.35
Loans	393.41	-	393.41	393.41
Other financial assets	585.82	-	585.82	585.82
Financial liabilities:				
Borrowings	17,773.12	-	17,773.12	17,773.12
Trade payables	16,268.17	-	16,268.17	16,268.17
Other financial liabilities	2,503.74	-	2,503.74	2,503.74

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet as at March 31, 2018 are as follows:

(₹ in Lakhs)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Investment in equity instruments (unquoted)	-	74.46	74.46	74.46
Trade Receivables	38,909.47	-	38,909.47	38,909.47
Cash and cash equivalents	210.68	-	210.68	210.68
Other bank balances	11.22	-	11.22	11.22
Loans	84.55	-	84.55	84.55
Other financial assets	534.81	-	534.81	534.81
Financial liabilities:				
Term loans	492.86	-	492.86	492.86
Short term borrowings	31,648.08	-	31,648.08	31,648.08
Trade payables	18,859.07	-	18,859.07	18,859.07
Other financial liabilities	2,414.79	-	2,414.79	2,414.79

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 40 FAIR VALUE MEASUREMENT

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

(₹ in Lakhs)

As at March 31, 2019	Level 1	Level 2	Level 3
Financial Assets:			
Investment in equity instruments (Unquoted)	-	-	442.01
Total	**-**	**-**	**442.01**

As at March 31, 2018	Level 1	Level 2	Level 3
Financial Assets:			
Investment in equity instruments (Unquoted)	-	-	74.46
Total	**-**	**-**	**74.46**

Notes:

i. The management assesses that carrying amount of trade receivables, cash and cash equivalents, other bank balances, short term borrowings, trade payables, other financial assets and liabilities approximate their fair value largely due to short term maturities of these instruments.

ii. Investments in unquoted equity shares is stated at fair value using observable inputs for Level 3. The valuation of J.M. Hosiery & Co. Limited has been done by a professional valuer using Comparable Companies' Price (CCP) method, wherein multiples derived from valuations of comparable companies are used adjusted for differences between the circumstances. In our case, Enterprise value to Earnings before interest, tax, depreciation and amortization (EV/EBIDTA) multiple of comparable listed companies have been used.

(₹ in Lakhs)

Particulars	EV/EBIDTA multiple	Value per share	Total no. of shares	Amount
Under Base scenario	23.70	526.2	84,000	442.01
Change in EV/EBIDTA multiple by +10%	26.07	593.5	84,000	498.54
Change in EV/EBIDTA multiple by -10%	21.33	459.6	84,000	386.06

Notes to Standalone Financial Statements for the year ended March 31, 2019

NOTE: 41 FINANCIAL RISK MANAGEMENT

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as credit risk, liquidity risk and market risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

1. Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i. Actual or expected significant adverse changes in business,

ii. Actual or expected significant changes in the operating results of the counterparty,

iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv. Significant increase in credit risk on other financial instruments of the same counterparty,

v. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 36,829.14 Lakhs (PY – ₹ 38,909.47 Lakhs).

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Company are as under:

₹ in Lakhs

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Opening balance	183.99	188.18
Add: Provisions made	44.82	-
Less: Provisions reversed	(31.46)	(4.19)
Closing provisions	**197.35**	**183.99**

Notes to Standalone Financial Statements for the year ended March 31, 2019

2. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The management continuously monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

(₹ in Lakhs)

March 31, 2019	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	17,239.79	533.33	-	17,773.12
Trade payables	16,268.17	-	-	16,268.17
Other financial liabilities	2,503.74	-	-	2,503.74

(₹ in Lakhs)

March 31, 2018	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	31,648.08	492.86	-	32,140.94
Trade payables	18,859.07	-	-	18,859.07
Other financial liabilities	2,414.79	-	-	2,414.79

3. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

A. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to import of raw materials and spare parts, capital expenditure, export of finished goods. The currency in which these transactions are primarily denominated is USD. Refer Note 36 for details of exposure to foreign currency as on the reporting date.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all currencies other than US Dollars is not material.

(₹ in Lakhs)

Particulars	Change in USD rate	Effect on profit before tax	Effect on post tax equity
31-Mar-19	+ 10%	403.32	262.38
	- 10%	(403.32)	(262.38)
31-Mar-18	+ 10%	65.85	43.06
	- 10%	(65.85)	(43.06)

Notes to Standalone Financial Statements for the year ended March 31, 2019

B. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are limited as the borrowings by the Company carry fixed interest rates. However, the Company still constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

C. Equity price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The Company is holding investments in unquoted equity instruments, which may be susceptible to market price risk arising from uncertainties about future values of the securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity instrument decisions.

NOTE: 42 CAPITAL MANAGEMENT

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings.

The Company's policy is aimed at combination of short-term and long-term borrowings so as to maintain an optimum capital structure to reduce the cost of capital and maximize shareholders value and provide benefits to other stakeholders.

(₹ in Lakhs)

Particulars	31-Mar-2019	31-Mar-2018
Total debt (Bank and Other Borrowings)	18,093.87	32,914.24
Equity	41,392.43	31,862.20

NOTE: 43 CHANGE IN ACCOUNTING POLICY

During the year, the Company has changed its accounting policy with respect to accounting of government grants related to assets by deducting the grants from the cost of the asset. Prior to this change in policy, the Company recognized such grants as deferred income that is recognized in profit or loss on a systematic basis over the useful life of the asset.

Notes to Standalone Financial Statements for the year ended March 31, 2019

As per Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, the changes have been applied retrospectively, due to which, changes in amounts have been summarized below:

(₹ in Lakhs)

Particulars	Previously reported		Adjustments		Restated	
	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18
Property, plant & equipment						
Gross block of Plant & Equipment	3,746.04	4,938.97	(191.58)	(290.35)	3,554.46	4,648.62
Net block of Plant & Equipment	3,352.19	4,007.81	(191.58)	(278.19)	3,160.61	3,729.62
Other Equity						
Retained earnings	21,927.43	23,819.81	(64.59)	(200.17)	21,862.84	23,619.64
Other current liabilities						
Deferred government grant	126.99	78.01	(126.99)	(78.01)	-	-
Other non-operating income						
Government grant		147.75		(147.75)	-	-
Depreciation on tangible assets		914.29		(12.15)	-	902.14
Basic & Diluted Earnings Per share		31.38		(0.54)		30.84

NOTE: 44

Balances of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year.

NOTE: 45

Previous year figures have been recast/regrouped whenever necessary to conform to the current Year's presentation.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Sd/-
Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : April 22, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-
Ashok Kumar Todi
Chairman
(DIN - 00053599)

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

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

Sd/-
Smita Mishra
Company Secretary
(Mem No - A26489)

Independent Auditor's Report

To the Members of
Lux Industries Limited

Report on the audit of Consolidated Ind AS financial statements

Opinion

We have audited the accompanying consolidated financial statements of **Lux Industries Limited** ("the Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, and consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Revenue Recognition

We have identified this as an area of importance because the Group's revenue is a material item in view of adoption of Ind AS 115 "Revenue from Contracts with Customers".

The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period and disclosures thereof.

Our audit procedures included but were not limited to:

- Evaluation of the Group's accounting principles in relation to implementation of the new revenue accounting standard;
- Created an understanding of the Group's routines and internal controls associated with revenue recognition;
- Examination of a selection of transactions to ensure that they have been reported correctly according to agreements and in the correct periods;

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included Other Section of Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it related to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Management and those charge with governance for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has an adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group's to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements/financial information of two subsidiaries, whose financial statements/financial information reflect total assets of ₹351.95 Lakhs as at 31st March 2019, total revenue of ₹1.60 Lakhs and net cash outflows amounting to ₹0.79 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements / financial information have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated Ind AS financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note no. 31 of the Consolidated Ind AS financial statements).

ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

Sd/- Sandeep Agrawal
(Partner)
Membership No. 058553

Place: Kolkata
Dated: 22nd April, 2019

Annexure-A to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of Lux Industries Limited ("the Holding Company") and its subsidiaries incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to aforesaid subsidiary companies, is based solely on the report of the other auditors.

