

**UP CLOSE &
PERSONAL**



LUX INDUSTRIES LIMITED
18TH ANNUAL REVIEW AND SUMMARY OF FINANCIAL STATEMENTS 2012-13



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Cautionary statement

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and / or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken, from third parties, as well as for forward-looking statements, irrespective of whether these derive from third parties or ourselves.



CONSUMER SPENDING IS RISING AND SO ARE CONSUMER EXPECTATIONS. AT LUX WE ARE CONSTANTLY WORKING TOWARDS UNLOCKING COMFORT AND STYLE. BY WORKING IN THE MOST INNOVATIVE AND RESPONSIBLE WAYS, WE HAVE ALWAYS BEEN UP CLOSE AND PERSONAL WITH YOU. NOW, IT'S YOUR TURN TO KNOW US BETTER!

OUR PERFORMANCE IN 2012-13

Revenue from
operations
[+ 26%]

₹
691.80
crore

Earnings per
share
[+ 43%]

₹
40.28

VISION

To sustain healthy growth with excellence in the innerwear industry.

MISSION

To provide products that contributes to sustainable development of our industry.

OUR BUSINESS

100+

Products under more than 10 brands

1st

Ranked as innerwear brand in Bengal

1st

Ranked as branded exporter of innerwear in India

1st

In the hosiery industry to sponsor an international event (TOIFA)

OUR BRANDS

LUX 

ONN
PREMIUM INNERS

GenX
STYLE INNERS

LUX cozi
INNERWEAR

LUX
Classic

LUX cozi
BIG SHOT
PREMIUM TRUNKS

LUX
Leggings

LUX
COTT'SWOOL

LUX
MOZZE
Premium Socks

LUX
Inferno
PREMIUM THERMALS

LUX
MOOKIE
kids casual wear

LUX
VENUS

LUX
Karishma

OUR PRODUCTS

MEN

Premium Inners

ONN Grande
ONN Comfortz
ONN Sportz
ONN Trendz
ONN Casualz
ONN Thermals

Regular Inners

GenX NV Gym Vest
GenX Gusto
GenX Elite
Cozi Vest
Cozi Xylo Vest
Cozi Activo
Cozi Lavish Vest
Cozi Valour Vest
Super Vest
Classic Rib Vest
Champion Vest
Cozi Big Shot Brief & Drawer
Cozi Mexx Drawer
Cozi Longs Brief & Drawer
Venus Vests & Drawer
Venus Magic Vest
Clik Vest
Interlock Vest
Classic Brief & Drawer
Double Force Brief

Casuals

Astro tshirt
Astro Bermudas
Astro Track Pants

Socks

Spandy Socks
Sports Socks
Popular Socks
Regular Socks
New Inn Socks
Anklet Socks

WOMEN

Regular Inners

Touch Panties
Karishma Panties, Bloomers, Slips
Lovely Bloomer

Casuals

Women Thumb Socks
Lux leggings

KIDS

Regular Inners

GenX NV Gym Vest
Cozi Vest, Brief
Cozi Big Shot Drawer
Cozi Longs Drawer
Venus Vest & Drawer
Classic Brief & Drawer
Short Jetty & Drawer
Karishma Bloomer
Lovely Bloomer

Casuals

Mookie t shirt
Mookie half pants
Mookie Track Pants



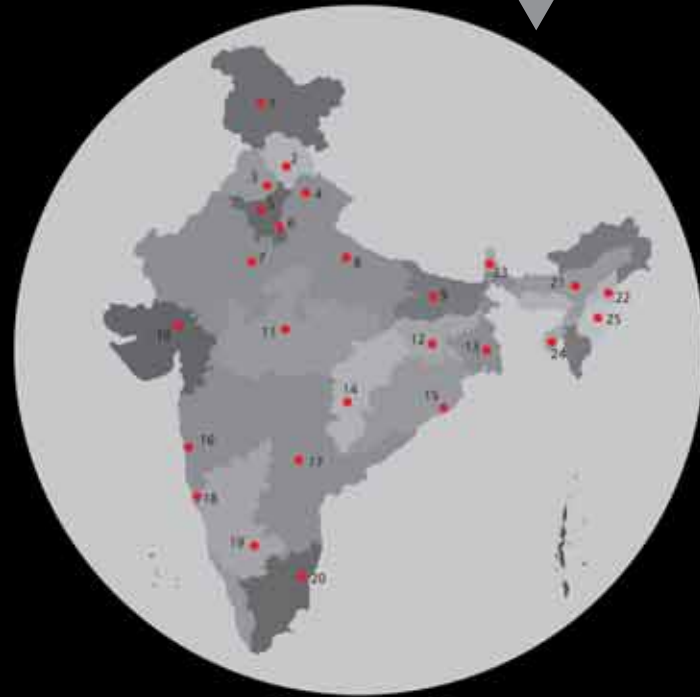
OUR BRAND AMBASSADORS



OUR PRESENCE

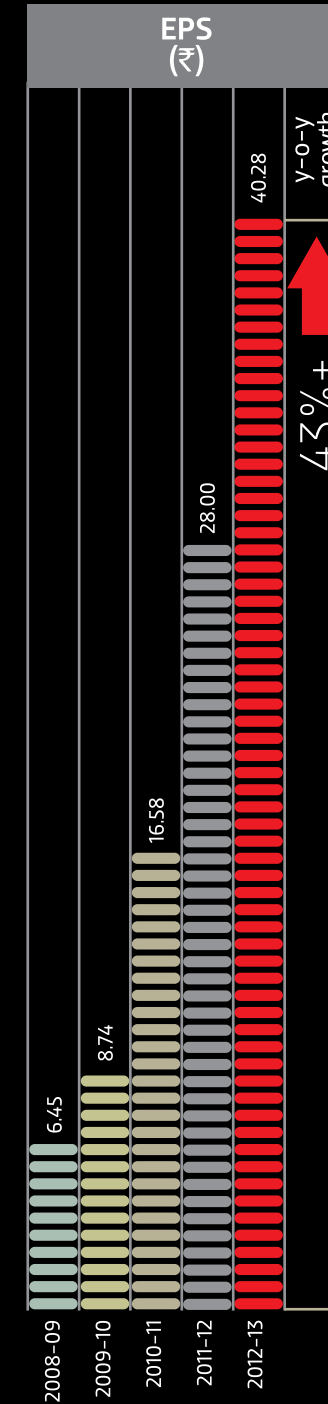
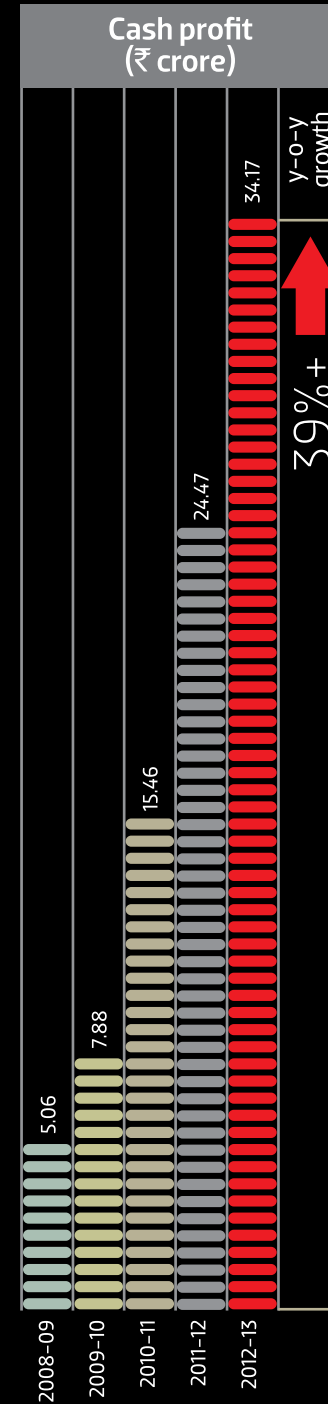
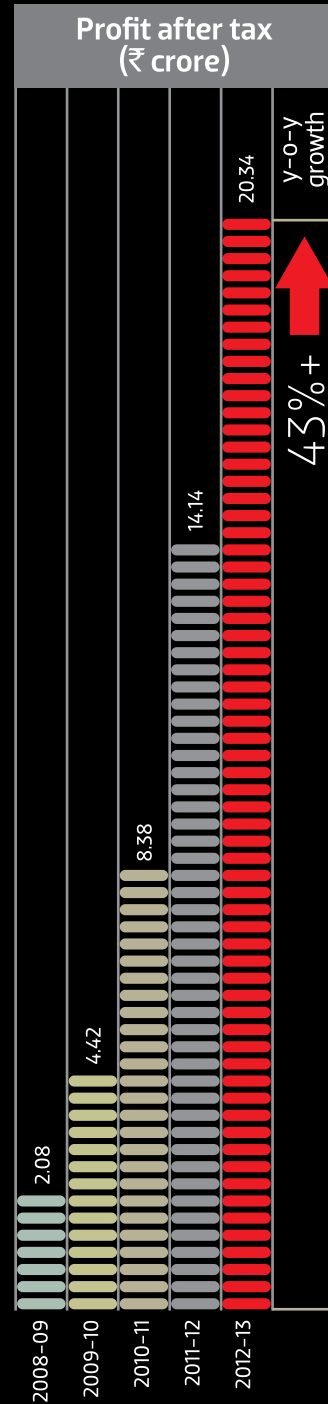
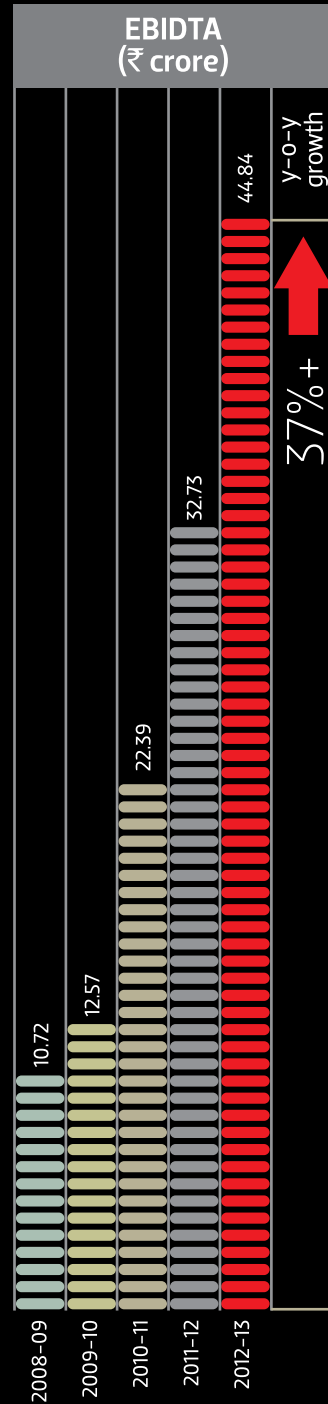
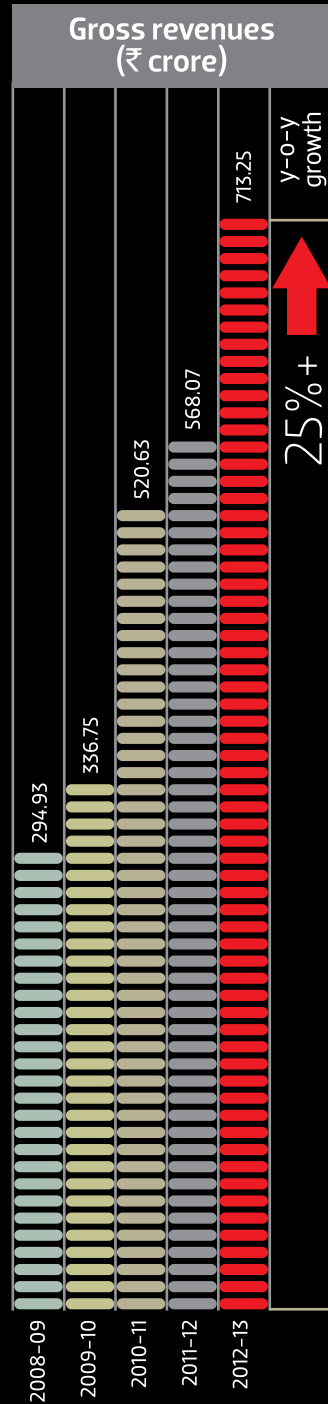


- GLOBAL**
1. Algeria
 2. Iran
 3. Iraq
 4. Kuwait
 5. Bahrain
 6. UAE
 7. Saudi Arabia
 8. Yemen
 9. Djibouti
 10. Ethiopia
 11. Kenya
 12. Ghana
 13. Togo
 14. Benin
 15. Nigeria
 16. Cameroon
 17. Colombo
 18. Malaysia
 19. Singapore
 20. Hongkong
 21. India
 22. North America



- NATIONAL**
- | | |
|------------------------|--------------------|
| 1. Jammu & Kashmir | 14. Chhatisgarh |
| 2. Himachal Pradesh | 15. Odisha |
| 3. Punjab | 16. Maharashtra |
| 4. Uttaranchal | 17. Andhra Pradesh |
| 5. Haryana | 18. Goa |
| 6. Delhi | 19. Karnataka |
| 7. Rajasthan | 20. Tamil Nadu |
| 8. Uttar Pradesh | 21. Assam |
| 9. Bihar | 22. Nagaland |
| 10. Gujarat | 23. Sikkim |
| 11. Madhya Pradesh | 24. Tripura |
| 12. Jharkhand | 25. Manipur |
| 13. West Bengal | |

PERFORMANCE IN LINE WITH EXPECTATIONS.



Revenue growth (%)

24

5-year CAGR leading to 2012-13

Profit after tax growth (%)

43

5-year CAGR leading to 2012-13

EBIDTA growth (%)

32

5-year CAGR leading to 2012-13

Profit before tax growth (%)

42

5-year CAGR leading to 2012-13



CHAIRMAN'S MESSAGE

“OUR COLLABORATIVE EFFORTS WILL ENABLE US TO CONTINUE PUSHING THE LIMITS OF TECHNOLOGY AND INCITE US TO DEVELOP NEW PRODUCTS AND GET CLOSER TO OUR CONSUMERS.”

Global economy treaded towards the path of progress in 2012, despite being on the slow side. However, it has again been put under threat by euro zone's financial turbulence. Growth in developing economies also took path of slow growth on lines of weakening global demand for their exports and a general loss of investor confidence.

Nevertheless, rising population and increasing disposable income, in India and other developing economies, will continue to drive long-term demand for branded hosiery.

Financial performance

Despite being surrounded by weak economic scenario, your company reported a healthy topline growth by 26%, reaching a net turnover of ₹691.80 crore. This was ably supported by a healthy bottomline growth of 43% touching ₹20.34 crore. This healthy growth was a result of two key factors – expanding our export frontiers and increasing our domestic market share.

Wide and deep

The year 2012-13 was another remarkable year for us in terms of extending our footprint, both nationally and globally. Internationally, we are today present

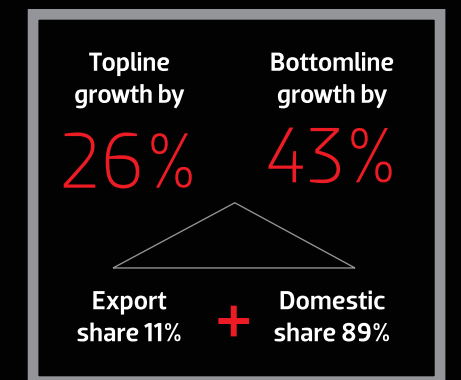
across 50+ countries with an overall 11% export sales of the total revenue. On domestic front we strengthened our market presence by adding 50 new dealers and sub-dealers. Add to this we reached a total of 6,00,000 retailers and 20 marketing agents across 25 states in the country to penetrate further in the markets. Today, Lux brand stands at a domestic market share of around 20% among the organised players – largest in the country.

Higher in value chain

Another key contributor to our resounding growth has been our endeavour to invest continuously in technology and new product development. Today the company manufactures a variety of products catering to men, women and kids wear. Further, we have developed premium and value added products in each of the segments to serve high-end customers and enrich our brand value.

Brand and brands

To ensure a secure footing for our future growth plans, we have since inception enhanced our brand value. Being in an industry surrounded by unorganised players it has been imperative for us to make our mark. Since 2007, we have



invested around ₹155 crore in our brand promotion activities. We were the principle sponsors of the very first Times Of India Film Awards (TOIFA) held in Vancouver, Canada. We made significant strides in the Indian Premier League (IPL) by partnering with Sahara Pune Warriors and Kings XI Punjab. This strengthened 'Lux' brand – both on national and global stage.

Message to stakeholders

We have made significant strides in building growth categories. We are carrying 11 brands under Lux – offering exclusive products – at competitive price. We will continue with our ambition to serve customers with quality products and drive profitability. Essentially, high growth rates combined with high profitability creates a unique added value, which we will continue to build as we move forward.

Mr. Ashok Kr. Todi
Chairman



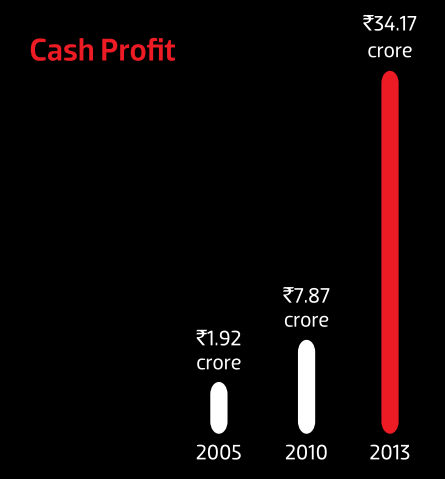
UP CLOSE & PERSONAL

CREATING SUPERIOR LONG-TERM VALUE

IT IS IMPERATIVE THAT STRONG FINANCIAL GENERATES SUPERIOR RETURNS, ENABLING US TO ACCESS FURTHER CAPITAL TO GROW OUR BUSINESS.

At Lux, we have continuously build strategies to enhance the bottomline and other key financial ratios. We continued to generate healthy cash profits. Our higher cash profits were a result of superior working capital management supported by efficient collection cycle.

Our governance strategies are derived from our core values. Our ability to execute the strategies are build on support and trust imbibed in our daily practices. Lux remains among the top bracket of private companies in the country for best corporate governance practices.



40.28 ₹ Per share of earnings as on March 31, 2013 – up by 43% from 2011-12

38 Percentage of ROCE as on March 31, 2013



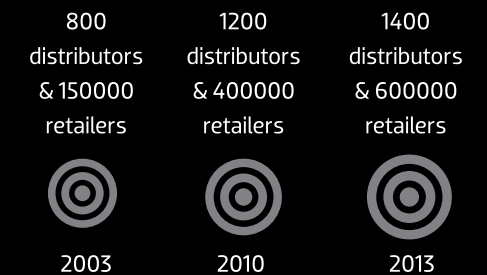
UP CLOSE & PERSONAL

KEEP PACE WITH GROWING DEMAND

BY INCREASING CAPACITIES AND DISTRIBUTION NETWORK, WE STRENGTHEN OUR OWN ABILITY TO GROW AND EXPAND OUR REACH.

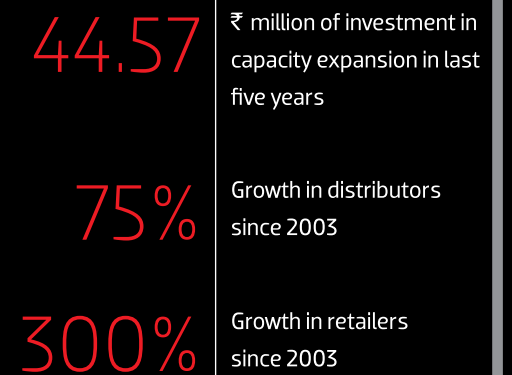
At Lux we have understood the changing dynamics of customer taste and preferences and adapted to it proactively. Today we stand at a manufacturing capacity of 10 lacs garments per day across four manufacturing facilities. Growing population and increasing disposable incomes – both in domestic and international markets have resulted in increased demand for branded hosiery products.

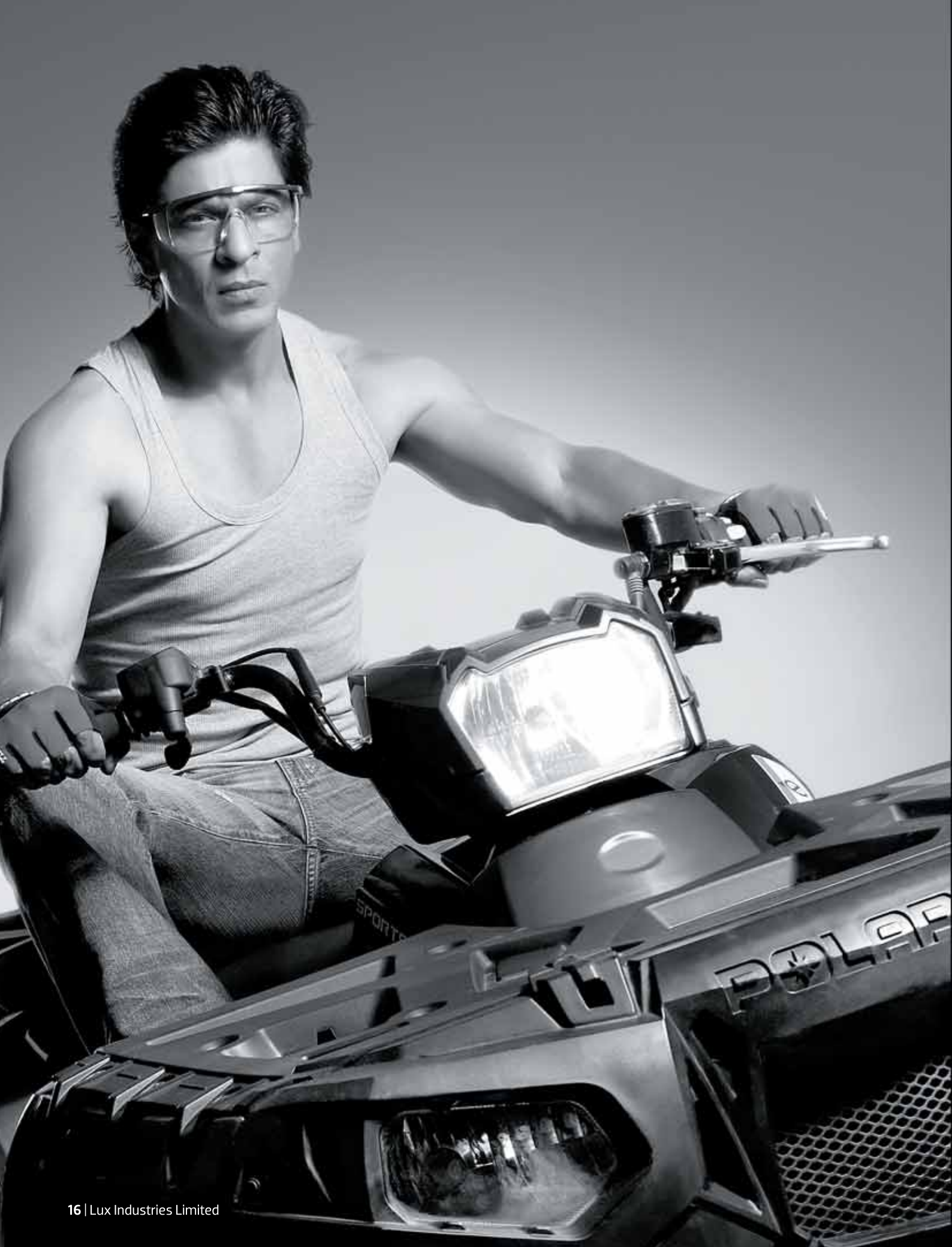
Penetrating aggressively



Growing with time

Manufacturing garments per day





UP CLOSE & PERSONAL

BE THE PREFERRED CHOICE

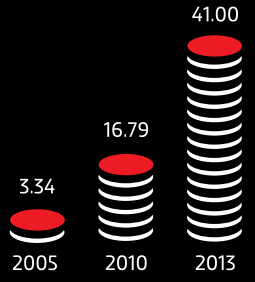
BY INCREASING THE COMFORT AND QUALITY, WE STRENGTHEN OUR BRAND VALUE AND ARE THE FIRST PREFERENCE OF CHOICE AMONG OUR CUSTOMERS.

At Lux, we continuously seek to increase the quality of our products to meet the needs and tastes of our consumers. By emphasising on quality we have been able to outperform our competitors across our diversified product segments. Our ability to stand out among our competitors is derived from our deep knowledge of products and industry. This aspect makes our products the preferred brand in the markets we serve.

Over a period of time, 'Lux' as brand has grown from strength to strength. Lux, is today associated with mega events like Indian Premier League and Times of India Film Awards (TOIFA). All of this strengthening our consumer relationship and growing our intangible brand value.

Increasing visibility of invisible

Investment in brand (₹ in crore)



8.25

₹ crore of investment in plant and machinery

41

₹ crore of money spent in advertising in 2012-13



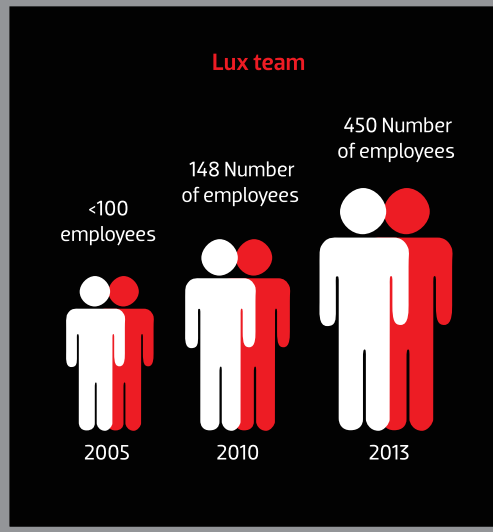
UP CLOSE & PERSONAL

GROWING TOGETHER HAND IN HAND

IN A COMPETITIVE INDUSTRY, TALENTED AND MOTIVATED EMPLOYEES ARE KEY TO MAINTAINING COMPETITIVE EDGE TO REACH OUR GOALS.

Engaging employees is an important metric which helps the company align the employees with long-term goals of the organisation. There has been a constant endeavour for improving the performance and efficiency of employees.

At Lux, we have always made significant efforts to build a more diverse workforce. With further expansion planned in the coming years, we expect to strengthen our workforce. With this significant growth, leadership remains the core competence among our employees.

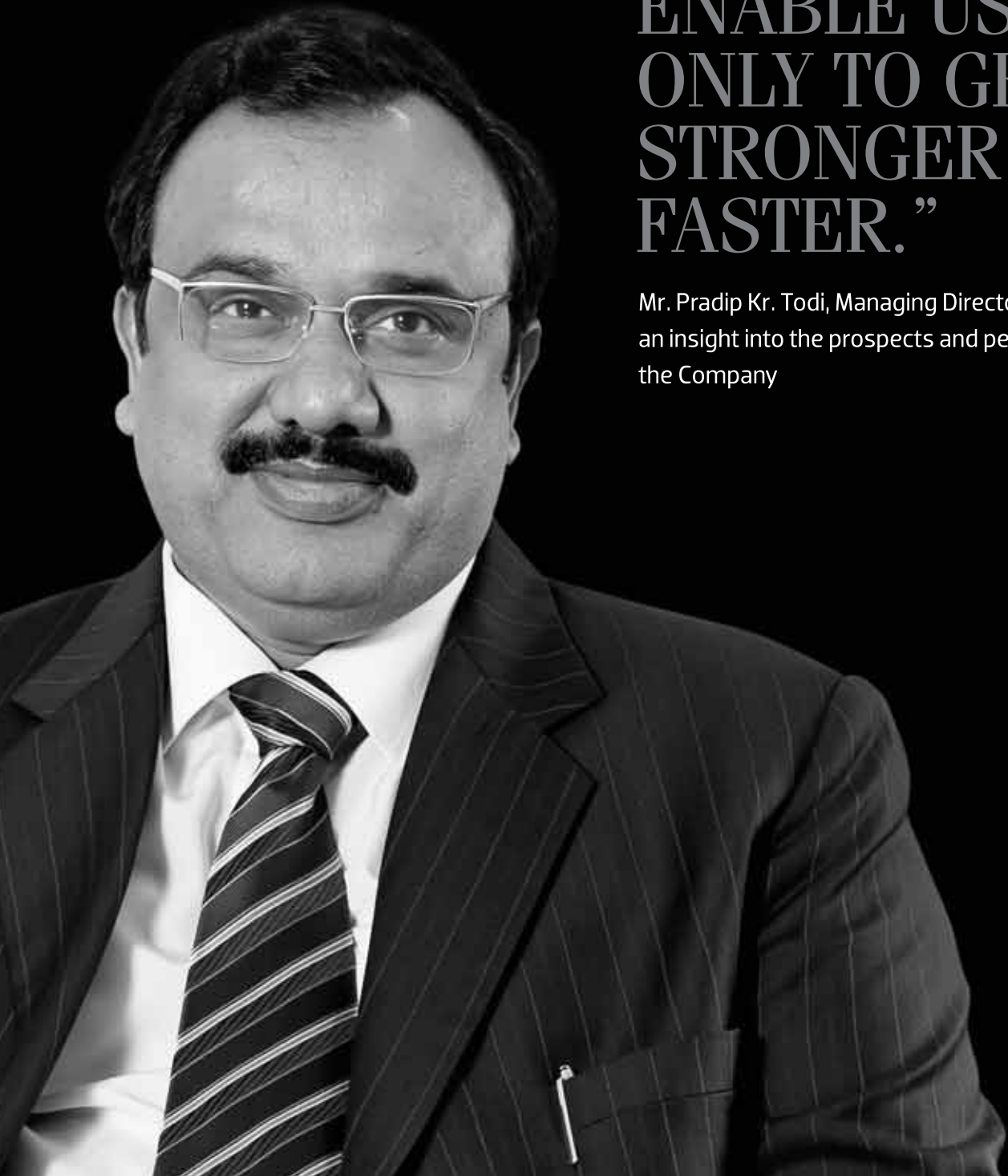


127
Number of employees
added in 2012-13

MD'S STATEMENT

“FROM WHERE WE STAND TODAY, IT WILL ENABLE US ONLY TO GROW STRONGER AND FASTER.”