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

Sandeep Agrawal
(Partner)
Membership No. 058553

Place: Kolkata
Dated: 22nd April, 2019

Consolidated Balance Sheet as at March 31, 2019

(₹ in Lakhs)

	Notes	As at 31-Mar-2019	As at 31-Mar-2018
ASSETS			
A Non-current assets			
Property, plant and equipment	4	13,194.11	12,528.35
Capital work-in-progress	4	40.83	530.53
Other intangible assets	4	44.17	106.30
Financial assets			
Investments	5	451.01	84.51
Other financial assets	6	325.86	293.90
Other non-current assets	7	5.64	49.49
Total Non-current assets		**14,061.62**	**13,593.08**
B Current assets			
Inventories	8	25,342.21	29,917.63
Financial assets			
Trade receivables	9	36,659.95	38,909.92
Cash and cash equivalents	10	193.62	211.24
Bank balance other than above	11	6.35	11.22
Loans	12	72.81	84.55
Other financial assets	6	269.21	240.91
Other current assets	13	3,556.93	4,237.90
Total Current assets		**66,101.09**	**73,613.37**
TOTAL ASSETS		**80,162.71**	**87,206.45**
EQUITY AND LIABILITIES			
C Equity			
Equity share capital	14	529.98	529.98
Other equity	15	40,611.09	31,332.41
Non-controlling interest		9.42	-
Total Equity		**41,150.49**	**31,862.39**
D Non-current liabilities			
Financial liabilities			
Borrowings	16	533.33	492.86
Deferred tax liabilities (Net)	29	756.79	619.83
Provisions	17	289.05	228.88
Total Non-current liabilities		**1,579.17**	**1,341.57**
E Current liabilities			
Financial liabilities			
Borrowings	16	17,239.79	31,648.37
Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	18	508.96	122.12
B) total outstanding dues of creditors other than micro enterprises and small enterprises	18	15,820.15	18,736.96
Other financial liabilities	19	2,497.13	2,414.83
Provisions	17	57.61	47.03
Other current liabilities	20	751.68	986.70
Current tax liabilities	21	557.72	46.47
Total current liabilities		**37,433.04**	**54,002.48**
TOTAL EQUITY AND LIABILITIES		**80,162.71**	**87,206.45**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Sd/-
Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : April 22, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-
Ashok Kumar Todi
Chairman
(DIN - 00053599)

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

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

Sd/-
Smita Mishra
Company Secretary
(Mem No - A26489)

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lakhs)

		Notes	Year ended 31-Mar-2019	Year ended 31-Mar-2018
I	Revenue from operations	22	1,20,704.77	1,07,750.50
II	Other Income	23	904.26	185.89
III	**Total income (I+II)**		**1,21,609.03**	**1,07,936.40**
IV	**Expenses**			
	Cost of raw materials consumed	24	46,567.61	50,451.81
	Purchases of traded goods	24	7,666.96	3,333.97
	(Increase) / decrease in inventories of finished goods, work-in-progress & traded goods	24	3,295.92	(5,238.29)
	Employee benefit expense	25	4,392.17	3,747.05
	Finance costs	26	2,360.52	2,542.44
	Depreciation and amortisation expense	27	1,124.51	962.59
	Other expenses	28	40,990.09	40,034.69
	Total expenses (IV)		**1,06,397.78**	**95,834.26**
V	**Profit Before Tax (III - IV)**		**15,211.25**	**12,102.14**
VI	**Tax expense**			
	(i) Current tax	29	5,179.00	4,243.04
	(ii) Deferred tax	29	132.81	71.12
	(iii) Income tax for earlier years		20.03	-
	Income tax expense (i+ii+iii)		**5,331.84**	**4,314.16**
VII	**Profit before Minortiy Interest and Other Comprehensive Income (V-VI)**		**9,879.41**	**7,787.97**
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified subsequently to profit and loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)		11.87	(31.06)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(4.15)	10.75
	Other comprehensive income for the year (net of tax) (i-ii)		**7.72**	**(20.31)**
	Total comprehensive income for the period, net of income tax (VII + VIII)		**9,887.13**	**7,767.66**
	Profit for the year		**9,879.41**	**7,787.97**
	Attributable to:			
	(i) Shareholders of the Company		9,879.84	7,787.97
	(ii) Non controlling interest		(0.43)	-
	Total comprehensive income for the period, net of income tax			
	Attributable to:			
	(i) Shareholders of the Company		9,887.56	7,767.66
	(ii) Non controlling interest		(0.43)	-
	Earnings per equity share [nominal value of share ₹ 2 (March 31, 2018 ₹ 2)]			
	Basic in ₹ per share	30	39.12	30.84
	Diluted in ₹ per share	30	39.12	30.84
Summary of significant accounting policies		3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Sd/-
Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : April 22, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-
Ashok Kumar Todi
Chairman
(DIN - 00053599)

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

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

Sd/-
Smita Mishra
Company Secretary
(Mem No - A26489)

Consolidated Statement of changes in equity for the year ended March 31, 2019

a. Equity share capital

	No. of shares	₹ in Lakhs
Equity shares of ₹ 2 each issued, subscribed and fully paid		
As at April 1, 2017	2,52,53,000.00	529.98
Changes in equity share capital during the period	-	-
As at March 31, 2018	2,52,53,000.00	529.98
Changes in equity share capital during the period	-	-
As at March 31, 2019	**2,52,53,000.00**	**529.98**

b. Other Equity

(₹ in Lakhs)

	Capital Redemption Reserve	Securities premium	Capital Reserve	General reserve	Retained earnings	Other Comprehensive Income Reserves	Total
As at April 1, 2017	**-**	**653.58**	**-**	**1,477.70**	**21,862.84**	**1.61**	**23,995.73**
Add: Profit for the year		-	-	-	7,787.97	-	7,787.97
Add/ (Less): Transfer to Capital Redemption Reserve on redemption of preference shares	5,600.00	-	-	-	(5,600.00)	-	-
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	(20.31)	(20.31)
Add: Capital reserve created on consolidation	-	-	0.12	-	-	-	0.12
Less: Dividend	-	-	-	-	353.54	-	353.54
Less: Dividend tax	-	-	-	-	77.55	-	77.55
Balance as at 31.03.2018	**5,600.00**	**653.58**	**0.12**	**1,477.70**	**23,619.72**	**(18.69)**	**31,332.42**
Add: Profit for the year		-	-	-	9,879.84	-	9,879.84
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	7.72	7.72
Less: Dividend	-	-	-	-	505.06	-	505.06
Less: Dividend tax	-	-	-	-	103.82	-	103.82
Balance as at March 31, 2019	**5,600.00**	**653.58**	**0.12**	**1,477.70**	**32,890.68**	**(10.98)**	**40,611.10**

Nature and purpose of reserves:

(A) **Capital Redemption Reserve:** This reserve has been created on redemption of Preference Share Capital and can be utilized in accordance with the provisions of the Companies Act, 2013.

(B) **Securities Premium:** This reserve represents premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(C) **General Reserve:** This reserve is a free reserve which is used from time to time to transfer profits from retained earnings and can be utilized in accordance with the provisions of the Companies Act, 2013.

(D) **Retained Earnings :** This reserve represents undistributed cumulative profits of the Company and can be utilized in accordance with the provisions of the Companies Act, 2013

(E) **Other comprehensive Income Reserves :** This reserve represents effect remeasurements of defined benefit plans that will not be reclassified to Statement of Profit & Loss.

(F) **Capital reserve on Consolidation:** This Reserve represents the difference between the value of the net assets transferred to the Group and the consideration paid in the course of business combination .

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Sd/-
Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : April 22, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-
Ashok Kumar Todi
Chairman
(DIN - 00053599)

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

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

Sd/-
Smita Mishra
Company Secretary
(Mem No - A26489)

Consolidated Statement of Cash Flows for the year ended March 31, 2019

(₹ in Lakhs)

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Cash flows from operating activities		
Profit / (Loss) before tax	15,211.68	12,102.14
Adjustment to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation of property, plant and equipments and intangible assets	1,124.51	962.59
Finance costs	2,360.52	2,542.44
Profit on sale of property, plant and equipment	-	(0.73)
Loss on sale of property, plant and equipment	0.83	10.30
Finance income	(33.42)	(24.62)
Bad Debt (net)	7.78	68.21
Provision for doubtful debts and advances (net)	38.58	-
Gain on Investment carried at Fair value through Profit or Loss	(366.50)	-
Operating profit before working capital changes	**18,343.98**	**15,660.32**
Movements in working capital:		
(Increase)/decrease in trade and other receivables	2,242.18	(11,502.26)
(Increase)/decrease in inventories	4,575.42	(6,642.30)
(Increase) decrease in other assets	686.71	(211.68)
Increase/(decrease) in trade and other payables	(2,529.97)	6,829.22
Increase/(decrease) in other liabilities	358.15	(123.13)
Cash generated from / (used in) operations	**23,676.47**	**4,010.17**
Direct taxes paid (Net of refunds)	(4,687.78)	(4,243.00)
Net cash flow from / (used in) operating activities	**18,988.69**	**(232.83)**
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets and capital advance	(1,255.94)	(1,758.39)
Proceeds from sale of property, plant and equipment and intangible assets	16.69	20.86
Investment in shares	-	(10.40)
Decrease in loan given	11.74	-
Decrease/(Increase) in term deposit	(0.01)	(161.19)
Finance income	11.27	32.77
Net cash flow from / (used in) investing activities	**(1,216.24)**	**(1,876.35)**

Consolidated Statement of Cash Flows for the year ended March 31, 2019

(₹ in Lakhs)