Mr. Pradip Kr. Todi, Managing Director, provides an insight into the prospects and performance of the Company



It was another watershed year for the Company, as we recorded impressive topline and bottomline growth over the previous year. The success factors for this outstanding performance can be attributed to responsible branding and expanding geographies.

In an industry surrounded by unorganised players, our brands are the most important assets. Our strategy to operate a diverse brand portfolio across multiple product segment with a diversified price range gives us the edge. Our diverse brand portfolio allows us to navigate through shifting trends in both consumer demand and fashion cycles. Supporting

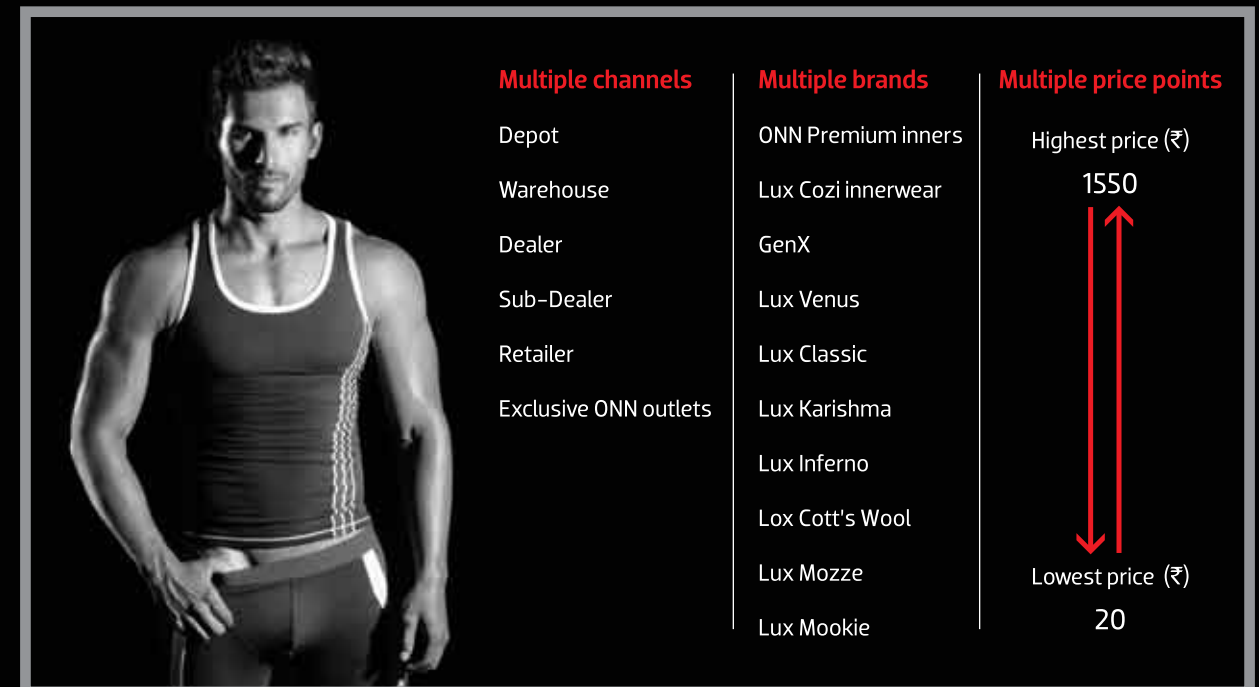
our brands is a strong and well-developed infrastructure that provides the means for us to leverage key support functions such as logistics, marketing, finance and human resources in an efficient manner – providing the backbone for both existing businesses and new businesses when such opportunities present themselves.

Even with difficulties surrounding the domestic and global economy, we saw evidence of the strength of 'Lux' brands, as well as tangible returns on our focus towards long-term strategies – marketing and operational excellence. By the end of financial year 2012-13, we crossed ₹700 crore of Lux brands sales, and we begin

financial year 2013-14 with the confidence in our strengths and products to clock revenue over ₹1000 crore shortly.

On ground level, we continued with expansion of distribution channel, increasing the ONN outlets (our premium brand) in the current fiscal. It is planned that we will have approximately 100 exclusive ONN outlets by 2015, which will drive growth of our premium brands across domestic and international frontiers.

continued ▶

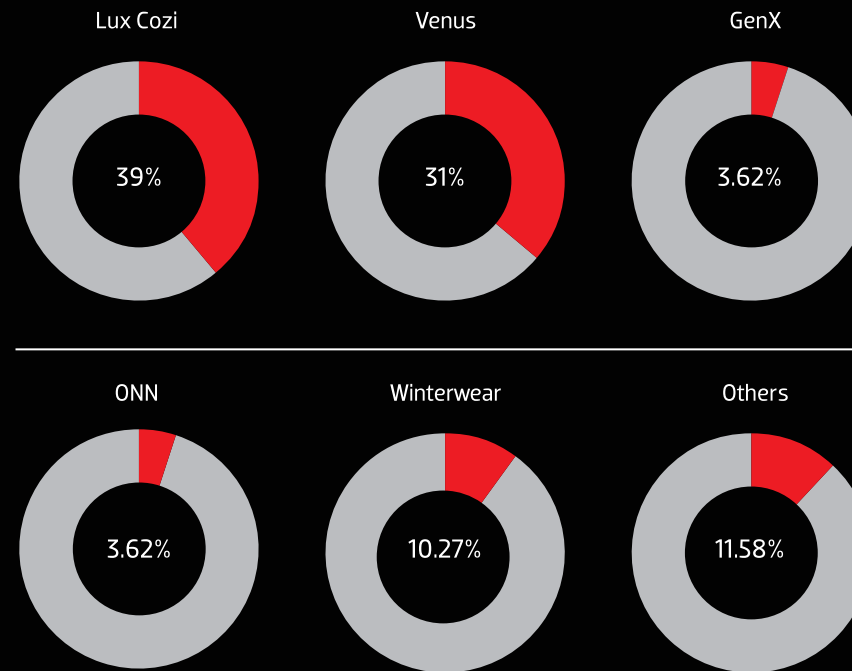




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In the year 2012-13, 40% of our EBIDTA was derived from export sales, up from 27% in 2011-12. Improved brand awareness and improved product selection have created global demand for our products apart from growing domestic demand. International growth has been primarily driven through a strong licensing and distribution model.

■ Domestic market share 2013



Store openings provide the greatest evidence of our expansion into new domestic and international markets. Add to this our retailer and dealer expansion is expected to drive stupendous growth in the years to come.

Going ahead, our focus will be to enhance the quality of our products and increase the market share across product segments. The Company will continue to be dedicated towards the path of process innovation and enhance quality of the products.



2012-13	
600000	Retailers
1400	Dealers & Distributors
20	Marketing agents
41	Brand spend (₹ crore)



UP CLOSE & PERSONAL

OUR COMPETITIVE EDGE

Repeat buying

The products of the Company are not much affected by slow economic conditions. Being an item of necessity, repeated usage will drive the revenue surge for the Company.

Competitive pricing

The Company's operational excellence translates into low overheads, making it possible to compete among the organised and unorganised players.

Portfolio

Lux caters to middle and upper middle segments of men's, women's and kid's category – making it the first choice preference for existing and new customers

Scale

The Company enjoys the edge in manufacturing large scale operations. It's capacity to manufacture 10 lacs garments per day is among the largest in the sector.

Brand

Lux has a strong brand recall, having host of celebrities as its ambassadors coupled with increasing advertisement and brand spend every year.

Reach

The Company has a strong presence in more than 25 States in India along with 50+ international countries. This is ably supported by more than 600000 retailes, 1400 dealers and sub-dealers enabling the Company to reach out to maximum of its customers.

Financial

The Company's debtors' cycle (around 60 days of turnover equivalent) coupled with minimum debts has helped provide a predictable safety for receivables and an adequate pipeline for growth of the Company.

Margins

Lux enjoys a high net profit margin coupled with high realisations on account of increasing manufacturing and sales of value-added products across its business segments.

BRAND LUX. NATIONAL TO GLOBAL.



Ashok Kr. Todi at Kings XI Punjab Meet & Greet event



Rahul Todi at Pune Warriors India Meet & Greet event



Pradip Kr. Todi and Navin Kr. Todi at the YPD2 promo event in Chandigarh



Team Yamla Pagla Deewana 2 and Ashok Kr. Todi after the promo event at Dubai



Ashok Kr. Todi and Rahul Todi with Ranbir Kapoor on stage at Lux Cozi TOIFA



At the Red Carpet at Lux Cozi TOIFA



Rahul Todi and Udit Todi with actress Zarine Khan at Lux Cozi TOIFA

Bollywood celebrated a one-of-its-kind international event in Vancouver in 2013 to celebrate films, fashion and music, with some of the biggest names. A three-day affair, all the top names in Bollywood joined in for the Times of India Film Awards (TOIFA) at Vancouver, with Lux being the title sponsor for the event. The Lux brand took a giant leap for its branding with this international event, making its presence felt across a larger section of people.

During 2012-13, Lux took another positive step into branding by partnering with the movie Yamla Pagla Deewana 2. This was yet another feat achieved by the Company taking the brand Lux across a larger cross-section of society with a pan-India presence.

Lux also partnered with the Indian Premier League once again and sponsored IPL teams Pune Warriors India and Kings XI Punjab. This helped brand Lux gain more visibility and recognition among the Indian audience.

BOARD OF DIRECTORS

1	2
3	4
5	6

1. Mr. Ashok Kumar Todi
Chairman
2. Mr. Pradip Kumar Todi
Managing Director
3. Mr. Navin Kumar Todi
4. Mr. Snehashish Ganguly
5. Mr. Kamal K. Agrawal
6. Mr. Nandanandan Mishra



STATUTORY & FINANCIAL SECTIONS %



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- Management Discussion and Analysis 35
- Report on Corporate Governance 38
- Auditors' Report 52
- Balance Sheet 56
- Statement of Profit and Loss 57
- Cash Flow Statement 58
- Notes to Financial Statement 60

DIRECTORS' REPORT



▶ 2012-13 ▶▶

*To The Members of
Lux Industries Limited,*

Your Directors are pleased to present the 18th Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2013, together with the notice of Annual General Meeting.

1. Financial Results

The highlights of your Company's financial performance are:

Particulars	₹ in lacs)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Gross Income	69,189.08	54,753.92
Gross Expenditure	66,217.54	52,694.61
Profit before Depreciation, Interest and Tax	4,483.99	3,273.23
Depreciation	445.47	388.03
Interest	1,066.98	825.88
Profit Before Tax, Extraordinary Items & Prior Period Items	2,971.54	2,059.32
Provision for Taxes		
(a) Current Tax	949	688
(b) Deferred Tax	(12.10)	(42.77)
Profit after Tax and before Extraordinary Items & Prior Period Items	2,034.64	1,414.08
Profit from Exceptional Items		
Profit After Taxes and before Prior Period Items	2,034.64	1,414.08
Prior Period Items		
Net Profit	2,034.64	1,414.08
Balance brought from Previous year	2,627.05	1,480.11
Total	4,661.69	2,894.20
Appropriations:		
Transfer to General Reserve	204.00	138.00
Proposed Dividend on equity shares	111.11	111.11
Corporate Tax on Proposed Dividend	18.89	18.02
Balance carried over to Balance Sheet	4,327.69	2,627.07
Total	4,661.69	2,894.20
Earnings per share (Basic & Diluted)		
– Before Extraordinary Item (₹)	40.28	28.00
– After Extraordinary Item (₹)	40.28	28.00

2. Results of Operations

During the year under review, the Company achieved a gross income of ₹69,189.08 lacs as against ₹54,753.92 lacs for the corresponding period of the previous year thereby achieved a growth of around 26.36%.

The Company's profit before depreciation, interest, tax amounts to ₹4,483.99 lacs as compared to ₹3,273.23 lacs in the previous year, registering a growth of 36.99%. The Company has achieved Profit Before Tax of ₹2,971.54 lacs as against ₹2,059.32 lacs higher by 44.29%. The Net Profit after tax is ₹2,034.64 lacs as against ₹1,414.08 lacs for the previous year.

The financial year 2012-13 was a significant year for the Company in terms of growth in profitability, The net profit during the year has grown around by 44% over the previous financial year.

3. Dividend

The Board of Directors at the meeting held on May 28, 2013 recommended a dividend of 22% (₹2.20) per Equity Share (last year ₹2.20 per Equity Share) on 50,50,600 equity shares of ₹10 each for the year ended March 31, 2013, subject to approval of the shareholders in the ensuing Annual General Meeting. Distribution Tax on the dividend is being borne by the Company.

4. Transfer to Reserves

In accordance with the provisions of the Companies Act, 1956 read with Companies (Transfer to reserves) Rules, 1975, your directors propose to transfer a sum of ₹204.00 lacs to the general reserve out of profits earned by the Company. A sum of ₹4,327.69 lacs is proposed to be retained in the profit and loss account.

5. Fixed Deposits

The Company has not accepted any deposits from the public in terms of Section 58A of the Companies Act, 1956 and rules made there under, during the year 2012-13 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

6. Management Discussion and Analysis Report

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report is annexed as Annexure B forming part of this Report.

7. Corporate Governance

Your Company is committed to maintain the good Corporate Governance practices. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance together with a certificate from the Company's Auditor confirming compliance is set out in annexure C and D forming part of this report. Further a declaration on the Code of Conduct is given as Annexure E.

8. CEO And CFO Certification

As required under clause 49(v) of

the listing agreement, the CEO/CFO certification on the accounts of the Company as given by Sri Pradip Kumar Todi, Managing Director and Sri Ajay Kumar Patodia, Chief Financial Officer is set out in annexure E forming part of this report.

9. Director's Responsibility Statement

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed that:

- In the preparation of the annual accounts for the year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates 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, 2013 and of the profit of the Company for the year ended on that date;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

10. Directors

In accordance with the provisions of section 256(1) of the Companies Act, 1956 and Article 115 of the Article of Association of the Company, Sri Nandanandan Mishra liable to retire by rotation at the ensuing annual general meeting and being eligible offer himself for re-appointment.

The brief resume / details relating to directors seeking re-appointment are furnished in the notice of the ensuing Annual General Meeting.

11. Auditors and Auditor's Report

The board, on the recommendation of the audit committee, has proposed that M/s Sanjay Modi & Co, Chartered Accountants, be re-appointed as Statutory Auditors of the Company. Necessary resolution is being placed before the shareholders for their re-appointment at the ensuing Annual General Meeting.

The Company has also received from the auditors confirmation to the effect that their re- appointment, if made would be in accordance with the limits as prescribed in section 224(1B) of the Companies Act, 1956.

12. Listing with the Stock Exchanges

The Company's equity shares are listed with The Calcutta Stock Exchange Association Limited and Ahmedabad Stock Exchange Limited. The annual listing fee to both the stock exchanges has been paid on time.

13. 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 all employees at all levels.

14. Particulars of Employees

The particulars of employees as required under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are not applicable, as none of employees, either employed throughout the financial year or part of the financial year, was in receipt of remuneration aggregate of such sum as prescribed under the rules amended up to date.

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

The particulars relating to conservation of energy, technology absorption and foreign exchange earning and outgo required to be disclosed under section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed here to and forms part of this report.

16. Donation

During the year under review, the Company has made donation of ₹20.86 lacs for Charitable and other purposes.

17. Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

18. Cost Audit

The company has appointed Harsh Satish Udeshi Proprietor of Udeshi & co for conducting cost audit for the financial year 2012-13 and has reappointed him for the Financial year 2013-14. The Compliance Report for the year 2011-12 was filled on January 30, 2013. The Due date for filling cost audit report for financial year 2012-13 is September 30, 2013.

19. 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 and employees. The directors acknowledge with gratitude the encouragement and support extended by the shareholders.

For and on behalf of the Board of Directors

Kolkata
May 28, 2013

Ashok Kumar Todi
Chairman

ANNEXURE A

INFORMATION UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTOR'S REPORT FOR THE YEAR ENDED MARCH 31, 2013

A. Conservation of Energy

- Energy Conservation measures taken :
The operations of your company are not energy intensive, nonetheless, the energy optimization measures continue to be pursued by the management during the year, viz, reduction of non – essential loads to save the power.
- Additional investment and proposal, if any being implemented for reduction of consumption of energy: No
- Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: The impact of measures taken under (a) are under observation.
- Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto as per Form A : Not Applicable

B. Research & Development and Technology Absorption

- Research & Development (R & D):
R & D are carried out separately by the Hosiery Research Association.
- Technology absorption, adaptation and innovation:
No import of technology was made. Company uses indigenous technology only.

C. Foreign Exchange Earnings and Outgo

- Activities relating to exports, initiatives taken to increase exports, development of new export market for products and exports plans: During the year Company has exported hosiery goods to Middle East and African countries. The Company is exploring further possibility to export goods to Europe and USA.
- Information in respect of Foreign Exchange Earning and Outgo is:

Sl. No.	Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
i)	Earning	8,019.11	8,417.22
ii)	Outgo	179.78	183.02

For on behalf of the Board of Directors

Ashok Kumar Todi
Chairman

Kolkata
May 28, 2013

ANNEXURE B

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic review

The global economy is expected to post a growth of 3.2% in 2012, marginally lower than 3.9% in 2011. United States is expected to record better growth (2.3% in 2012 against 1.8% in 2011) while the Euro area is expected to report negative growth of 0.4%. The emerging markets are also expected to be under pressure with China's growth slowing from 9.3% to 7.8% in 2012.

Growth in emerging market and developing economies is on track to build to 5.5 percent in 2013. Activity in Sub-Saharan Africa is expected to remain robust, with a rebound from flood-related output disruptions in Nigeria contributing to acceleration in overall growth in the region in 2013 [Source: World Economic Outlook, January 2013].

Indian economy

Policy paralysis, high interest rates and low export scenario slowed the Indian economy to 5% growth in 2012-13 against 6.2% 2011-13. Sporadic monsoon and drought-like situations in many parts impacted the agriculture sector. Service sector growth is expected to be around 8% compared to 11.7% in the previous fiscal, while marginal improvements in the mining and quarrying sectors are expected compared with the previous growth rate of 0.6%.

Industry overview

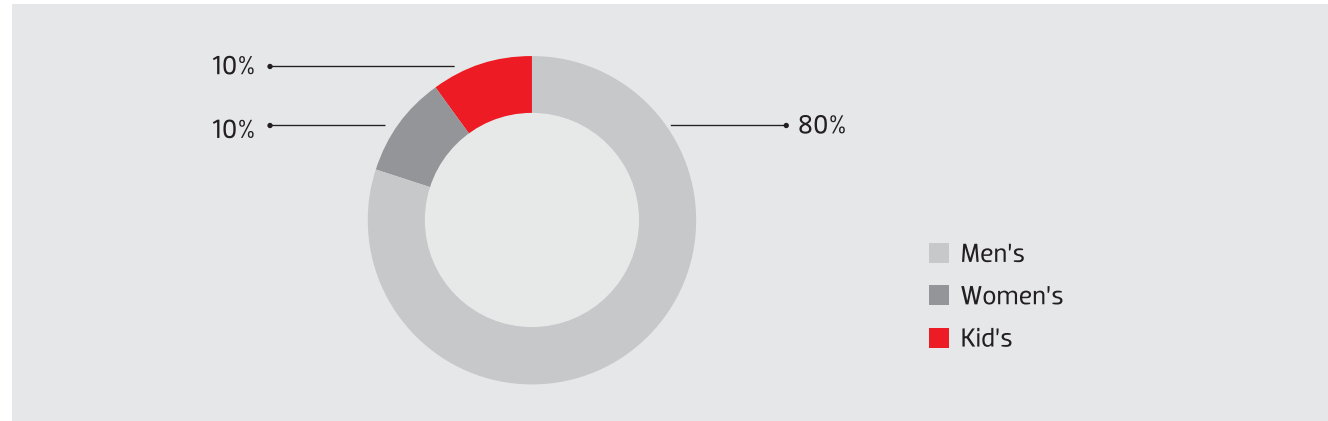
Indian textile industry contributes ~4% to India's GDP, provides direct employment of 34 million people, and accounts for 14% of industrial output. According to industry sources, Indian domestic apparel sector was valued at INR 1,850bn in 2010 and expected to grow at CAGR of 11% to

reach INR 5,300bn by 2020. Of this, the innerwear market valued at INR 143bn in 2011 is expected to grow at CAGR of 13.2% to reach INR 437bn by 2020, outpacing the growth of the overall apparel market. In volume terms, men's innerwear market constitutes 48% of the total innerwear market in India. The women lingerie segment holds a 52% share, however in value terms, the women lingerie segment enjoys 66% share.

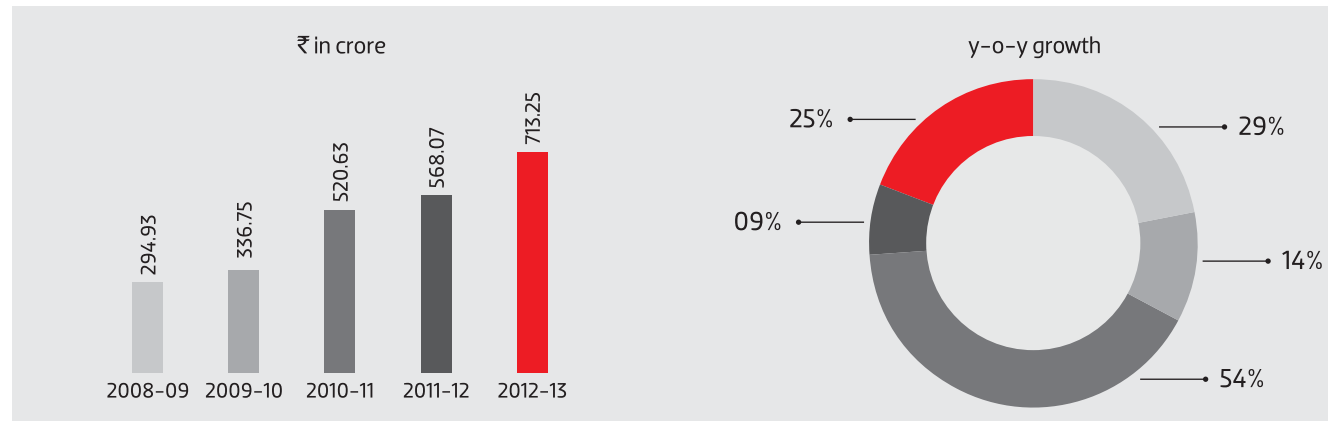
Lux Industries

The Company operates broadly under three major segments such as men's, women's and kid's innerwear. It operates in middle and premium innerwear segment for all three segment. It enjoys a strong brand recall in eastern part of the country and is a leader in the region. Apart from the same, it also has a significant market share in ther parts of the country.

Segment wise revenue share



Revenue path



Swot Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Large and diverse client base • Indispensable product • Wide product range and brands • Competitive pricing 	<p>Weakness</p> <ul style="list-style-type: none"> • Rising raw material cost • Lower exclusive brand outlets • Multiple distribution channel
<p>Opportunities</p> <ul style="list-style-type: none"> • Scalable business and high market growth • Rising income levels • Underpenetrated market • Growing urbanisation • Increasing brand conscious people 	<p>Threats</p> <ul style="list-style-type: none"> • Market growth is higher inviting large competition • Fragmented market • Multiple brands

Growth drivers

Population and demographic profile: The Indian population is expected to grow at a CAGR of 1.2% during 2010-2020. According to McKinney, 590 million people (twice the size of the US population) will be urbanised by 2030.

Rising incomes: India's dependency ratio has declined from 58% in 2005 to 55.06% in 2010 and is expected to drop to 52% by 2015. This reduction will increase the demand for premium innerwear products. (Source: US Census, Enam Research Report).

Shift in income bracket: India's middle-class household income is expected to increase from US\$ 3,400 per annum in 2010 to US\$ 8,000 per annum by 2020. The size of the upper middle-class household group is expected to grow from 58 million in 2010 to 110 million by 2020E (40% of the total national households from 24% in 2010).

Rural market: Rural India is reporting an increase in disposable incomes. According to reports, India has 42 cities with more than a million population; this is expected to rise to 68 by 2030.

Outlook

The Company's revenues have grown at -24 % CAGR between FY08-13, supported by volume realisation improvement. Also rising income levels, under penetrated market and growing urbanisation will further lead to uptrading from mass markets to premium brands. With a market share of 20 % of Brand Lux in the organised market, the Company

is perfectly poised to capitalise on the opportunity and is expected to grow on a sustainable basis.

Risk and concerns

An aggressive push by the existing branded domestic and global players could affect the Company's performance. However, considering a large portion of the market remaining untapped, there is enough room for growth. Fluctuations in raw material prices (primarily cotton) is a major area of concern, leading to lower margins.

Transparency sharing information

Transparency refers to sharing information and acting in an open manner. Processes, instructions and information are directly accessible to those concerned with them and enough information is provided to understand and monitor them. Your Company believes in total transparency in sharing information about its business operations with all its stakeholders. Your Company strives to provide maximum possible information in the Management Discussion and Analysis in the Annual Report and also through other means to keep the stakeholders informed about the business performance.

Financial review

The revenue from operations and other income of your Company for the year ended March 31, 2013 was ₹ 69,189.08 lacs (₹ 54,753.92 lacs in 2011-12). This was attributed to increase sales across more geographies and launch of new products.

Profit after tax for the year under review amounted to ₹2,034.64 lacs (₹1,414.08 lacs in 2011-12). This was on account of increased operational efficiencies and better cost management.

Internal control systems

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

Human resources

Your Company's industrial relations continued to be harmonious during the year under review. Your Company conducts regular in-house training programs for employees at all levels. The company has inbuilt systems to ensure that employees are continuously updated with the needs of changing technology. The employee strength of your Company is currently 450.

ANNEXURE C

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

Your Company's philosophy on Corporate Governance continues to be the attainment of highest levels of accountability and equity in all its actions and enhancement of value of all its stakeholders. Your Company is totally committed to good Corporate Governance by adopting best corporate practices to achieve excellence in its dealings. Apart from accepting the role of a responsible Corporate Representative, your Company recognizes the fact that good Corporate Governance is an essential pre-requisite for sustained wealth.

2. Board of Directors

a. Composition of the Board

As on March 31, 2013, The Company's Board of Directors consisted of six members. The Chairman of the Board is an Executive Promoter Director. In addition, the Board comprises of five other Directors, two of them being an Executive Directors and remaining three are Non – Executive Independent Directors. None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees across all companies in which they are Directors.

The composition of the Board of Directors, the number of other Directorship and Committee position held by the Director as a Member/ Chairman as on March 31, 2013 are as under:

Name of the Director	Category of Directorship	No. of other Directorships	No. of Committee Memberships*	
			Chairman	Member
Sri Ashok Kumar Todi	Promoter Whole-time-Director Executive Chairman	14	-	-
Sri Pradip Kumar Todi	Promoter Managing Director Executive	16	-	-
Sri Navin Kumar Todi	Non-Independent Executive	1	-	-
Sri Nandanandan Mishra	Independent Non-Executive	5	1	6
Sri Snehasish Ganguly	Independent Non-Executive	6	-	-
Sri Kamal Kishore Agrawal	Independent Non-Executive	1	-	-

* In accordance with Clause 49, Memberships / Chairmanships of only the Audit Committees and Shareholders' / Investors' Grievance Committees of all Public Limited Companies (excluding Lux Industries Limited) have been considered.

b. Board Procedure

The Board of Directors meets from time to time to transact the business in respect of which the Boards attention is considered necessary. There is a well-laid procedure to send detailed agenda papers to the Directors before such Meetings. The Directors express their views freely and seek clarifications on various items of business taken up in such 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 information as specified in Annexure 1A to Clause 49 of the Listing Agreement 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 28, 2012
Sri Ashok Kumar Todi	7	Yes
Sri Pradip Kumar Todi	7	No
Sri Navin Kumar Todi	4	No
Sri Nandanandan Mishra	5	No
Sri Snehasish Ganguly	5	Yes
Sri Kamal Kishore Agrawal	4	Yes

d. Details of Board Meeting held during the Year

Date of Board Meeting	May 14, 2012	July 09, 2012	August 13, 2012	September 28, 2012	November 10, 2012	December 24, 2012	February 11, 2013	March 11, 2013
Board Strength	6	6	6	6	6	6	6	6
No. of Directors Present	5	6	5	2	5	2	5	2

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

e. Relationship inter-se

Except Sri Ashok Kumar Todi, Sri Pradip Kumar Todi and Navin Kumar Todi, none of the directors of the Company is related to any other director of the Company.

f. Details of Shareholding of directors as on March 31, 2013

Sl. No.	Name	No. of share held
1	Sri Ashok Kumar Todi	6,56,000
2	Sri Pradip Kumar Todi	8,06,500

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

3. Audit Committee

a. Composition of Audit Committee

Your Company has an Audit Committee at the Board Level, with the powers and role that are in accordance with Clause 49 of the Listing

Agreement and Section 292A of the Companies Act, 1956. The composition of the Audit Committee as on March 31, 2013 is as follows:

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

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.

b. Attendance of each Member at the Audit Committee held during the year

During the year, five meetings of the Audit Committee were held and attendance was as under:

Name of the Committee Member	No. of Meetings	
	Held	Attended
Sri Nandanandan Mishra	5	5
Sri Snehashish Ganguly	5	5
Sri Kamal Kishore Agrawal	5	4

c. Powers of Audit Committee

- To investigate any activity within its terms of reference.
- To seek any information from any employee.
- To obtain legal or other independent professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

d. Function of Audit Committee

The key functions of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are true and accurate and provide sufficient information.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of their audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement, which forms part of the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.

- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department.
- 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.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Obtaining an update on the Risks Management Framework and the manner in which risks are being addressed.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Review the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors, if any.
- To review the functioning of the Whistle Blower mechanism and the nature of complaints received by the Ombudsman.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

4. Remuneration Committee

Your Company has a Remuneration Committee at the Board Level, to look into the matters of recommendation of remuneration of Executive Directors. The Committee met twice during the year and approves the Annual Remuneration Plan of the Company and also such other matters as the Board may from time to time request the Remuneration Committee to examined and recommend / approve. Details of the composition of the Committee as on March 31, 2013 is as follows:

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

The Committee met twice on July 09, 2012 and February 11, 2013 and all the members had attended the meeting.

Remuneration Policy

A. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees only. None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company.

B. Remuneration to Directors

The appointment of Chairman (Wholtime Director) and Managing Director is governed by resolutions passed by the Board of Directors and shareholders of the Company, which covers the terms of such appointment and remuneration. Payment of remuneration to Chairman and Managing Director is governed by the respective Agreements executed between them and the Company. Remuneration paid to Chairman and Managing Director and is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the Schedule XIII of the companies Act 1956

Presently, the Company does not have a scheme for grant of stock options or performance linked incentives for its Directors.

Details of Remuneration to all the Directors for the year ended March 31, 2013

Name of Directors	Remuneration (Salary)	Sitting Fees		Total
		Board Meetings	Audit Committee	
Sri Ashok Kumar Todi	18,75,000.00	-	-	18,75,000.00
Sri Pradip Kumar Todi	18,75,000.00	-	-	18,75,000.00
Sri Nandanandan Mishra	-	25,000.00	25,000.00	50,000.00
Sri Snehasish Ganguly	-	25,000.00	25,000.00	50,000.00
Sri Navin Kumar Todi	-	-	-	-
Sri Kamal Kishore Agrawal	-	20,000.00	20,000.00	40,000.00

5. Shareholders Grievance Committee

Your Company has a Shareholders Grievance 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 of Senior Executives.

Details of the composition of the Committee as on March 31, 2013 is as follows:

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

The Committee met once on February 11, 2013 and all members had attended the meeting.

During the year the Company has received 16 complaints which were attended to. No investors' complaint is pending as on March 31, 2013.

Sri Navin Kumar Agarwal, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges.

6. 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 2012-13.

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.

7. 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.

8. Compliance certificate of the Auditors

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed separately to this Report.

9. 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.

10. CEO / CFO Certification:

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

11. General Body Meeting

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

AGM	Date and Time	Venue	Special Resolution
15th	September 22, 2010 11.30 a.m	DSPC Auditorium Plot no. X-1,2&3, Block- EP Sector – V, Saltlake City, Kolkata – 700091.	Nil
16th	September 30, 2011 11.30 a.m	DSPC Auditorium Plot no. X-1,2&3, Block- EP Sector – V, Saltlake City, Kolkata – 700091.	Nil
17th	September 28, 2012 11.30 a.m	DSPC Auditorium Plot no. X-1,2&3, Block- EP Sector – V, Saltlake City, Kolkata – 700091.	Nil

b. Passing of Resolutions by Postal Ballot:

No resolutions were passed by postal ballot in the year under review. 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 during the financial year ended March 31, 2013.

12. Disclosures

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

Transactions with related parties as per Accounting Standard (AS-18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Note No.31.

During the year the company has applied to the regional Director, Ministry of Corporate Affairs (MCA) Eastern Region, Kolkata for having transactions with Jaytee Expotrs, wherein Sri Ashok Kumar Todi, Pradip Kumar Todi and Sri Navin Kumar Todi are partners. All Related party transactions were placed before the board for its approval / ratification.

b. Disclosure of accounting treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 211 (3)(c) of the Companies Act, 1956. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to the 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 periodic review and reporting to the Board of Directors of risk assessment by senior executives with a view to minimize risk.

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

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

f. 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

Remuneration Committee

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

Shareholders Rights

The financial are normally published in Business Standard (English) and Kalantar (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.

Training of Board Members

The Company does not have any training programme for the Board Members.

Mechanism for evaluating Non-Executive Board Members

The Company does not have any mechanism for evaluating the performance of Non-Executive Board Members.

Whistle Blower Policy

The Company does not have any Whistle Blower policy. The Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

13. Means of Communication

- a. The quarterly, half yearly and yearly results are submitted to the Stock Exchanges on which the shares of the Company are listed immediately after the Board approves the same. Quarterly & Half yearly results are not separately sent to the shareholders.
- b. The results are normally published in Business Standard (English) and Kalantar (Bengali) newspapers.
- c. Company's Website: www.luxinnerwear.com Email: investors@luxinnerwear.com
- d. No formal presentations were made to the institutional investors and analysts during the year under review.
- e. The Management Discussion and Analysis Report forms part of the Annual Report, which is posted to the shareholders of the Company.

14. General Shareholder Information:

Annual General Meeting

Date and Time	Friday, September 27, 2013 at 10.30 am
Venue	DPSC Auditorium, Plot no X – 1, 2 & 3, Block – EP Sector – V, Saltlake City Kolkata – 700091
Book closure dates	September 24, 2013 to September 27, 2013 (both days inclusive)
Proposed dividend	` 2.20 (22%) per equity share of ` 10/- each
Dividend payment date	On or after September 27, 2013 (within the statutory time limit of 30 days), subject to shareholders' approval

Financial Year	April 01 to March 31
-----------------------	----------------------

Financial calendar

First Quarterly Results	2nd week of August, 2013
Second Quarterly Results	2nd week of November, 2013
Third Quarterly Results	2nd week of February, 2014
Fourth Quarterly Results	2nd week of May, 2014
Annual General Meeting	September, 2014

Listing on Stock Exchange & Stock Code

Exchange	Code
The Calcutta Stock Exchange Association Limited (CSE)	CSE22124/0022124
Ahmedabad Stock Exchange Limited (ASE)	32985/ LUX "HOSIN"

Annual Listing fees for the year 2013-14 have been duly paid to the above Stock Exchanges.

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, 2013, 79.96% of the paid up share capital is held in dematerialised form. The Annual Custodial Charges to NSDL and CDSL has also been paid. The ISIN Number allotted to Company's Shares is INE150G01012.

Shares held in demat and physical mode as at March 31, 2013

Category	Number of		% to total equity
	Shareholders	Shares	
A. Demat mode			
No. of Shares held by NSDL	796	18,14,613	35.93
No. of Shares held by CDSL	299	22,23,844	44.03
Total	1,095	40,38,457	79.96
Physical mode	119	10,12,143	20.04
Grand total	1,214	50,50,600	100.00

Unclaimed Dividend

Section 205A of the Companies Act, 1956, mandates that companies 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
2005-2006	final	1.50	September 27, 2006	November 04, 2013
2006-2007	final	2.00	September 25, 2007	November 02, 2014
2007-2008	final	2.20	September 27, 2008	November 04, 2015
2008-2009	final	1.80	September 30, 2009	November 07, 2016
2009-2010	final	2.00	September 22, 2010	October 29, 2017
2010-2011	final	2.20	September 30, 2011	November 07, 2018
2011-2012	final	2.20	September 28, 2012	November 05, 2019
2012-2013	final	2.20	September 27, 2013	November 04, 2020

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.

Stock Price data

There was no transaction of the Equity Shares of the Company at the Calcutta Stock Exchange and Ahmedabad Stock Exchange during the year ended March 31, 2013.

Registrar and share Transfer Agents

Karvy Computershare Private Limited
 "Karvy House" 48, Avenue 4,
 Street No. 1, Banjara Hills, Hyderabad – 500 034

Local address

Karvy Computershare Private Limited
 49, Jatin Das Road, Kolkata-700029.

Secretarial Audit

A qualified Practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial Audit Report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical forms and the total number of dematerialization shares held with NSDL and CDSL.

National – Electronic Clearing Service (NECS) Facility

As per RBI notification, with effect from October 01, 2009 the remittance of dividend through Electronic Credit Service (ECS) is replaced by National Electronic Clearing Service (NECS). Shareholders were requested by the Company vide Circular dated March 5, 2010 to intimate their Folio No(s), Name and Branch of the Bank in which they wish to receive the dividend, the bank account type, Bank Account Number allotted by their banks after implementation of Core Banking Solutions (CBS) and the 9 digit MICR Code Number.

Shareholders who have already intimated the above information to the Depository Participants (DPs) / Registrars of the Company ("Registrars") pursuant to the above Circular need not take any further action in this regard.

Shareholders who have not intimated the DPs / Registrars are once again requested to intimate the above information in respect of shares held in electronic form to the DPs and in respect of shares held in physical form, to the Registrars at their address.

Those Shareholders who do not wish to avail of the NECS facility, are requested to furnish to the DPs / registrars, the Name and branch of the Bank and the Bank Account Number allotted by their banks after implementation of Core Banking Solutions, which will be printed on the warrants.

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their email addresses, so far are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their email address with

Karvy Computershare Private Limited at lux.cs@karvy.com.

Share Transfer System

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

Distribution of Shareholding as on March 31, 2013

Range of Shares held	No. of Shareholders	%	No. of Shares	%
1 – 5,000	953	78.50	1,53,157	3.03
5,001 – 10,000	172	14.17	1,46,768	2.91
10,001 – 20,000	38	3.13	58,488	1.16
20,001 – 30,000	12	0.99	32,400	0.64
30,001 – 40,000	3	0.25	11,000	0.22
40,001 – 50,000	4	0.33	17,800	0.35
50,001 – 1,00,000	7	0.58	43,300	0.86
1,00,001 and above	25	2.06	45,87,687	90.83
Total	1,214	100.00	50,50,600	100.00

Shareholding pattern as at March 31, 2013

Category	Number of		% to total equity
	Shareholders	Shares	
A. Promoters			
- Indian Promoters	6	36,23,000	71.73
B. Non-Promoters			
- Corporate Bodies	23	6,66,630	13.20
- Indian Public	1,185	7,60,970	15.07
Total	1,214	50,50,600	100.00

Location of Plant

- S. F. 473/1B1, Avinashi Lingam Palayam, Palangarai Village, Avinashi (T.K.), Coimbatore – 641 654
- F189 Saalpata Bagan, Kolkata – 700 109
- Sankrail Industrial Park, Jalan Complex, Kendwa, Howrah (W.B.)

Address for Correspondence

- Karvy Computershare Pvt. Limited, "Karvy House", 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad- 500 034
E-Mail: mailmanager@karvy.com
- Secretarial Department
Lux Industries Limited,
39, Kali Krishna Tagore Street, Kolkata- 700 007
E-mail: investors@luxinnerwear.com

ANNEXURE D

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Lux Industries Limited

- a. We have examined the compliance of conditions of Corporate Governance by Lux Industries Limited, for the year ended on March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.
- b. The Compliance of conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
- c. 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 Agreement.
- d. We state that no investor's grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.
- e. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Modi & Company**
Chartered Accountants
Firm Reg No. 322295E

CA **Prodyat Chaudhuri**
Partner
Membership No. 065401

Kolkata
May 28, 2013

ANNEXURE E

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

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

1. We have reviewed the Balance Sheet of the Company as at March 31, 2013 and Profit and Loss Account for the year ending on such date together with all its schedule and notes on Accounts, as well as the Cash Flow Statement.
2. To the best of our knowledge and information:
 - a. these statements do not contain any materially untrue statement or omit to state a material fact or contains 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.
3. We also certify that based on our knowledge and information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal or violate the Company's code of conduct.
4. 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.
5. We and the Company's other Certifying Officers have disclosed, based on our most recent evaluation, whichever applicable, to the Company's auditors and through them to the Audit Committee of the company, the following:
 - a. all significant deficiencies in the design or operation of internal controls, which we are aware of and have taken steps to rectify these deficiencies;
 - b. significant changes in internal control during the year;
 - c. any fraud, which we have become aware of and that involves the management or other employees who have a significant role in the Company's internal control systems;
 - d. significant changes in accounting policies during the year.

We further declare that all members of the Board and Committees and all employees working at the level of Executive and above have affirmed compliance with the code of conduct of the company for the current year.

Kolkata
May 28, 2013

Pradip Kumar Todi
Managing Director

Ajay Kumar Patodia
CFO



INDEPENDENT AUDITORS' REPORT

To the Members of
Lux Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of LUX Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss' and the Cash Flow Statement dealt with the Accounting Standards referred to in Section 211(3C) of the Act;

- d. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Sanjay Modi & Company**
Chartered Accountants
Firm Reg No. 322295E

CA Prodyat Chaudhuri
Partner
Kolkata
Date: May 28, 2013
Membership No. 065401



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- b. According to information and explanations given to us all the Fixed Assets have been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable having regard to the size of the company and nature of the assets. As informed to us, no material discrepancies were noticed on such verification.
- c. The Fixed Assets disposed off during the year, in our opinion, do not constitute a substantial part of the Fixed Assets of the Company and such disposal has, in our opinion, not affected the going concern status of the company.
2. a. The Inventory of the Company has been physically verified by the Management during the year except material lying with third parties (which have substantially been confirmed by such third parties as at the yearend). In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable.
- b. In our opinion and according to the explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the Company.
3. a. As informed to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to parties listed in the register maintained under Section 301 of the Companies Act, 1956, paragraphs 3(b), (c) and (d) of the Order, are not applicable.
- b. The company had taken unsecured loan from six parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ` 90,94,80,013.00/- (P.Y. 70,19,95,662.63/-) and the year-end balance of loans taken from such parties was ` 35,82,76,905.00 /- (P.Y. ` 42,21,64,637.63/-)
- c. In our opinion and according to the information & explanation given to us, the rate of interest and other terms and conditions on which such loans have been taken from companies, firm or other parties listed in the register maintained under Section 301 of Companies Act, 1956 are prima facie not prejudicial to the interest of the Company.
- d. In respect to loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchases of inventories, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal controls in respect of these areas.
5. a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts/arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ` 5,00,000/- in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.
6. In our opinion and according to the information and explanations given to us the company has not accepted any deposits from the public as defined under Sec. 58A and 58AA and any other relevant provisions of the Act and Rules made there under.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.
8. According to the information and explanation given to us, the Central government has prescribed maintenance of cost records under section 209(1) (d) of the companies act, 1956 for the period beginning from April 01, 2011. Accordingly We have broadly reviewed the accounts and records of the

company in this connection and are of the opinion that prima facie the prescribed records and accounts have been made and maintained. We have not, however, made a detailed examination of the records.