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Cash flows from financing activities		
Proceeds/ (repayment) of non-current borrowings	(412.08)	(6,376.14)
Proceeds/ (repayment) from current borrowings	(14,408.58)	10,442.52
Interest paid	(2,360.52)	(2,013.07)
Dividend Paid	(505.06)	(353.55)
Dividend tax paid	(103.82)	(77.55)
Net cash flow from / (used in) in financing activities	**(17,790.06)**	**1,622.22**
Net increase / (decrease) in cash and cash equivalents	**(17.62)**	**(486.95)**
Cash and cash equivalents at the beginning of the year	211.24	697.64
Cash and cash equivalents on acquisition of subsidiary	-	0.56
Cash and cash equivalents at the end of the year	**193.62**	**211.24**
Components of Cash and cash equivalents		
Cash on hand (Refer Note - 10)	112.15	69.69
Balances with banks - in current account (Refer Note - 10)	81.47	141.55
Total Cash and cash equivalents	**193.62**	**211.24**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Sd/-
Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : April 22, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-
Ashok Kumar Todi
Chairman
(DIN - 00053599)

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

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

Sd/-
Smita Mishra
Company Secretary
(Mem No - A26489)

Notes to Consolidated Financial Statements for the year ended March 31, 2019

1. Reporting entity

Lux Industries Limited ('the Holding Company' or 'the Company') is a public company domiciled and headquartered in India, having its registered office situated at 39, Kali Krishna Tagore Street, Kolkata. The Company has its shares listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is primarily engaged in the manufacturing and sales of knitwears. The Company has operations in India and caters to both domestic and international markets. The Company has a wholly-owned subsidiary in India in the name of Artimas Fashions Private Limited and a subsidiary Altai Industries Private Limited. The Manufacturing units of the Company are located in Kolkata (West Bengal), Ludhiana and Tirupur, in the state of Tamil Nadu.

2. Basis of preparation of Consolidated financial statements

(a) Statement of compliance

These Consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable.

The Consolidated financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on April 22, 2019. The details of the Group's accounting policies are included in Note 3.

(b) Functional and presentation currency

These Consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

(c) Basis of measurement

The Consolidated financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

(i) Certain financial assets and financial liabilities measured at fair value;

(ii) Assets held for sale-measured at the lower of its carrying amount and fair value less costs to sell; and

(iii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(d) Use of estimates and judgments

The preparation of the Group's Consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Consolidated financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the

Notes to Consolidated Financial Statements for the year ended March 31, 2019

Consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated financial statements.

Critical accounting estimates and key sources of estimation uncertainty: Key assumptions

(i) Useful lives of Property, plant and equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets. See note 3(d) and 4 for details.

(ii) Fair value measurement of financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss. See note 3(r) and 39 for details.

(iii) Defined benefit plan

The cost of the defined benefit plan includes gratuity and leave encashment. The present value of the obligations are determined using actuarial valuations using Projected unit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 3(g) and 35 for details.

(iv) Recognition of current tax and deferred tax

Current taxes are recognized at tax rates (and tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. See note 3(k) and 29 for details.

(v) Recognition and measurement of provisions and contingencies

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for. See note 3(h) and 31 for details.

(e) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third

Notes to Consolidated Financial Statements for the year ended March 31, 2019

party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 40.

(f) Basis of consolidation

(i) Subsidiaries

These Consolidated financial statements are prepared on the following basis in accordance with

Ind AS on "Consolidated Financial Statements" (Ind AS – 110), specified under Section 133 of the Companies Act, 2013.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated financial statements from the date on which control commences until the date on which control ceases.

During the year, Lux Industries Limited has incorporated Altai Industries Private Limited on February 22, 2019 wherein shareholding of the Company is 50.88%.

Artimas Fashions Private Limited (being a wholly owned subsidiary) and Altai Industries Private Limited have been considered in the Consolidated financial statements.

(ii) Non-controlling interest (NCI)

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders is initially measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

There is no NCI against Artimas Fashions Private Limited since it is a wholly owned subsidiary of Lux Industries Limited.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(iii) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedures are drawn upto the same reporting date i.e. 31 March 2019.

The financial statements of the Holding Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated. Unrealised gains arising from transactions with subsidiary are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3. Significant accounting policies

(a) Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realised within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. Current assets include current portion of non-current financial assets. All other assets are classified as non-current

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Group's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within 12 months after the reporting date; or

(iv) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Operating cycle

For the purpose of current/ non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

(b) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group companies at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair

Notes to Consolidated Financial Statements for the year ended March 31, 2019

value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the Statement of Profit and Loss in the period in which they arise.

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains and losses resulting from such translation 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.

(c) Financial instruments

(i) Recognition and initial measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

(ii) Classification and subsequent measurement

Financial assets

(a) Financial assets at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at FVOCI

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(c) Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

(iii) Derecognition

Financial assets

The Group derecognizes a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or

Notes to Consolidated Financial Statements for the year ended March 31, 2019

- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

(iv) Off setting

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

• Tangible assets and Capital Work in Progress

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Consolidated Statement of Profit and Loss.

Property, plant and equipment under construction and not yet ready for their intended use are disclosed as Capital working- progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other 'Non-Current Assets'

- **Intangible assets & amortization:**

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly. The Intangible assets include Computer Software. Amortization of

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Depreciation and amortization for the year is recognized in the Consolidated Statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method in the manner specified in Part C of Schedule II to the Companies Act, 2013. Depreciation for the assets purchased/ sold during a period is proportionately charged.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

Class of assets	Useful lives of the assets (Years)
Factory buildings	30
Non factory buildings	60
Plant and equipment	10 to 15
Computer and data processing equipment	3
Office equipment	5
Furniture and fixtures	10
Vehicles	8 to 10
Computer software	2.5

(e) Inventories

Inventories which comprise raw materials, work-in progress, finished goods and packing materials are measured at the lower of cost and net realizable value.

The cost of inventories is based on the Weighted Average Cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. The Group has valued inventory net of input tax benefits. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

Assessment of net realizable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(f) Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Consolidated Statement of Profit and Loss.

In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 *Financial Instruments* for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including subsequent information.

(ii) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-

Notes to Consolidated Financial Statements for the year ended March 31, 2019

term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

The Group makes specified monthly contributions to employee provident fund to Government administered provident fund scheme, which is a defined contribution plan. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

(iv) Other long term employee benefits

The Group treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Group has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(h) Provision, Contingent Liabilities And Contingent Assets

A provision is recognized if, as a result of past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provisions in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

During the financial year the Group has made provision for doubtful debts and doubtful advances to the extent of 100% of the total amount identified as doubtful debts and advances.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(i) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in

Notes to Consolidated Financial Statements for the year ended March 31, 2019

exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Products

Revenue from sale of products is recognized when the Group transfers the control of goods to the customer as per the terms of contract. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the Group believes that the control gets transferred to the customer on dispatch of the goods from the factory/ depots and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them.

Rendering of Services

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

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Dividend income is recognized in Statement of Profit and Loss on the date on which the Group's right to receive payment is established. Interest income is recognized using the effective interest method.

All other income are recognized on accrual basis.

(j) Government Grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are deducted from the cost of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the statement of profit & loss.

(k) Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(l) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(m) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Group.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(n) Cash and cash equivalents

Cash and cash equivalents include cash and cash-on deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(o) Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) Operating segment

Based on the synergies, risks and returns associated with business operations and in terms of Ind AS-108, the Group's operating operation comprises of only one primary segment viz. manufacturing and sale of Knitwear's. The Group also believes that even geographically, the product of the Group faces similar risk and returns and there is no separate segment that can be identified for the purpose of reporting under Ind AS 108 on "Segment Reporting".

However, due to greater transparency and providing complete information to the stake holder / financial statements user in analyzing and understanding the Group's financial statements, the management of the Group has provided additional information in respect of geographical segment. Such details have been given in Note no. 33.

(r) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

· In the principal market for the asset or liability, or

· In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Notes to Consolidated Financial Statements for the year ended March 31, 2019

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(s) Business combinations

Business combinations are accounted for using the acquisition method, except for common control business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

(t) Changes in accounting policies and disclosures

Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset.

During the year, the Group has changed its accounting policy with respect to accounting of government grants related to assets by deducting the grants from the cost of the asset. Prior to this change in policy, the Group recognised such grants as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset.

As per Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, the changes have been applied retrospectively. Accordingly, profit after tax for the year ended 31st March 2018 is reduced by ₹135.59 lakhs and retained earnings as on 31st March 2018 is lower by ₹ 200.18 lakhs.

Also, refer note 45.

(u) Recent Accounting pronouncements

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires

Notes to Consolidated Financial Statements for the year ended March 31, 2019

that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Group adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018.

In terms of the requirement of the new standard, revenue is recognised net of trade schemes and incentives payable to distributors/dealers and retailers. Revenue for comparative periods has been adjusted to confirm to current period classifications.

Accordingly, revenue from operations for the year ended March 31, 2018 is reduced by ₹ 6,024.66 lakhs.

Ind AS 116 – Leases Standards issued but not yet effective

I Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt this standard. However, adoption of this standard is not likely to have a significant impact in its Financial Statements.

Amendment to Ind AS 19 – Plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions, including current market interest rates and other current market prices, reflecting:

(a) the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and

(b) the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Gross Block				Depreciation/ Amortization				Net Block	
	As at April 1, 2018	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2019	As at April 1, 2018	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Tangible Assets										
Land	894.64	248.88	-	1,143.52	-	-	-	-	1,143.52	894.64
Building	6,953.10	576.16	-	7,529.26	366.30	221.24	-	587.54	6,941.72	6,586.80
Plant & Equipments	4,648.62	844.02	18.94	5,473.70	919.00	625.18	1.43	1,542.75	3,930.95	3,729.62
Office Equipments	138.58	19.93	-	158.51	46.10	28.46	-	74.56	83.95	92.48
Furniture & Fixture	539.98	52.97	-	592.95	88.53	67.00	-	155.53	437.42	451.45
Vehicle	910.23	1.94	-	912.17	136.87	118.75	-	255.62	656.55	773.36
	14,085.15	**1,743.90**	**18.94**	**15,810.11**	**1,556.80**	**1,060.63**	**1.43**	**2,616.00**	**13,194.11**	**12,528.35**
Capital Work in Progress	530.53	40.83	530.53	40.83	-	-	-	-	40.83	530.53
Sub Total (A)	**14,615.68**	**1,784.73**	**549.47**	**15,850.94**	**1,556.80**	**1,060.63**	**1.43**	**2,616.00**	**13,234.94**	**13,058.88**
Intangible Assets										
Computer software	181.94	1.74	-	183.68	75.65	63.87	-	139.52	44.17	106.30
Sub Total (B)	**181.94**	**1.74**	**-**	**183.68**	**75.65**	**63.87**	**-**	**139.52**	**44.17**	**106.30**
Total (A+B)	**14,797.62**	**1,786.47**	**549.47**	**16,034.63**	**1,632.44**	**1,124.50**	**1.43**	**2,755.51**	**13,279.11**	**13,165.18**

(₹ in Lakhs)

Particulars	Gross Block				Depreciation/ Amortization				Net Block	
	As at April 1, 2017	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2018	As at April 1, 2017	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017
Tangible Assets										
Land	894.64	-	-	894.64	-	-	-	-	894.64	894.64
Building	6,305.11	647.99	-	6,953.10	163.74	202.56	-	366.30	6,586.80	6,141.37
Plant & Equipments	3,554.46	1,098.29	4.13	4,648.62	393.85	528.23	3.09	918.99	3,729.62	3,160.61
Office Equipments	107.88	30.70	-	138.58	19.85	26.24	-	46.09	92.48	88.03
Furniture & Fixture	353.06	186.92	-	539.98	37.22	51.31	-	88.53	451.45	315.84
Vehicle	547.87	395.86	33.50	910.23	47.21	93.78	4.12	136.87	773.36	500.66
	11,763.02	**2,359.76**	**37.63**	**14,085.15**	**661.87**	**902.12**	**7.21**	**1,556.78**	**12,528.34**	**11,101.15**
Capital Work in Progress	1,138.33	530.53	1,138.33	530.53	-	-	-	-	530.53	1,138.33
Sub Total (A)	**12,901.35**	**2,890.29**	**1,175.96**	**14,615.68**	**661.87**	**902.12**	**7.21**	**1,556.78**	**13,058.87**	**12,239.48**
Intangible Assets										
Computer software	129.08	52.86	-	181.94	15.19	60.46	-	75.65	106.30	113.90
Sub Total (B)	**129.08**	**52.86**	**-**	**181.94**	**15.19**	**60.46**	**-**	**75.65**	**106.30**	**113.90**
Total (A+B)	**13,030.43**	**2,943.15**	**1,175.96**	**14,797.62**	**677.06**	**962.58**	**7.21**	**1,632.43**	**13,165.17**	**12,353.38**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 5 INVESTMENTS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
A. Non-Current Investments		
Equity instruments carried at fair value through profit or loss (FVTPL)		
Unquoted		
J.M. Hosiery & Company Limited	442.01	74.46
84,000 equity shares (FV - ₹ 10 each)		
West Bengal Hosiery Park Infrastructure Limited	0.05	0.05
500 equity shares (FV - ₹ 10 each)		
Hollyfield Traders Private Limited	8.95	10.00
12,500 shares (FV - ₹ 10 each)		
Total	**451.01**	**84.51**
Aggregate amount of Unquoted investments	**451.01**	**84.51**
Investments carried at costs	**-**	**-**
Investments carried at fair value through profit or loss (FVTPL)	**451.01**	**84.51**

NOTE: 6 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Carried at amortized cost)		
Non-current		
Other bank balance		
Bank deposit more than 12 months maturity from Balance Sheet date (pledged)	243.96	243.95
Interest accrued on fixed deposit	40.64	18.49
Security deposit	41.26	31.46
	325.86	**293.90**
Current		
Security deposit	49.61	44.14
Loans and advances to employees	166.35	139.42
Other advances	44.23	57.35
Other receivables	9.02	-
	269.21	**240.91**
Total	**595.07**	**534.81**

NOTE: 7 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Capital advances	3.33	48.15
Prepaid expenses	2.31	1.34
Total	**5.64**	**49.49**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 8 INVENTORIES

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Valued at lower of cost and net realisable value)		
Raw Materials	2,408.76	3,248.33
Work-in-progress	8,544.98	10,614.13
Finished goods (Manufactured)	10,938.15	12,537.79
Stock-in-trade (Goods purchased for resale)	372.87	-
Packing materials	3,077.45	3,517.38
Total	**25,342.21**	**29,917.63**

NOTE: 9 TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Carried at amortized cost)		
Unsecured		
- Considered good	36,659.95	38,909.92
- Considered doubtful	152.53	183.99
Less: Loss for allowances		
- Provision for doubtful debt	(152.53)	(183.99)
Total	**36,659.95**	**38,909.92**

NOTE: 10 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Balances with banks		
Current accounts	81.47	141.55
Cash in hand	112.15	69.69
Total	**193.62**	**211.24**

NOTE: 11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Balances with banks		
Unpaid dividend - earmarked balances with Bank	6.35	11.22
Total	**6.35**	**11.22**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 12 LOANS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Carried at amortized cost		
Loans Receivables considered good - Unsecured		
- to others	72.81	84.55
Total	**72.81**	**84.55**

NOTE: 13 OTHER CURRENT ASSETS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Unsecured, considered good unless otherwise stated)		
Advances to supplier		
- Unsecured, considered good	596.09	1,327.41
- Unsecured, considered doubtful	44.82	6.24
	640.91	1,333.65
Less: Provision for doubtful advances	(44.82)	(6.24)
	596.09	**1,327.41**
Others		
Prepaid expenses	112.24	134.21
Balance with government authorities	2,514.02	2,090.18
Incentive / duty drawback receivable	334.58	686.11
Total	**3,556.93**	**4,237.90**

NOTE: 14 EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Authorised:		
45,000,000 Equity shares of ₹ 2/- each	900.00	900.00
(31.03.2018: 45,000,000 Equity shares of ₹ 2/- each)		
5,600,000 Preference shares of ₹ 100/- each	5,600.00	5,600.00
(31.03.2018: 5,600,000 Equity shares of ₹ 100/- each)		
Issued and subscribed equity share capital		
27,737,500 Equity shares of ₹ 2/- each	554.75	554.75
(31.03.2018: 27,737,500 Equity shares of ₹ 2/- each)		
Paid up equity share capital		
25,253,000 Equity shares of ₹ 2/- each	505.06	505.06
(31.03.2018: 25,253,000 Equity shares of ₹ 2/- each)		
Forfeited equity share capital		
Add: 2,484,500 equity shares (Paid-up)	24.92	24.92
(31.03.2018: 2,484,500 Equity shares (Paid-up))		
Total	529.98	529.98

Notes to Consolidated Financial Statements for the year ended March 31, 2019

	Equity share capital	
	No. of shares	₹ in Lakhs
Reconciliation of number of equity shares outstanding:		
As at March 31, 2017	2,52,53,000	529.98
Increase during the year	-	-
As at March 31, 2018	2,52,53,000	529.98
Increase during the year	-	-
As at March 31, 2019	2,52,53,000	529.98

(i) Terms / rights attached to Equity shares & Preference shares

The Company has equity shares with a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the Company, after meeting all liabilities and distribution of all preferential amounts, in proportion to their shareholding.