9. a. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, sales tax, customs duty, excise duty, cess and other material statutory dues applicable to it though there has been slight delay in deposit of these statutory dues in some cases.

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, sales tax, customs duty, excise duty, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c. According to the records of the Company, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty or cess which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu Sales Tax Act, 1959	Penalty	1,22,95,937	2004-05	Assistant Commissioner of Commercial Taxes, Pollachi
Westbengal Sales Tax Act	Penalty	30,83,684	2003-04	High Court, Kolkata
Westbengal Sales Tax Act	Penalty	1,917,202	2004-05	High Court, Kolkata

10. The Company does not have accumulated losses as at March 31, 2013 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding the financial year.
11. Based on our audit procedures and as per the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, bank or debenture holders as at the balance sheet date.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute as specified under paragraph (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, in our opinion no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
19. As the company has no debenture outstanding at any time during the year, paragraph (xix) of the order is not applicable to the company.
20. The Company has not raised any money by public issue during the year.
21. On the basis of the information and explanation given to us, no fraud on or by the company were noticed or reported during the year.

For **Sanjay Modi & Company**
Chartered Accountants
Firm Reg No. 322295E

CA Prodyat Chaudhuri
Partner
Kolkata
Date: May 28, 2013
Membership No. 065401



Balance Sheet as at March 31, 2013

Particulars	Note	(₹ in Lacs)	
		As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	529.98	529.98
Reserves and Surplus	3	5,589.55	3,684.90
		6,119.53	4,214.88
Non-Current Liabilities			
Long-Term Borrowings	4	4,189.82	4,410.78
Long-Term Provisions	5	62.04	49.84
		4,251.86	4,460.62
Current Liabilities			
Short-Term Borrowings	6	14,237.45	8,699.88
Trade Payables	7	12,131.51	8,354.68
Other Current Liabilities	8	1,197.90	831.06
Short-Term Provisions	9	135.28	341.76
		27,702.14	18,227.38
TOTAL		38,073.52	26,902.88
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	2,678.31	2,006.89
Intangible Assets	10	21.17	31.69
Capital Work-in-Progress- Tangible Assets	10	1,758.74	-
Non-Current Investments	11	24.81	24.81
Deferred Tax Assets (Net)	12	73.65	61.54
Long-Term Loans and Advances	13	501.56	243.53
Other Non-Current Assets	14	66.50	55.91
		5,124.72	2,424.37
Current Assets			
Inventories	15	19,305.55	9,992.61
Trade Receivables	16	11,818.03	8,407.67
Cash and Bank Balance	17	445.74	3,472.47
Short-Term Loans and Advances	18	1,379.48	2,605.76
		32,948.80	24,478.51
TOTAL		38,073.52	26,902.88
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements
In terms of our report of even date

For Sanjay Modi & Company
Chartered Accountants
Firm Reg No. 322295E

CA Prodyat Chaudhuri
Partner
Membership No. 065401

Place : Kolkata
Date : May 28, 2013

Ashok Kumar Todi
Chairman

Ajay Kumar Patodia
Chief Financial Officer

For and on behalf of the Board

Pradip Kumar Todi
Managing Director

Navin Kumar Agarwal
Company Secretary



Statement of Profit and Loss for the year ended March 31, 2013

Particulars	Note	(₹ in Lacs)	
		For the year ended March 31, 2013	For the year ended March 31, 2012
INCOME			
Revenue from Operations (Gross)	19	71,325.74	56,802.26
Less: Excise Duty		2,145.14	2,053.56
Revenue from Operations (Net)		69,180.60	54,748.70
Other Income	20	8.47	5.22
TOTAL		69,189.08	54,753.92
EXPENSES			
Cost of Materials Consumed	21	44,459.33	34,010.55
Purchase of Stock-in-Trade	22	1,676.87	1,056.66
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	(8,221.38)	(1,571.84)
Employee Benefits Expense	24	711.02	458.96
Finance Costs	25	1,066.98	825.88
Depreciation & Amortization Expense	26	445.47	388.03
Other Expenses	27	26,079.25	17,526.38
TOTAL		66,217.54	52,694.61
PROFIT BEFORE TAX		2,971.54	2,059.32
Tax Expense:			
Current Tax		949.00	688.00
Deferred Tax		(12.10)	(42.77)
PROFIT FOR THE YEAR		2,034.64	1,414.08
Earnings per share (Nominal value ` 10/- each (P.Y. ` 10/-):	28		
Basic		40.28	28.00
Diluted		40.28	28.00
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements
In terms of our report of even date

For Sanjay Modi & Company
Chartered Accountants
Firm Reg No. 322295E

CA Prodyat Chaudhuri
Partner
Membership No. 065401

Place : Kolkata
Date : May 28, 2013

Ashok Kumar Todi
Chairman

Ajay Kumar Patodia
Chief Financial Officer

For and on behalf of the Board

Pradip Kumar Todi
Managing Director

Navin Kumar Agarwal
Company Secretary



Cash Flow Statement for the year ended March 31, 2013

Cash Flow Statement for the year ended March 31, 2013 (Contd.)

(₹ in Lacs)

	For the year ended March 31, 2013	For the year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	2,971.54	2,059.32
Adjustment for :		
Depreciation & Amortisation	445.47	388.03
Interest income	(7.74)	(5.02)
Dividend income	(0.02)	(0.20)
Loss (gain) on sale of fixed assets	(0.60)	0.20
Interest payment	1,066.98	759.74
Provision for Doubtful Debts	66.98	24.99
Provision of diminution in the Value of Investment	(2.46)	2.95
Provision of gratuity	17.26	8.45
Operating profit before working capital changes	4,557.41	3,238.46
Adjustment for :		
Trade and other receivables (increase)/Decrease	(3,483.93)	291.74
Inventories (increase)	(9,312.94)	(922.87)
Loan advances & other current assets (increase)	1,232.94	(987.53)
Current liabilities (decrease)	4,143.67	678.50
Cash generated from operations	(2,862.91)	2,298.30
Tax paid (Net)	(1,158.35)	(687.57)
Net cash from operating activities	(4,021.26)	1,610.73
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (Including capital work in progress)	(2,867.35)	(310.36)
Sale proceeds of fixed assets	2.85	2.02
Decrease/(Increase) in term deposit	(11.20)	0.04
Decrease/(Increase) in inter corporate Investment	(258.03)	0.00
Interest received	7.74	8.92
Dividend received	0.02	0.20
Net cash used in investing activities	(3,125.97)	(299.18)

(₹ in Lacs)

	For the year ended March 31, 2013	For the year ended March 31, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings (a) Short Term	5,537.57	(1,704.25)
(b) Long Term	(220.96)	1,761.64
Interest paid	(1,066.98)	(759.74)
Dividend paid	(111.11)	(111.11)
Dividend tax paid	(18.03)	(18.45)
Net cash from used in financing activities	4,120.49	(831.91)
Net increase in cash and cash equivalents	(3,026.74)	479.64
Cash and cash equivalents at beginning of the year	3,472.48	2,992.84
Cash and cash equivalents at end of the year	445.74	3,472.48
Notes to the Cash Flow Statement		
1. This statement is prepared under indirect method as prescribed by AS-3. on cash flow statements		
2. Cash and cash equivalents comprise		
Cash in Hand	32.33	62.09
Balance with Bank on current Accounts	400.55	3,406.86
Other Bank Balance on Undpaid Deposit Account	12.86	3.53
	445.74	3,472.48

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

In terms of our report of even date

For Sanjay Modi & Company

Chartered Accountants

Firm Reg No. 322295E

CA Prodyat Chaudhuri

Partner

Membership No. 065401

Place : Kolkata

Date : May 28, 2013

For and on behalf of the Board

Ashok Kumar Todi

Chairman

Ajay Kumar Patodia

Chief Financial Officer

Pradip Kumar Todi

Managing Director

Navin Kumar Agarwal

Company Secretary



1. SIGNIFICANT ACCOUNTING POLICIES:

a. Nature of Operation

Lux Industries Limited (the "Company") is engaged in the business of manufacturing & sale of knitwear's. The Manufacturing units of the company are located in Kolkata (West Bengal) and Tirupur, in the state of Tamilnadu. The Company is a public Limited company and its share is listed on the Kolkata and Ahmedabad stock Exchanges in India.

b. Basis of Preparation of Accounts

The financial statements have been prepared to comply in all material aspects with the notified accounting standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956, along with the pronouncement /guidelines of the Institute of Chartered Accountants of India and of the Securities and Exchange Board of India. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company with those used in the previous year.

All assets and liabilities have been classified as current or non current as per the operating cycle criteria set out in the revised schedule VI to the Companies Act, 1956.

c. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosure of Contingent Liabilities on the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting year. Although these estimates are based on the management's best knowledge, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

d. Revenue Recognition

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

- a. **Sale of Goods:** Sales are recognized when goods are supplied and are net of Sales Return.
- b. **Revenue from Services:** Revenue from services is recognized as the service is performed based on

agreements/arrangements with the concerned parties.

- c. **Interest:** Interests on Investments are recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d. **Dividends:** Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.
- e. **Export Benefits:** Export Entitlements in the form of Duty Drawback are recognized in the Profit and Loss account when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.
Exports benefits under DEPB/Focus Licence Scheme are recognized in the year of export itself provided there are no uncertainty as to the amount of duty entitlement. Such export benefits are booked separately as revenue by creating a claim against it on the assets side.

e. Accounting of Claims

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

f. Expenditure

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

g. Government Grant

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

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

h. Fixed Assets

- a. **Tangible Assets:** Tangible Assets are stated at their original cost less accumulated depreciation and impairment

losses, if any. Cost comprises the purchase price (net of modvat) and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to the acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

- b. **Intangible Assets:** Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly. The Intangible assets include Computer Software and Web Site Development cost. 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
Website Development cost:	33.33

- c. **Depreciation:** Depreciation on fixed assets is provided on Written down Value method (pro-rata on addition and disposed off during the period) at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Individual Assets costing below ` 5,000 are fully depreciated in the year of acquisition.

i. Investments

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

j. Valuation of Inventories

Raw materials including packing materials are carried at the lower of cost and net realizable value. Cost is determined on FIFO Basis. Work in progress is carried at the lower of cost and

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

k. Employee Benefits

- a. Defined Contribution Schemes such as provident fund, pension and employee's state insurance is charged to the Profit & Loss Accounts of the year when the contribution to the respective funds are due.
- b. Defined Benefit Plan – the cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance sheet date. Actuarial gain or losses are recognized in full in the statement of profit and loss for the period in which they occur.
- c. Short Term benefit are recognized in the Profit & Loss A/c relating to the year in which the employee has rendered services.
- d. Liability on account of other long term employees benefit are accounted for as and when such Liability arises as per the relevant legislation in force in India.

l. Taxes on Income

Tax expense comprises current and deferred Tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred taxes is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

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

Advance Taxes and Provisions for current taxes are presented in the Balance sheet after offsetting advance taxes paid and income tax provisions arising in the same tax jurisdiction and



where the company is able to and intends to settle the assets and liability on a net basis.

m. Provision, Contingent Liabilities And Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed by way of notes on accounts. Contingent Assets are neither recognized nor disclosed in the financial statements. 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.

n. Borrowing Cost

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

o. Foreign Currency Transaction

a. **Initial Recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b. **Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non – monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c. **Exchange Differences:** Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non – integral operations.

d. **Forward Exchange:** Contracts (Derivative Instruments) not intended for trading or speculation purpose: The

Company uses derivative financial instruments including forward exchange contracts to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange difference on such contracts is recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expenses for the year.

p. Segment Reporting Policies

Identification of Segments:

Primary Segment

Business Segment: The Company's operating operation comprises of only one primary segment viz. manufacturing and sale of knitwear's.

Secondary Segment

Geographical Segment: The analysis of geographical segment is based on the geographical location of the customers.

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

q. Earnings per Share (Basic & Diluted)

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r. Impairment of assets

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

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

s. Cash Flow Statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of a non-

cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, Financing and investing activities of the Company are segregated. Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

2. SHARE CAPITAL

a. Authorised, issued, Subscribed and Paid up Share Capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Numbers	(₹ in Lacs)	Numbers	(₹ in Lacs)
Authorised				
Equity Shares of ` 10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Issued and Subscribed				
Equity Shares of ` 10/- each	55,47,500	554.75	55,47,500	554.75
Paid up				
Equity Shares of ` 10/- each fully paid up	50,50,600	505.06	50,50,600	505.06
Add : Forfeited Shares	4,96,900	24.92	4,96,900	24.92
Total		529.98		529.98

b. Reconciliation of number of shares outstanding

Equity Shares at the beginning of the year	50,50,600	529.98	50,50,600	529.98
Equity Shares at the closing of the year	50,50,600	529.98	50,50,600	529.98

The Company has only one class of equity shares with a par value of ` 10/- 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 Annual 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.

c. Shareholders holding more than 5% shares of the company

Name of the shareholder	As at March 31, 2013		As at March 31, 2012	
	Numbers	%	Numbers	%
Prabha Devi Todi	10,03,000	19.86	10,03,000	19.86
Pradip Kumar Todi	8,06,500	15.97	7,31,000	14.47
Ashok Kumar Todi	6,56,000	12.99	6,56,000	12.99
Shakuntala Devi Todi	-	-	6,50,500	12.88
Bimla Devi Todi	6,51,000	12.89	-	-
Shobha Devi Todi	5,00,500	9.91	5,00,500	9.91



Notes to Financial Statements for the year ended March 31, 2013 (Contd.)