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

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Ashok Kumar Todi	37,30,000	14.77%	37,30,000	14.77%
Pradip Kumar Todi	44,82,500	17.75%	44,82,500	17.75%
Bimla Devi Todi	35,05,000	13.88%	35,05,000	13.88%
Shobha Devi Todi	27,52,500	10.90%	27,52,500	10.90%
Prabha Devi Todi	37,23,000	14.74%	37,23,000	14.74%

NOTE: 15 OTHER EQUITY

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Capital Redemption Reserve	5,600.00	5,600.00
Securities premium	653.58	653.58
Capital reserve	0.12	0.12
General reserve	1,477.70	1,477.70
Retained earnings	32,890.68	23,619.72
Other Comprehensive Income Reserves	(10.98)	(18.69)
Total	**40,611.09**	**31,332.41**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 16 FINANCIAL LIABILITIES - BORROWINGS

(a) Non-current borrowings

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Carried at amortised cost)		
Secured		
Term Loans from Banks	854.08	1,266.17
Less: Current maturity of long term debts (refer note 19)	320.75	773.31
Total non-current borrowings	**533.33**	**492.86**

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

Name of the Bank / instrument	31-Mar-19	31-Mar-18	Nature of security	Repayment terms
Secured				
Allahabad Bank	217.06	315.60	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	150.88	189.53	Exclusive Hypothecation charge over the machinery/ equipments acquired underfacilities 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 ₹10.00 lakhs each commencing from December,2017. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	99.74	105.26	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan. It is 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 ₹5.50 lakhs each commencing from December, 2018. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	63.00	62.97	Exclusive hypothecation charge over the machinery/ equipments acquired underfacilities out of the said loan. It is additionally secured by 2nd pari-passucharge 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 ₹3.35 lakhs each commencing from June, 2019. Interest @ MCLR is serviced on monthly basis as and when due.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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

Name of the Bank / instrument	31-Mar-19	31-Mar-18	Nature of security	Repayment terms
Allahabad Bank	37.19	-	Exclusive Hypothecation charge over the machinery/ equipments acquired underfacilities 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.
State Bank of India	49.56	592.81	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 ₹ 357.00 lakhs each commencing from December, 2016. Interest @ MCLR + 1.50% is serviced on monthly basis as and when due.
HDFC Bank	112.10	-	Exclusive hypothecation charge over the machinery/ equipments acquired underfacilities out of the said loan. It is additionally secured by 2nd pari-passucharge 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 ₹5.90 lakhs each commencing from Jan, 2019. Interest @ 9.5% is serviced on monthly basis.
HDFC Bank	17.58	-	Exclusive hypothecation charge over the machinery/ equipments acquired underfacilities out of the said loan. It is additionally secured by 2nd pari-passucharge 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 ₹ 0.93 lakhs each commencing from Jan, 2019. Interest @ 9.5% is serviced on monthly basis.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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

Name of the Bank / instrument	31-Mar-19	31-Mar-18	Nature of security	Repayment terms
HDFC Bank	106.97	-	Exclusive hypothecation charge over the machinery/ equipments acquired underfacilities out of the said loan. It is additionally secured by 2nd pari-passucharge 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 ₹ 5.96 lakhs each commencing from Jan, 2019. Interest @ 9.5% is serviced on monthly basis.

(b) Current borrowings

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Carried at amortised cost)		
From Banks (Secured) (refer note a)		
i) Loan repayable on demand		
Cash Credit Facilities	3,046.89	21,543.52
WCDL	3,499.04	-
ii) Packing credit	8,730.51	4,899.47
From Others (Unsecured)		
From related parties (refer note 32)	1,060.33	5,205.38
From body corporates	903.02	-
Total current borrowings	**17,239.79**	**31,648.37**

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.

NOTE: 17 PROVISIONS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Provision for employee benefits (Refer note 35)		
a) Non-Current	289.05	228.88
b) Current	57.61	47.03
Total	**346.66**	**275.91**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 18 TRADE PAYABLES

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Carried at amortised cost)		
MSMED [refer note (a) below]	508.96	122.12
Other trade payables	15,820.15	18,736.96
Total	**16,329.11**	**18,859.08**

(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006		
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to micro and small enterprise	508.96	122.12
Interest due on above	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

NOTE: 19 CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
(Carried at amortised cost)		
Current maturities of long-term borrowings (Refer note 16)	320.75	773.31
Deposits from Dealers/ agents	1,425.36	1,216.49
Unclaimed dividend	6.35	11.22
Advance from customers	741.08	413.77
Other payables	3.59	0.04
Total	**2,497.13**	**2,414.83**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 20 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Statutory dues	147.06	201.06
Other payables	604.62	785.64
Total	**751.68**	**986.70**

NOTE: 21 CURRENT TAX LIABILITIES

(₹ in Lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018
Income tax liabilities	557.72	46.47
Total	**557.72**	**46.47**

NOTE: 22 REVENUE FROM OPERATIONS

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Sale of products		1,19,406.18		1,06,497.09
Sale of Services				
Job Work		224.39		234.50
Other Operating Revenue				
i) Assistance Under WBIP Scheme	-		52.97	
ii) Export Incentive	782.10		771.15	
iii) Incentive received on yarn purchase	-		1.57	
iv) Others	292.10	1,074.20	193.22	1,018.91
Total Revenue from Operations		**1,20,704.77**		**1,07,750.50**

NOTE: 23 OTHER INCOME

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Interest Income from Financial Assets at amortized cost:				
i) On Fixed Deposit	24.33		8.17	
iii) On loans given to other entities	9.09	33.42	10.46	18.63
Rent received		-		6.00
Profit on Sale of Property, plant and equipment		-		0.73
Gain on Investment carried at Fair value through Profit or Loss		366.50		-
Foreign currency fluctuation gain (net)		328.58		160.08
Others		175.76		0.45
Total		**904.26**		**185.89**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 24 COST OF RAW MATERIAL CONSUMED

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Yarn Consumed				
Opening Stock	3,248.33		2,114.77	
Add : Purchases during the year	35,535.41		36,517.87	
	38,783.74		38,632.64	
Less: Yarn Sale	1,088.00		219.38	
Less: Closing Stock	2,408.76	35,286.98	3,248.33	35,164.93
Packing Materials Consumed				
Opening Stock	3,517.38		3,246.93	
Add: Purchases during the year	9,782.18		12,722.53	
	13,299.56		15,969.46	
Less: Closing Stock	3,077.45	10,222.11	3,517.38	12,452.08
Consumption of Fabrics		1,058.52		2,834.80
Total		**46,567.61**		**50,451.81**
Purchase of Stock-in-Trade (Knitwear)		7,666.96		3,333.97
Total		**7,666.96**		**3,333.97**
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE				
Finished Goods				
Opening Stock	12,537.79		12,479.49	
Closing Stock	10,938.15	1,599.64	12,537.79	(58.30)
Work-in-progress				
Opening Stock	10,614.13		5,434.13	
Closing Stock	8,544.98	2,069.14	10,614.13	(5,179.99)
Stock in trade				
Opening Stock	-		-	
Closing Stock	372.87	(372.87)	-	-
Total		**3,295.92**		**(5,238.29)**

NOTE: 25 EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Salaries, Wages & Bonus	3,996.80		3,376.34	
Provision for Employment benefit	103.29	4,100.09	72.53	3,448.87
Contribution to Provident & Other Funds		131.21		149.54
Staff Welfare Expenses		160.87		148.64
Total		**4,392.17**		**3,747.05**

NOTE: 26 FINANCE COST

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Interest Expense		2,189.95		1,871.74
Interest and dividend on preference shares		-		533.51
Interest expense on financial liabilities measured at amortised cost		-		22.21
Bank Charges		170.57		114.98
Total		**2,360.52**		**2,542.44**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 27 DEPRECIATION & AMORTIZATION EXPENSE

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Depreciation on Tangible Assets		1,060.64		902.15
Amortization on Intangible Assets		63.87		60.44
Total		**1,124.51**		**962.59**

NOTE: 28 OTHER EXPENSES

(₹ in Lakhs)

	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Consumption of stores & spare parts		243.50		167.71
Power & Fuel		482.14		552.46
Rent		197.61		176.67
Repairs				
Repairs to buildings		88.03		27.36
Repairs to machinery		11.76		8.09
Repairs to other		75.67		103.99
Insurance		64.58		62.91
Rates & Taxes		25.86		150.19
Selling Expenses		1,310.54		1,075.18
Royalty		5.00		5.00
Advertisement & Publicity		9,257.16		10,868.59
Commission		942.95		980.37
Freight & Other Handling Charges		2,451.85		2,008.65
Bad Debts	39.24		72.41	
Less: Provision for Doubtful Debts	(31.46)	7.78	(4.20)	68.21
Provision for Doubtful Advance		38.58		-
Processing expense		24,068.17		22,156.18
Prior Period Items		5.53		3.85
Loss on Sale of Property, plant and equipment		0.83		10.30
Miscellaneous Expenses (Refer note 28.1)		1,702.47		1,598.94
Payment to auditors :				
- Statutory audit fees		10.08		10.04
Total		**40,990.09**		**40,034.69**

NOTE: 28.1

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

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 29 INCOME TAX

(₹ in Lakhs)

	31-Mar-2019	31-Mar-2018
A. Amount recognized in profit or loss		
Current Tax		
Current period	5,179.00	4,243.04
Changes in respect of current income tax of previous years	20.03	-
(a)	5,199.03	4,243.04
Deferred Tax		
Attributable to -		
Origination and reversal of temporary differences	132.81	71.12
(b)	132.81	71.12
Tax expenses reported in the Consolidated Statement of Profit and Loss (a+b)	**5,331.84**	**4,314.16**
B. Income tax recognized in Other Comprehensive Income		
Deferred tax relating to items recognized in other comprehensive income during the year	(4.15)	10.75
Income tax expense charged to Other Comprehensive Income	**(4.15)**	**10.75**

(₹ in Lakhs)

	31-Mar-2019	31-Mar-2018
C. Reconciliation of tax expense and the accounting profit for March 31, 2019 and March 31, 2018:		
Accounting profit before income tax	15,211.25	12,102.14
Tax at the applicable India tax rate of 34.944% (34.608%)	5,315.42	4,188.31
Tax impact on amounts that are adjusted in determining taxable profit:		
Difference between depreciation as per IT Act and depreciation as per books	(159.21)	(173.43)
Other adjustments	175.63	299.29
	5,331.84	**4,314.17**

(₹ in Lakhs)

	31-Mar-2019	31-Mar-2018
D. Reconciliation of applicable tax rate and effective tax rate:		
Applicable tax rate	34.94%	34.61%
Tax effect of difference between depreciation as per IT Act and depreciation as per books	-1.05%	-1.43%
Tax effect of other adjustments	1.15%	2.47%
Effective tax rate	**35.05%**	**35.65%**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 29 INCOME TAX (Contd.)

(₹ in Lakhs)

	Balance as on April 1, 2018	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2019
E. Recognized deferred tax assets and liabilities:				
Property, plant and equipment	(612.31)	(179.71)	-	(792.02)
Trade receivables	63.67	(10.37)	-	53.30
Other assets	22.13	(161.03)	-	(138.90)
Borrowings	2.18	(2.18)	-	-
Provisions	(95.50)	220.48	(4.15)	120.83
Total	**(619.83)**	**(132.81)**	**(4.15)**	**(756.79)**

(₹ in Lakhs)

	Balance as on April 1, 2017	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2018
Property, plant and equipment	(521.52)	(90.79)	-	(612.31)
Trade receivables	65.13	(1.46)	-	63.67
Other assets	18.48	3.65	-	22.13
Borrowings	(5.02)	7.20	-	2.18
Other financial liabilities	(180.01)	180.01	-	-
Provisions	63.49	(169.74)	10.75	(95.50)
Total	**(559.44)**	**(71.12)**	**10.75**	**(619.83)**

(₹ in Lakhs)

	31-Mar-2019	31-Mar-2018
F. Deferred tax reflected in the Balance Sheet as follows:		
Deferred tax assets	174.13	87.98
Deferred tax liabilities	(930.92)	(707.81)
Deferred tax assets / (liabilities) (net)	**(756.79)**	**(619.83)**

NOTE: 30 EARNINGS PER SHARE (EPS) (IND AS 33)

(₹ in Lakhs)

Sl. No	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Profit for the year	9,879.84	7,787.96
2	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS	252.53	252.53
3	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	252.53	252.53
4	Nominal Value per share (₹)	2/-	2/-
5	Earning per shares		
	Basic	39.12	30.84
	Diluted	39.12	30.84

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 31 PARTICULARS OF CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Claims against the Company not acknowledged as liabilities in respect of:		
Sales Tax Matters	61.72	61.72
Customs and Excise matters	346.27	346.27
Service tax matters	136.22	136.22
Provident Fund matters	972.83	-
Guarantee Given	101.05	101.05

The Company is contesting the demand and the management including its legal advisors believes that its position will likely be upheld in the appellate process. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

II. Commitments:

a. Estimated amount of contracts to be executed on capital account (Net of Advances) ₹ Nil (Previous year NIL). The Company has other commitments, for purchase/ sales orders which are issued after considering requirements per operating cycle for purchase/ sale of goods and services, in normal course of business.

b. The Company did not have any long term commitments/ contracts including derivative contracts for which there will be any material foreseeable losses.

NOTE: 32 RELATED PARTY DISCLOSURE (IND AS 24)

A. Key management personnel:

Shri Ashok Kumar Todi, Executive Chairman (Whole Time Director)

Shri Pradip Kumar Todi, Managing Director

Shri Ajay Kumar Patodia, Chief Financial Officer

Smt Smita Mishra, Company Secretary

B. Other directors:

Smt Prabha Devi Todi – Executive Director

Shri Nandanandan Mishra – Independent Director

Shri Kamal Kishore Agrawal – Independent Director

Shri Snehasish Ganguly – Independent Director

Smt Rusha Mitra - Independent Director

C. Relatives of Key management personnel

Smt Bimla Devi Todi

Smt Shobha Devi Todi

Shri Saket Todi

Shri Udit Todi

Smt Priyanka Todi

Smt Neha Todi

Smt Shilpa Agrawal

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 32 RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

D. Entities where Key management personnel and their relative have significant influence

Biswanath Hosiery Mills Limited

Biswanath Real Estate Private Limited

J.M. Hosiery & Co. Limited

Rotex Intertrade Private Limited

Chitragupta Sale & Services Private Limited

Hollyfield Traders Private Limited

Ebell Fashions Private Limited

P.G Buildtech Private Limited

P.G.Infometic Private Limited

Todi Industries

Lux Foundation

Jaytee Exports

S D International

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

(₹ in Lakhs)

Sl. No	Name of related party	Year ended March 31, 2019	Year ended March 31, 2018
1	**Sale of goods**		
	Ebell Fashions Private Limited	675.20	243.62
	J.M.Hosiery & Co. Limited	1,189.02	346.01
	Todi Industries	3.69	-
2	**Sale of Focus License**		
	Ebell Fashions Private Limited	-	15.92
3	**Purchase of goods**		
	J.M.Hosiery & Co. Limited	5,993.73	2,861.66
	Jaytee Exports	304.64	932.37
	Ebell Fashions Private Limited	460.31	103.68
	S D International	-	9.49
4	**Sitting Fees**		
	Shri Nandanandan Mishra	0.90	0.75
	Shri Kamal Kishore Agrawal	1.10	0.90
	Shri Snehasish Ganguly	0.80	0.65
5	**CSR Expenditure**		
	Lux Foundation	27.00	-
6	**Rent payment**		
	Hollyfield Traders Private Limited	1.80	1.80
	P.G. Infometic Private Limited	19.20	19.20

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 32 RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

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

(₹ in Lakhs)

Sl. No	Name of related party	Year ended March 31, 2019	Year ended March 31, 2018
7	**Other services payment**		
	P.G. Infometic Private Limited - Data processing charges	24.00	24.00
	Biswanath Hosiery Mills Ltd - Royalty	5.00	5.00
	J.M. Hosiery & Co Ltd - Commission payment	-	5.70
	Todi Industries – Knitting Charges	205.32	2.00
8	**Received towards services**		
	Ebell Fashions Private Limited - Knitting services	215.52	162.20
	Todi Industries – Knitting services	1.98	-
	S D International - Knitting services	1.76	-
9	**Reimbursement of taxes (Payment by Lux Industries Ltd)**		
	Biswanath Real Estate Pvt.Ltd.	7.16	0.19
10	**Reimbursement of taxes (Receipt)**		
	Biswanath Real Estate Private Limited	7.16	0.19
11	**Dividend payment**		
	Shri Ashok Kumar Todi	74.60	52.22
	Shri Pradip Kumar Todi	89.65	62.76
	Smt Prabha Devi Todi	74.46	52.12
	Smt Bimla Devi Todi	70.10	49.07
	Smt Shobha Devi Todi	55.05	38.54
	Shri Saket Todi	2.72	1.90
	Shri Udit Todi	3.72	2.60
	Smt Shilpa Agrawal	1.00	0.70
	Smt Neha Todi	1.00	0.70
12	**Preference dividend payment**		
	Rotex Intertrade Private Limited	-	7.34
	Chitragupta Sales & Services Private Limited	-	7.34
	Hollyfield Traders Private Limited	-	5.38
	Biswanath Hosiery Mills Ltd	-	7.34
13	**Directors' Remuneration**		
	Shri Ashok Kumar Todi	300.00	300.00
	Shri Pradip Kumar Todi	300.00	300.00
14	**Salary**		
	Shri Saket Todi	30.00	30.00
	Shri Udit Todi	30.00	30.00
	Smt Priyanka Todi	30.00	30.00
	Shri Ajay Kumar Patodia (CFO)	39.18	35.00
	Smt Smita Mishra (CS)	11.56	8.50