(₹ in Lacs)

	As at March 31, 2013	As at March 31, 2012
3. RESERVES AND SURPLUS		
Securities Premium Account		
Balance at the beginning of the year	653.58	653.58
Balance at the end of the year	653.58	653.58
General Reserve		
Balance at the beginning of the year	404.28	266.28
Add: Transferred from surplus in the statement of Profit & Loss	204.00	138.00
Balance at the end of the year	608.28	404.28
Total	1,261.86	1,057.86
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	2,627.05	1,480.10
Add: Profit for the year	2,034.64	1,414.09
	4,661.69	2,894.19
Less: Appropriations		
Transfer to General Reserve	204.00	138.00
Proposed Dividend	111.11	111.11
Tax on Proposed Dividend	18.88	18.03
Surplus carried to Balance Sheet	4,327.69	2,627.05
Total	5,589.55	3,684.90
4. LONG TERM BORROWINGS		
SECURED LOANS		
Term loans from banks	88.70	189.14
	88.70	189.14
UNSECURED LOANS FROM RELATED PARTIES		
From Body Corporates	3,317.93	3,303.18
From Directors	783.18	918.46
	4,101.11	4,221.64
Total	4,189.82	4,410.78

a. Repayment terms and nature of securities given for term loan as follows :

Bank	Mar 31, 13	Mar 31, 12	Nature of Security	Repayment Terms
Allahabad Bank	75.08	134.53	Exclusive Hypothecation charge over the machineries / equipment acquired out of the facility and charge over entire stock, book debts and other current assets of the Company, both present and future. It is additionally secured by personal guarantee of the directors	Repayable in twenty equal quarterly instalment of ` 11.75 lacs each commenced from June 2010 quarter (as existing). Interest @ BR+2.75% is serviced on monthly basis, as and when due.
Allahabad Bank	93.01	134.00	Exclusive Hypothecation charge over the machineries/ equipment valuing ` 2.16 Crore in aggregate acquired out of the facility and charge over entire stock, book debts and other current assets of the Company, both present and future. It is additionally secured by personal guarantee of the directors	Repayable in twenty equal quarterly installment of ` 8.10 lacs each commenced from Feb'2012 quarter (as existing). Interest @ BR+2.5% is serviced on monthly basis, as and when due.

Notes to Financial Statements for the year ended March 31, 2013 (Contd.)

(₹ in Lacs)

b. The Company has received unsecured loan from directors of the Company to fulfill the requirement of the stipulation imposed by the Company's Banker for sanction of working loan facilities. The loan is not covered in the definition of deposit as per sub rule (b) (xi) of rule 2 of the Companies (Acceptance of Deposits) Rules, 1975. The Loan from directors are takes at nil rate of interest.

	As at March 31, 2013	As at March 31, 2012
5. LONG TERM PROVISIONS		
Provision for Employee benefits	57.22	42.56
Provision for dimunition in the value of investment	4.82	7.28
Total	62.04	49.84

6. SHORT TERM BORROWINGS

	As at March 31, 2013	As at March 31, 2012
SECURED		
Loan from Banks		
Cash Credit facilities	14,237.45	8,699.88
Total	14,237.45	8,699.88

a. Cash Credit loan is secured against hypothecation of entire stocks, book debts and other current assets, both present and future of Company. The Cash Credit loan are repayable on demand. It is additionally secured by personal guarantee of the directors.

7. TRADE PAYABLES

	As at March 31, 2013	As at March 31, 2012
Due to Micro & Small & Medium Enterprises	23.64	101.16
Others	12,107.87	8,253.51
Total	12,131.51	8,354.67

	As at March 31, 2013	As at March 31, 2012
8. OTHER CURRENT LIABILITIES		
Current maturity of long term debt	79.40	79.40
Unclaimed Dividend	12.51	3.03
Statutory dues	368.45	246.27
Advance from customers	269.72	200.65
Deposits from Dealers, Agents etc.	414.14	276.03
Other payables	53.67	25.69
Total	1,197.90	831.07
Other Payables comprises of:		
Electric Charges	11.07	4.07
Travelling Expenses	12.64	6.84
Telephone Expenses	1.78	1.34
9. SHORT TERM PROVISIONS		
Provision for employee benefit	5.28	2.72
Proposed Dividend on equity shares	111.11	111.11
Tax on Proposed Dividend	18.88	18.46
Other Provisions	-	209.47
Total	135.28	341.76

a. Other Provision of ` Nil (P.Y ` 209.47 Lacs) denoted excise duty payable on clearance of goods lying in stock as on March 31, 2012.



(₹ in Lacs)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	AS at 01.04.2012	Addition for the year	Deduction for the year	As at 31.03.2013	AS at 01.04.2012	Addition for the year	Deduction for the year	As at 31.03.2013	As at 31.03.2012
Tangible Assets									
Land	708.36	0.00	0.00	708.36	0.00	0.00	0.00	708.36	708.36
Building	331.61	1.83	0.00	333.45	120.74	20.92	0.00	191.79	210.87
Plant & Equipments	1,679.39	852.60	0.49	2,531.51	795.05	357.15	0.28	1,379.59	884.33
Office Equipments	49.09	5.22	0.00	54.31	12.78	5.30	0.00	36.23	36.32
Furniture & Fixtures	184.32	44.84	0.00	229.16	56.18	27.63	0.00	145.35	128.14
Vehicles	97.08	199.92	12.78	284.22	58.22	19.76	10.74	216.98	38.86
Capital Work in Progress	3,049.85	1,104.42	13.27	4,141.00	1,042.97	430.76	11.03	1,462.70	2,006.87
Sub Total (A)	3,049.85	1,104.42	13.27	4,141.00	1,042.97	430.76	11.03	1,462.70	2,006.87
Intangible Assets									
Computer Software	94.73	4.20	0.00	98.93	66.91	12.85	0.00	79.76	27.82
Website Development	5.58	0.00	0.00	5.58	1.71	1.86	0.00	3.57	3.86
Sub Total (B)	100.31	4.20	0.00	104.51	68.62	14.71	0.00	83.33	31.69
Total (A+B)	3,150.16	1,108.61	13.27	4,245.51	1,111.59	445.47	11.03	1,546.03	2,038.56
Previous Year	2,832.60	373.11	55.55	3,150.16	743.87	388.03	20.30	1,111.60	2,038.56

Notes

Computer Software amortised on Straight line method over the estimated useful life of 30 months
Website Development amortised on Straight line method over the estimated useful life of 36 months

11. NON-CURRENT INVESTMENTS

Investment in equity instruments

	No. of Shares		No. of Shares	
Long term & Trade Investments				
Quoted Equity Share of ` 10- each fully paid up (Valued at Cost)				
Pacific Cotspin Ltd	49,120	4.40	49,120	4.40
Viranchi Technology Limited	4,000	1.69	4,000	1.69
Vardhman Textiles	4,000	10.27	4,000	10.27
Other Investment		16.36		16.36
Unquoted Equity Share of ` 10- each fully paid up (Valued at Cost)				
Todi Hosiery Limited (Associate)	84,000	8.40	84,000	8.40
West Bengal Hosiery Park Infrastructure	500	0.05	500	0.05
		8.45		8.45
Total		24.81		24.81
Aggregate Amount of Unquoted Investment		8.45		8.45
Aggregate Amount of Quoted Investment		16.36		16.36
Aggregate Market Value of Quoted Investment		11.54		9.08
Aggregate provision for dimunition in the value of investment		4.82		7.28

(₹ in Lacs)

	As at March 31, 2013	As at March 31, 2012
12. DEFERRED TAX ASSETS (NET)		
Deferred tax Assets		
Tax impact of timing differences leading to deferred tax assets		
Provision for doubtful debts/advances	42.04	20.31
Provision for Employee benefits	18.57	14.69
Difference between book value of depreciable assets as per books of account and written down value for tax purpose	13.05	26.55
Total deferred tax assets	73.65	61.55
Difference between book value of depreciable assets as per books of account and written down value for tax purpose	-	-
Net deferred tax assets/ (liabilities)	73.65	61.55
13. LONG TERM LOANS & ADVANCES		
Unsecured Considered Good		
Security Deposits	201.56	72.53
Capital advances	300.00	171.00
Total	501.56	243.53
14. OTHER NON - CURRENT ASSETS		
Bank deposit with more than 12 months maturity	60.85	50.87
Non Current Portion of Prepaid Expenses	1.22	-
Interest accrued on deposits.	4.42	5.04
Total	66.50	55.91



Notes to Financial Statements for the year ended March 31, 2013 (Contd.)

(₹ in Lacs)

	As at March 31, 2013	As at March 31, 2012
15. INVENTORIES		
(at lower of Cost and net realisable value)		
Raw Materials	1,993.44	1,345.79
Work-in-progress	7,743.38	3,396.36
Finished goods (Manufactured)	8,699.80	4,902.02
Stock-in-trade (Goods purchased for resale)	118.80	42.23
Packing materials	750.12	306.21
Total	19,305.55	9,992.61
16. TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	261.22	231.97
Unsecured, considered doubtful	123.32	99.38
Less: Provision for doubtful debts	123.32	49.69
Total	261.22	281.66
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	11,556.81	8,126.01
Total	11,818.03	8,407.67
17. CASH AND BANK BALANCES		
Cash And Cash Equivalents		
Balances with banks:		
On current account	400.55	3,406.86
Cash on hand	32.33	62.09
Other bank balances		
Unpaid Dividend	12.87	3.53
Total	445.74	3,472.48
18. SHORT TERM LOANS AND ADVANCES		
Unsecured considered good unless otherwise stated		
Advances recoverable in cash or kind or value to be received		
Considered good	1,379.48	2,592.87
Unsecured, considered doubtful	6.24	25.79
Less: Provision for doubtful advances	6.24	12.89
Total	1,379.48	2,605.77

Notes to Financial Statements for the year ended March 31, 2013 (Contd.)

(₹ in Lacs)

	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Amount	Amount	Amount	Amount
19. REVENUE FROM OPERATION				
Sale Of Products				
i. Manufactured Goods		69,174.39		55,149.25
ii. Stock-in-trade		1,325.55		853.22
Sale of Services				
Job Work		5.10		6.20
Other Operating Revenue				
i. Assist Under WBIP Scheme	97.69		74.30	
ii. Export Incentive	696.82		682.54	
iii. Incentive received on yarn purchase	23.75		29.30	
iv. Others	2.44	820.70	7.45	793.59
Total		71,325.74		56,802.26
a. Other operating revenue includes liability no longer required written off.				
20. OTHER INCOME				
Interest Income				
i. From Fixed Deposit	5.07		5.02	
ii. Int on Advance/Delayed Payments	2.67	7.74	-	5.02
Dividend Income				
From Long Term Trade Investment		0.02		0.20
Other Non Operating Income				
Profit on Sale of Vehicle		0.71		-
Total		8.47		5.22
21. COST OF MATERIAL CONSUMED				
Yarn Consumed				
Opening Stock	1,345.79		2,159.71	
Add: Purchases during the year	22,640.19		16,701.29	
	23,985.98		18,861.00	
Less: Closing Stock	1,993.44	21,992.53	1,345.79	17,515.21
Packing Materials Consumed				
Opening Stock	306.22		141.28	
Add: Purchases during the year	8,673.19		5,757.12	
	8,979.41		5,898.40	
Less: Closing Stock	750.12	8,229.29	306.22	5,592.18
Consumption of Fabrics		14,237.50		10,855.18
Consumption of Steaching Thread		-		47.98
Total		44,459.33		34,010.55



Notes to Financial Statements for the year ended March 31, 2013 (Contd.)

(₹ in Lacs)

	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Amount	Amount	Amount	Amount
22. PURCHASE OF STOCK IN TRADE (KNITWEAR)		1,676.87		1,056.66
Total		1,676.87		1,056.66
23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE				
Finished Goods				
Opening Stock	4,902.02		3,426.94	
Closing Stock	8,699.80	(3,797.78)	4,902.02	(1,475.08)
Work-in-progress				
Opening Stock	3,396.36		3,334.15	
Closing Stock	7,743.38	(4,347.02)	3,396.36	(62.21)
Stock in trade				
Opening Stock	42.23		7.68	
Closing Stock	118.80	(76.57)	42.23	(34.55)
Total		(8,221.37)		(1,571.84)
24. EMPLOYEE BENEFIT EXPENSE				
Salaries & Wages & Bonus	624.65		398.62	
Provision for Employment benefit	17.82	642.47	9.96	408.58
Contribution to Provident & Other Funds		30.44		20.17
Staff Welfare Expenses		38.11		30.21
Total		711.02		458.96
25. FINANCE COST				
Interest Expense		973.43		759.74
Bank Charges		93.55		66.14
Total		1,066.98		825.88
26. DEPRECIATION & AMORTIZATION EXPENSE				
Depreciation on Tangible Assets		430.76		364.52
Amortization on Intangible Assets		14.71		23.50
Total		445.47		388.02

Notes to Financial Statements for the year ended March 31, 2013 (Contd.)