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 32 RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

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

(₹ in Lakhs)

Sl. No	Name of related party	Year ended March 31, 2019	Year ended March 31, 2018
15	**Interest paid**		
	Chitragupta Sales & Services Private Limited	21.64	53.23
	Rotex Intertrade Private Limited	40.85	35.56
	Hollyfield Traders Private Limited	63.02	28.62
	Biswanath Hosiery Mills Limited	0.31	1.27
16	**Redemption of preference shares**		
	Chitragupta Sales & Services Private Limited	-	1,500.00
	Rotex Intertrade Private Limited	-	1,500.00
	Hollyfield Traders Private Limited	-	1,100.00
	Biswanath Hosiery Mills Ltd	-	1,500.00
17	**Advance given against land**		
	P.G Buildtech Private Limited	20.00	-
18	**Advances received back**		
	P.G Buildtech Private Limited	20.00	-
19	**Loan received**		
	Chitragupta Sales & Services Private Limited	830.00	6,420.00
	Rotex Intertrade Private Limited	1,595.00	8,334.72
	Hollyfield Traders Private Limited	1,125.00	3,665.00
	Biswanath Hosiery Mills Ltd	15.00	-
	Shri Ashok Kumar Todi	140.05	4,459.63
	Shri Pradip Kumar Todi	125.05	513.63
	Smt Prabha Devi Todi	90.00	52.00
20	**Loan repayment**		
	Chitragupta Sales & Services Private Limited	492.27	7,037.00
	Rotex Intertrade Private Limited	3,387.01	6,318.49
	Hollyfield Traders Private Limited	3,689.92	1,664.43
	Biswanath Hosiery Mills Ltd	32.45	1,528.46
	Shri Ashok Kumar Todi	482.32	5,318.26
	Shri Pradip Kumar Todi	94.12	540.58

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 32 RELATED PARTY DISCLOSURE (IND AS 24) (Contd.)

F . Outstanding balances: (₹ in Lakhs)

Sl. No	Name of related party	Year ended March 31, 2019	Year ended March 31, 2018
1	**Trade Payables**		
	J.M. Hosiery & Co. Limited	2,546.93	3,139.61
	Jaytee Exports	357.32	651.33
	Ebell Fashions Private Limited	-	288.78
	Biswanath Hosiery Mills Limited	5.40	43.33
	Hollyfield Traders Private Limited	4.50	2.70
	Todi Industries	4.72	-
	S D International	-	9.50
2	**Unsecured Loans**		
	Chitragupta Sales & Services Private Limited	364.49	7.29
	Rotex Intertrade Private Limited	306.22	2,061.46
	Hollyfield Traders Private Limited	161.93	2,670.13
	Biswanath Hosiery Mills Ltd	-	17.17
	Shri Ashok Kumar Todi	0.08	342.34
	Shri Pradip Kumar Todi	35.86	4.93
	Smt Prabha Devi Todi	191.75	101.75
3	**Advances recoverable in cash or value**		
	Ebell Fashions Private Limited	-	802.06
	P.G. Infometic Private Limited	146.80	112.45
	Jaytee Exports	-	146.88
	Todi Industries	5.92	-
	S D International	1.81	-
4	**Advance from Customer**		
	J.M. Hosiery & Co. Limited	29.78	-
	Ebell Fashions Pvt. Ltd	178.64	-
5	**Security deposit**		
	P.G.Infometic Private Limited	25.00	25.00
6	**Investment in shares**		
	J.M.Hosiery & Co Ltd (at fair value)	442.01	74.46

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 33 SEGMENT REPORTING

The management has considered that the Group has a single reportable segment based on nature of products, production process, regulatory environment, customers and distribution methods. Further the Group is engaged in a single business line, viz., "Manufacturing and sales of knitwear".

The Group primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and overseas operations as under:

(₹ in Lakhs)

Sl. No	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	**Segment Revenue**	-	-
	-Within India	107,059.97	97,182.63
	-Outside India *	13,644.80	10,567.87
	Total	**120,704.77**	**107,750.50**
2	**Segment Assets**		
	-Within India	74,109.45	83,892.01
	-Outside India *	6,053.19	3,314.44
	Total	**80,162.64**	**87,206.45**
3	**Capital Expenditure**		
	-Within India	1,255.94	1,903.61
	-Outside India *	-	-
	Total	**1,225.94**	**1,903.61**

* Revenue and carrying amount of assets from no individual country is material.

The Group is not reliant on revenues from any single external customer amounting to 10% or more of its revenues.

NOTE: 34 CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility

The details relating to Corporate Social Responsibility (CSR) expenditure are as follows:

As per Section 135 of the Companies Act, 2013, a CSR committee had been formed by the Company. The funds are utilized on the activities which are specified in Schedule VII of the Act. The utilization is done by way of contribution towards various activities.

a. Amount spent during the year on:

(₹ in Lakhs)

Sl. No	Particulars	2018-19	2017-18
1	Construction/ acquisition of any assets	-	-
2	On purpose other than(1) above		
	- Education and Skill development	71.06	58.25
	- Health Care	2.18	18.13
	- Others	128.53	82.51
	Total	**201.77**	**158.89**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 35 EMPLOYEE BENEFITS

1. Defined Contribution Plan:

a. Provident fund:

In accordance with Indian law, eligible employees of Lux Industries Limited are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).

(₹ in Lakhs)

Sl. No	Particulars	2018-19	2017-18
1	Contribution to Provident/ Pension funds	67.14	88.10
	Total	**67.14**	**88.10**

2. Defined benefits plan:

a. Gratuity and leave encashment:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has not funded the scheme.

The Company also has a defined benefit leave encashment plan, wherein every employee on confirmation is entitled to get leave encashment benefit, which is payable on departure or on completion of 3 years of service at 15 days salary (last drawn salary) for each completed year of service. The Company has not funded the scheme. This has been implemented in the current year, accordingly prior year figures have not been given.

(a) The following table's summarizes the components of the net benefit expenses recognized in the profit and loss account and amounts recognized in the balance sheet for respective plans.

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Present Value of Obligation at the beginning of the year	**275.93**	**183.46**	**-**
Current Service Cost	64.81	58.73	18.03
Interest Cost	20.45	13.79	-
Actuarial Losses / (Gain) recognized in other comprehensive income	(11.87)	31.06	-
Benefit Paid	(20.70)	(11.11)	-
Present Value of Obligation at the end of the year	**328.62**	**275.93**	**18.03**

(b) Expense recognized in Statement of Profit or Loss

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Current service cost	64.81	58.73	18.03
Interest cost	20.45	13.79	-
Total	**85.26**	**72.52**	**18.03**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 35 EMPLOYEE BENEFITS (Contd.)

(c) Remeasurements recognized in Consolidated Other Comprehensive Income: (₹ in Lakhs)

Particulars	Gratuity		Leave Encashment
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Actuarial loss/ (gain) arising on defined benefit obligation from			
- financial assumptions	8.45	5.37	-
- experience adjustments	(20.32)	25.69	-
Total	**(11.87)**	**31.06**	**-**

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

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Discount Rate	7.70%	7.75%	7.70%
Rate of increase in Salaries	6%	6%	6%
Expected average remaining working lives of employees (years)	24.69	25.08	21.48
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees		

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

(e) Sensitivity analysis – Revised defined benefit obligation due to change in assumptions

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Under Base scenario	328.63	275.93	18.03
Salary Escalation (Up by 1%)	359.14	301.34	19.94
Salary Escalation (Down by 1%)	302.26	253.93	16.44
Withdrawal Rates (Up by 1%)	332.14	279.11	18.28
Withdrawal Rates (Down by 1%)	324.28	272.05	17.74
Discount Rates (Up by 1%)	301.38	253.03	16.48
Discount Rates (Down by 1%)	360.73	302.89	19.85

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 36 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE BALANCE SHEET DATE

(₹ in Lakhs)

Particulars		As at 31-Mar-2019	As at 31-Mar-2018
Amount receivable in Foreign currency on account of	US$	60.53	16.18
Trade receivables	INR	4,193.58	1,053.91
Amount payables in Foreign currency on account of	US$	2.32	6.07
Trade payables	INR	160.38	395.38

NOTE: 37

Disclosures pursuant to Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013.

(₹ in Lakhs)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
a) Loans and advances in the nature of loan to others		
i) Loan to Jalan and Sons		
Balance at the year end	16.93	32.37
Maximum amount outstanding at any time during the year	32.37	32.37
It is repayable over a period of one year and carries rate of interest of 8%.		
ii) Loan to West Bengal Hosiery Park Infrastructure Ltd		
Balance at the year end	-	-
Maximum amount outstanding at any time during the year	-	0.40
It is repayable over a period of one year and carries rate of interest of 9%.		
iii) Loan to Mana Maa Garments		
Balance at the year end	55.93	52.18
Maximum amount outstanding at any time during the year	55.93	52.74
It is repayable over a period of one year and carries rate of interest of 8%.		