(₹ in Lacs)

	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Amount	Amount	Amount	Amount
27. OTHER EXPENSES				
Consumption Of stores & spare parts		75.10		60.96
Excise Duty on Closing Stock of Finished Goods		-		209.47
Power & Fuel		18.97		24.14
Rent		188.53		76.90
Repairs to buildings		53.91		34.60
Repairs to machinery		7.75		13.66
Repairs to other		17.97		10.31
Insurance		14.27		15.62
Rates & Taxes		143.22		64.70
Selling Expenses		4,738.02		2,351.64
Royalty		5.00		5.00
Advertisement & Publicity		4,096.97		3,058.65
Commission		581.85		603.23
Freight & Other Handling Charges		1,067.93		801.70
Processing expense		14,207.66		9,266.87
Prior Period Items		(6.75)		(45.05)
Loss on Sale of Vehicle (net)		0.11		0.20
Foreign currency translation loss (net)		(81.68)		358.99
Miscellaneous Expenses		881.93		584.34
Payment to auditors (Refer note 32)				
As Auditors		3.93		2.50
Provision for dimunition in the Market value of Investment		(2.46)		2.95
Provision for Doubtful Debs/Advance		66.98		24.99
Total		26,079.25		17,526.37

28. EARNING PER SHARE COMPUTED IN ACCORDANCE WITH AS 20: "EARNING PER SHARE"

Sl.No	Particulars	As At 31.03.2013	As At 31.03.2012
1.	Profit for the year	2,034.64	1,414.08
2.	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS.	50.51	50.51
3.	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	50.51	50.51
4.	Nominal Value per share (₹)	10	10
5.	Earning per shares		
	Basic	40.28	28.00
	Diluted	40.28	28.00



29. PARTICULARS OF CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lacs)

Particulars	2012-13	2011-12
1. Contingent Liabilities not provided for in respect of:		
i. Guarantee given:		
a. to W.B. Sales Tax Department by the company's banker for which counter guarantees have been given by the company	2.5	2.5
b. to Commissioner of Customs, Kolkata	1.4	1.4
c. to Commissioner of Customs, Kolkata	4.85	4.85
d. to Sales Tax Department, Roorkee	0.15	0.15
e. to Sales Tax Department, Ahmedabad	0.2	0.2
f. to Sales Tax Department, Indore	0.15	0.15
g. to Commissioner of Customs, Kolkata	0.38	0.38
h. to Commissioner of Customs, Kolkata	0.61	0.61
i. to Commissioner of Customs, Kolkata	0.12	0.12
j. to WBSEB, Kolkata	1.41	1.41
ii. Sales Tax Penalty for F.Y. 2004-05 under appeal with Assistant Commissioner, Pollachi*	122.96	122.96
iii. Sales tax demand for F.Y 2003-04 under appeal with Kolkata High Court	Nil	20.87
iv. Sales tax penalty for F.Y 2003-04 under appeal with Kolkata High Court	30.84	30.84
v. Sales tax penalty for F.Y 2004-05 under appeal with Kolkata High Court	19.17	19.17
*The Company has been advised by competent legal professional that the said demand and Penalty is likely to be reversed, accordingly no provision has been made in the accounts.		
2. Commitments		
Estimated amount of contracts remaining to be executed on Capital account and not provided for	3,000	36

30. SEGMENT REPORTING

- The Company has only one business segment viz. manufacturing and sale of knitwear, which is treated as the primary segment by the company.
- The company has two geographical segments viz. Sales within India and Sales outside India. These are treated as secondary segments of the company.
- Secondary Segment Information (Geographical Segments)

Particulars	2012-13	2011-12
Segment Revenue		
-Within India	61,069.44	46,211.21
-Outside India	8,111.16	8,537.49
Total	69,180.60	54,748.70
Segment Assets		
-Within India	36,895.76	25,523.92
-Outside India	1,177.76	1,378.96
Total	38,073.52	26,902.88
Capital Expenditure		
-Within India	2,867.35	373.11
-Outside India	-	-
Total	2,867.35	373.11

31. Related Party Disclosures as required by Accounting Standard (AS-18) on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, are as below:-

a. Key managerial Personnel:

- Shri Ashok Kumar Todi, Executive Chairman (Whole Time Director)
- Shri Pradip Kumar Todi, Managing Director

b. Associates controlled by Director/Relatives:

Biswnath Hosiery Mills Ltd.
Todi Hosiery. Ltd.
Rotex Intertrade Pvt. Ltd.
Chitragupta Sale & Services Pvt. Ltd.
Holly Field Traders Pvt. Ltd.
Ebel Polymers Pvt. Ltd.
Jaytee Exports Pvt. Ltd.
P.G.Infomatic Pvt. Ltd.

The company's related party transactions during the year and outstanding balances are as below:

(₹ in Lacs)

Sl. Nature of Transaction	Key Management Personnel		Relatives of Key Management Personnel		Associates controlled by Director/Relatives	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1. Sale of goods						
Todi Hosiery Ltd.	-	-			0	3.34
Biswanath Hosiery Mills Ltd.					6.66	0
Ebel Polymers Pvt. Ltd.	-	-			1,818.23	2,250.87
Total					1,824.89	2,254.21
2. Purchase of goods						
Todi Hosiery Ltd.	-	-	-	-	628.67	552.99
Ebel Polymers Pvt. Ltd.					254.16	0
Jaytee Exports Pvt. Ltd.					936	109.73
Total					1,818.83	662.72
3. Payment for services						
Todi Hosiery . Ltd.- Agent Commission	-	-	-	-	2.57	1.21
Biswanath Hosiery Mills Ltd.-Raising Charges	-	-	-	-	16.51	27.08
Holly Field Traders Pvt. Ltd.-Rent Paid	-	-	-	-	1.8	1.8
P.G.Infomatic Pvt. Ltd.-Rent					21.57	21.18
P.G.Infomatic Pvt. Ltd.-Data Processing					60.67	49.64
Total	-	-	-	-	103.13	99.7



(₹ in Lacs)

Sl.	Nature of Transaction	Key Management Personnel		Relatives of Key Management Personnel		Associates controlled by Director/Relatives	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
4.	Remuneration						
	Ashok Kumar Todi	18.75	15	-	-	-	-
	Pradip Kumar Todi	18.75	15	-	-	-	-
	Total	37.5	30	-	-	-	-
5.	Royalty paid						
	Biswanath Hosiery Mills Ltd.	-	-	-	-	5	5
	Total					5	5
6.	Received towards services						
	Todi Hosiery Ltd.	-	-	-	-	2.05	-
	Total	-	-	-	-	2.05	-
7.	Payment for Security Deposit						
	P.G. Infomatic Pvt. Ltd.					15	0
	Total					15	0
8.	Interest paid						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	36.1	61.07
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	63.06	110.36
	Biswanath Hosiery Mills Ltd.					17.9	0
	Holly Field Traders Pvt. Ltd.	-	-	-	-	18.31	20.86
	Total					135.39	192.29
9.	Loan received						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	2,510	1,983
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	6,879	3,452
	Biswanath Hosiery Mills Ltd.					1,616	0
	Holly Field Traders Pvt. Ltd.	-	-	-	-	1,238	1,325
	Ashok Kumar Todi	128.75	67.75	-	-	-	-
	Pradip Kumar Todi	133	42	-	-	-	-
	Total	261.75	109.75	-	-	12,243	6,760
10.	Loan repayment						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	4,017.11	693.11
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	7,217.05	2,667.54
	Holly Field Traders Pvt. Ltd.	-	-	-	-	1,415.03	1,742.09
	Biswanath Hosiery Mills. Ltd.					232.79	0
	Ashok Kumar Todi	200.52	136.5	-	-	-	-
	Pradip Kumar Todi	196.5	117.27	-	-	-	-
	Total	397.02	253.77	-	-	12,881.98	5,102.73

(₹ in Lacs)

Sl.	Nature of Transaction	Key Management Personnel		Relatives of Key Management Personnel		Associates controlled by Director/Relatives	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
11.	Guarantees and collaterals issued	-	-	-	-	-	-
12.	Provision for doubtful debts amount written off and written back	-	-	-	-	-	-
13.	Outstanding as at March 31						
	a. Sundry creditors	-	-	-	-	-	-
	Jaytee Exports Pvt. Ltd.					324.16	
	P.G. Infomatic Pvt. Ltd.					1.85	71.53
	Biswanath Hosiery Mills Ltd.					11.75	1,293.22
						337.78	1,364.75
	b. Unsecured loans						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	145.66	1,616.67
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	1,224.04	1,499.03
	Holly Field Traders Pvt. Ltd.	-	-	-	-	28.76	187.48
	Biswanath Hosiery Mills Ltd.					1,401.11	
	Ashok Kumar Todi	389.85	461.64	-	-		-
	Pradip Kumar Todi	393.32	456.83	-	-		-
	Total	783.18	918.46	-	-	2,799.58	3,303.19
	c. Advance Recoverable in cash or value to be received						
	Todi Hosiery Ltd.					188.15	316.22
	Jaytee Exports Pvt. Ltd.					78.93	48.93
	P.G. Infomatic Pvt. Ltd.						0.28
	d. Security Deposit						
	P.G. Infomatic Pvt. Ltd.					25	10
	Total					292.08	375.43

32. AUDITOR'S REMUNERATION INCLUDES:

Particulars	2012-13	2011-12
Statutory Audit	3.37	2.25
Tax Audit	0.56	0.25
Total	3.93	2.50



33. Based on the information / documents available with the Company, details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 are as below:

		(₹ in Lacs)	
Sl. No.	Details of dues to Micro, small and Medium Enterprises as per MSMED Act, 2006	2012-13	2011-12
i.	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	Principal Amount Unpaid	23.64	101.16
	Interest Due	-	-
ii.	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.		
	Payment made beyond the Appointed Date	-	-
	Interest Paid beyond the Appointed Date	-	-
iii.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
iv.	The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

The above information has been compiled in respect of Parties to the extent to which they could be identified as Micro & Small Enterprises under Micro, Small & Medium Enterprises Development Act, 2006 on the basis of information available with the Company. This has been retired upon by the Auditors.

34. GRATUITY BENEFIT PLANS

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.

a. The following table's summaries the components of the net benefit expenses recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for respective plans.

Particulars	Gratuity	
	As at March 31, 2013	As at March 31, 2012
Present Value of Obligation at the beginning of the year	45.28	36.83
Current Service Cost	13.97	9.44
Interest Cost	4.85	3.28
Net Actuarial Losses / (Gain)	(1.00)	(2.76)
Benefit Paid	0.60	1.51
Present Value of Obligation at the end of the year	62.50	45.28

The Provision for Gratuity is charged to the Statement of Profit and Loss and same is shown in Note No. 5 and 9 of the Notes to Accounts.

b. Principle assumptions used in the determining gratuity obligation for the Company's are shown below:

Particulars	As at March 31, 2013	As at March 31, 2012
Discount Rate	8.25%	8.00%
Rate of increase in Salaries	5.00%	5.00%
Expected average remaining working lives of employees (years)	22.09	22.33
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees	

c. Amount recognized in Current year and previous four years is as follows:

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Present value of obligation as at the beginning of the year	45.28	36.83	21.74	14.91	10.00
Current Service cost	13.97	9.44	9.67	5.82	4.66
Interest cost	4.85	3.28	2.34	1.47	1.00
Total Expenses recognized in P/L account	17.82	9.96	15.95	6.98	4.91
Actuarial (gain) /loss during the year	(1.00)	(2.76)	3.93	(0.31)	(0.74)
Actual benefit paid	0.60	1.51	0.85	0.15	0.00
Present value of obligation as at the end of the year	62.50	45.28	36.83	21.74	14.91
Fair value of plan assets	0.00	0.00	0.00	0.00	0.00
Liability recognized in Balance Sheet	62.50	45.28	36.83	21.74	14.91

35. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE, WHICH ARE NOT INTENDED FOR TRADING OR SPECULATION PURPOSE

Forward Contract Outstanding as at balance sheet date

Particulars of Derivatives	Currency	Current Year	Previous Year	Purpose
Sale	USD	20,00,000	-	Hedge of Trade Receivables

Particulars of Unhedged foreign currency exposure as at the balance sheet date.

	As at 31.03.2013		As at 31.03.2012	
	US \$	INR	US \$	INR
	EQUIVALENT		EQUIVALENT	
Amount Receivable in				
Foreign currency on account of the following:	US\$	1,69,603.65	US\$	27,92,397.89
Trade Receivables	INR	92.06 Lacs	INR	1,378.95 Lacs

Class of goods	Value (₹ in Lacs)	
	2012-13	2011-12

36. PARTICULARS IN RESPECT OF SALES

Knitwear	70,499.94	56,002.47
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37. DETAILS OF FINISHED STOCK

i. Opening stock Knitwear	4,902.02	3,426.94
ii. Closing stock Knitwear	8,699.80	4,902.02

38. DETAILS OF FINISHED GOODS PURCHASED

Knitwear	1,676.87	1,056.66
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39. PARTICULARS ABOUT WORK IN PROGRESS

Fabrics	7,743.38	3,396.36
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Class of goods	Value (₹ in Lacs)	
	2012-13	2011-12
40. DETAILS OF RAW MATERIALS CONSUMED DURING THE YEAR		
Yarn	21,992.53	17,515.20
Fabric	14,237.50	10,855.18
Packing material & Others	8,229.29	5,640.16
Total	44,459.32	34,010.55

41. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARES CONSUMED AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION:

Class of goods	%		Value (₹ in Lacs)	
	2012-13	2011-12	2012-13	2011-12
a. Raw materials				
Imported	-	-	-	-
Indigenous	100.00	100.00	44,459.32	34,010.55
Total	100%	100%	44,459.32	34,010.55
b. Stores and spares				
Imported	4.19%	20%	3.15	11.99
Indigenous	95.81%	80%	71.95	48.97
Total	100%	100%	75.10	60.96

42. VALUE OF IMPORTS DURING THE YEAR ON C.I.F. BASIS

Class of goods	2012-13	2011-12
Raw materials	NIL	NIL
Capital goods	636.24	209.41

	2012-13	2011-12
43. EARNING IN FOREIGN CURRENCY		
Direct Export of goods at FOB value	8,019.11	8,417.22

	2012-13	2011-12
44. EXPENDITURE IN FOREIGN CURRENCY		
a. Travelling expenses	28.82	11.56
b. Agent Commission	150.96	171.46
Total	179.78	183.02

45. PREVIOUS YEAR FIGURES HAVE BEEN RECAST/ RESTATED WHENEVER REQUIRED

In terms of our report of even date

For Sanjay Modi & Company
Chartered Accountants
Firm Reg No. 322295E

CA Prodyat Chaudhuri
Partner
Membership No. 065401

Place : Kolkata
Date : May 28, 2013

For and on behalf of the Board

Ashok Kumar Todi
Chairman

Ajay Kumar Patodia
Chief Financial Officer

Pradip Kumar Todi
Managing Director

Navin Kumar Agarwal
Company Secretary

“Growth is never by mere chance;
it is the result of forces
working together.”

- James Cash Penney

NOTES

CORPORATE INFORMATION

Chairman

Mr. Ashok Kumar Todi

Managing Director

Mr. Pradip Kumar Todi

Directors

Mr. Navin Kumar Todi

Mr. Nandanandan Mishra

Mr. Kamal Kishore Agrawal

Mr. Snehasish Ganguly

Company Secretary

Navin Kumar Agarwal

Registrar & Share Transfer Agents

Karvy Computershare Private Limited

"Karvy House" 48, Avenue 4,

Street No. 1, Banjara Hills

Hyderabad – 500 034

E-mail: mailmanager@karvy.com

Auditors

M/s Sanjay Modi & Co.

Chartered Accountants

46, Bipin Behari Ganguly Street,

1st Floor, Room No. 9

Kolkata – 700 012

Bankers

Allahabad Bank

Park Street Branch

Kolkata – 700 016

Central Bank Of India

33 N.S. Road, Kolkata – 700 001

Registered Office

Lux Industries Limited

39, Kali Krishna Tagore Street, Kolkata – 700 007

Phone: +91-33-2259 8155,

Fax: ++91-33-4001 2001

Corporate Office

P.S. Srijan Tech Park, DN -52, Sector-V,

10th Floor, Salt Lake City, Kolkata – 700 091

Phone: +91-33-4040 2121

Fax: +91-33-4001 2001

E-mail: investors@luxinnerwear.com

Website: www.luxinnerwear.com



Corporate Office

PS Srijan Tech-Park, 10th Floor, DN-52, Sector-V, Salt Lake, Kolkata-700 091
P +91 33 4040 2121 F +91 33 4001 2001 E infor@luxinnerwear.com W luxinnerwear.com

Concept, Research & Design : shreyansh.in