Note: Such loan was utilized for working capital requirements.

NOTE: 38 EVENT OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors has recommended equity dividend of ₹ 3.5 per share (P.Y ₹ 2 per Share) for the financial year 2018-19. 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 39 ACCOUNTING CLASSIFICATION AND FAIR VALUES

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Consolidated Balance Sheet as at March 31, 2019 are as follows:

(₹ in Lakhs)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Investment in equity instruments (Unquoted)	-	451.01	451.01	451.01
Trade Receivables	36,659.95	-	36,659.95	36,659.95
Cash and cash equivalents	193.62	-	193.62	193.62
Other bank balances	6.35	-	6.35	6.35
Loans	72.81	-	72.81	72.81
Other financial assets	595.07	-	595.07	595.07
Financial liabilities:				
Borrowings	17,773.12	-	17,773.12	17,773.12
Trade payables	16,329.11	-	16,329.11	16,329.11
Other financial liabilities	2,497.13	-	2,497.13	2,497.13

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Consolidated Balance Sheet as at March 31, 2018 are as follows:

(₹ in Lakhs)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Investment in equity instruments (unquoted)	-	0.51	84.51	84.51
Trade Receivables	38,909.92	-	38,909.92	38,909.92
Cash and cash equivalents	211.21	-	211.21	211.21
Other bank balances	11.22	-	11.22	11.22
Loans	84.55	-	84.55	84.55
Other financial assets	534.81	-	534.81	534.81
Financial liabilities:				
Borrowings	32,141.23	-	32,141.23	32,141.23
Trade payables	18,859.08	-	18,859.08	18,859.08
Other financial liabilities	2,414.83	-	2,414.83	2,414.83

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 40 FAIR VALUE MEASUREMENT

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

(₹ in Lakhs)

As at March 31, 2019	Level 1	Level 2	Level 3
Financial Assets:			
Investment in equity instruments (Unquoted)	-	-	450.96
Total	**-**	**-**	**450.96**

As at March 31, 2018	Level 1	Level 2	Level 3
Financial Assets:			
Investment in equity instruments (Unquoted)	-	-	84.46
Total	**-**	**-**	**84.46**

Notes:

i. The management assesses that carrying amount of trade receivables, cash and cash equivalents, other bank balances, short term borrowings, trade payables, other financial assets and liabilities approximate their fair value largely due to short term maturities of these instruments.

ii. Investments in unquoted equity shares is stated at fair value using observable inputs for Level 3. The valuation of J.M. Hosiery & Co. Limited has been done by a professional valuer using Comparable Companies' Price (CCP) method, wherein multiples derived from valuations of comparable companies are used adjusted for differences between the circumstances. In our case, Enterprise value to Earnings before interest, tax, depreciation and amortization (EV/EBIDTA) multiple of comparable listed companies have been used.

(₹ in Lakhs)

Particulars	EV/EBIDTA multiple	Value per share	Total no. of shares	Amount
Under Base scenario	23.70	526.2	84,000	442.01
Change in EV/EBIDTA multiple by +10%	26.07	593.5	84,000	498.54
Change in EV/EBIDTA multiple by -10%	21.33	459.6	84,000	386.06

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 41 FINANCIAL RISK MANAGEMENT

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as credit risk, liquidity risk and market risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

1. **Credit Risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i. Actual or expected significant adverse changes in business,

ii. Actual or expected significant changes in the operating results of the counterparty,

iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv. Significant increase in credit risk on other financial instruments of the same counterparty,

v. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹36,659.95 Lakhs (PY – ₹ 38,909.92 Lakhs).

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Company are as under:

(₹ in Lakhs)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Opening balance	183.99	188.18
Add: Provisions made	44.82	-
Less: Provisions reversed	(31.46)	(4.19)
Closing provisions	**197.35**	**183.99**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

2. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The management continuously monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

(₹ in Lakhs)

March 31, 2019	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	17,239.79	533.33	-	17,773.12
Trade payables	16,329.11	-	-	16,329.11
Other financial liabilities	2,497.13	-	-	2,497.13

(₹ in Lakhs)

March 31, 2018	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	31,648.38	492.86	-	32,141.24
Trade payables	18,859.09	-	-	18,859.09
Other financial liabilities	2,414.83	-	-	2,414.83

3. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

A. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to import of raw materials and spare parts, capital expenditure, export of finished goods. The currency in which these transactions are primarily denominated is USD. Refer Note 36 for details of exposure to foreign currency as on the reporting date.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all currencies other than US Dollars is not material.

(₹ in Lakhs)

Particulars	Change in USD rate	Effect on profit before tax	Effect on post tax equity
31-Mar-19	+ 10%	403.32	262.38
	- 10%	(403.32)	(262.38)
31-Mar-18	+ 10%	65.85	43.06
	- 10%	(65.85)	(43.06)

Notes to Consolidated financial statements for the year ended March 31, 2019

B. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are limited as the borrowings by the Company carry fixed interest rates. However, the Company still constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

C. Equity price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The Company is holding investments in unquoted equity instruments, which may be susceptible to market price risk arising from uncertainties about future values of the securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity instrument decisions.

NOTE: 42 CAPITAL MANAGEMENT

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings.

The Company's policy is aimed at combination of short-term and long-term borrowings so as to maintain an optimum capital structure to reduce the cost of capital and maximize shareholders value and provide benefits to other stakeholders.

(₹ in Lakhs)

Particulars	31-Mar-2019	31-Mar-2018
Total debt (Bank and Other Borrowings)	18,093.87	32,914.54
Equity	41,150.49	31,862.39

NOTE: 43

On 22nd February, 2019, the Company has subscribed to 50.87% shares in Altai Industries Private Limited for a total consideration of ₹ 10.20 Lakhs. The details of financial information on acquisition date are provided below:

(₹ in Lakhs)

Particulars	Amount
Investment in Altai Industries Private Limited (1,02,000 shares of Face Value ₹ 10/-)	10.20

Notes to Consolidated financial statements for the year ended March 31, 2019

NOTE: 44 ADDITIONAL INFORMATION

(₹ In Lakhs)

Name of entity	Net Assets, i.e. total assets		Share in Profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Figure	Amount	As a % of Consolidated Figure	Amount	As a % of Consolidated Figure	Amount	As a % of Consolidated Figure	Amount
A. Parent								
Lux Industries Limited	**100.52%**	**41,392.43**	**102.47%**	**10,131.40**	**100.00%**	**7.72**	**102.47%**	**10,139.12**
B. Subsidiaries								
Artimas Fashions Pvt Ltd	-0.57%	(232.74)	(2.46%)	(243.35)	0.00%	-	(2.46%)	(243.35)
Altai Industries Pvt Ltd	0.05%	19.18	(0.01%)	(0.87)	0.00%	-	(0.01%)	(0.87)
Total	**100.00%**	**41,178.87**	**102.47%**	**9,887.18**	**100.00%**	**7.72**	**102.47%**	**9,894.90**
C. Adjustments due to consolidation		(37.80)		(7.34)		-		(7.34)
D. Minority interest in subsidiaries								
Altai Industries Pvt Ltd		9.42		(0.43)		-		(0.43)
Consolidated Net Assets / Profit after tax		41,150.49		9,879.41		7.72		9,887.13

NOTE: 45 CHANGE IN ACCOUNTING POLICY

During the year, the Company has changed its accounting policy with respect to accounting of government grants related to assets by deducting the grants from the cost of the asset. Prior to this change in policy, the Company recognized such grants as deferred income that is recognized in profit or loss on a systematic basis over the useful life of the asset.

As per Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, the changes have been applied retrospectively, due to which, changes in amounts have been summarized below:

(₹ in Lakhs)

Particulars	Previously reported		Adjustments		Restated	
	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18
Property, plant & equipment						
Gross block of Plant & Equipment	3,746.04	4,938.97	(191.58)	(290.35)	3,554.46	4,648.62
Net block of Plant & Equipment	3,352.19	4,007.81	(191.58)	(278.19)	3,160.61	3,729.62
Other Equity						
Retained earnings	21,927.43	23,819.90	(64.59)	(200.17)	21,862.84	23,619.72
Other current liabilities						
Deferred government grant	-	78.01	-	(78.01)	-	-
Other non-operating income						
Government grant		147.75		(147.75)	-	-
Depreciation on tangible assets		914.29		(12.15)	-	902.15
Basic & Diluted Earnings Per share		31.38		(0.54)		30.84

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE: 46

Balances of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year.

NOTE: 47

Previous year figures have been recast/regrouped whenever necessary to conform to the Current Year's presentation.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Sd/-
Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : April 22, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-
Ashok Kumar Todi
Chairman
(DIN - 00053599)

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

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

Sd/-
Smita Mishra
Company Secretary
(Mem No - A26489)

NOTES

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LUX INDUSTRIES LIMITED

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