



the
INNER
story

Lux Industries Limited
17th Annual Report, 2011-12

Disclaimer

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

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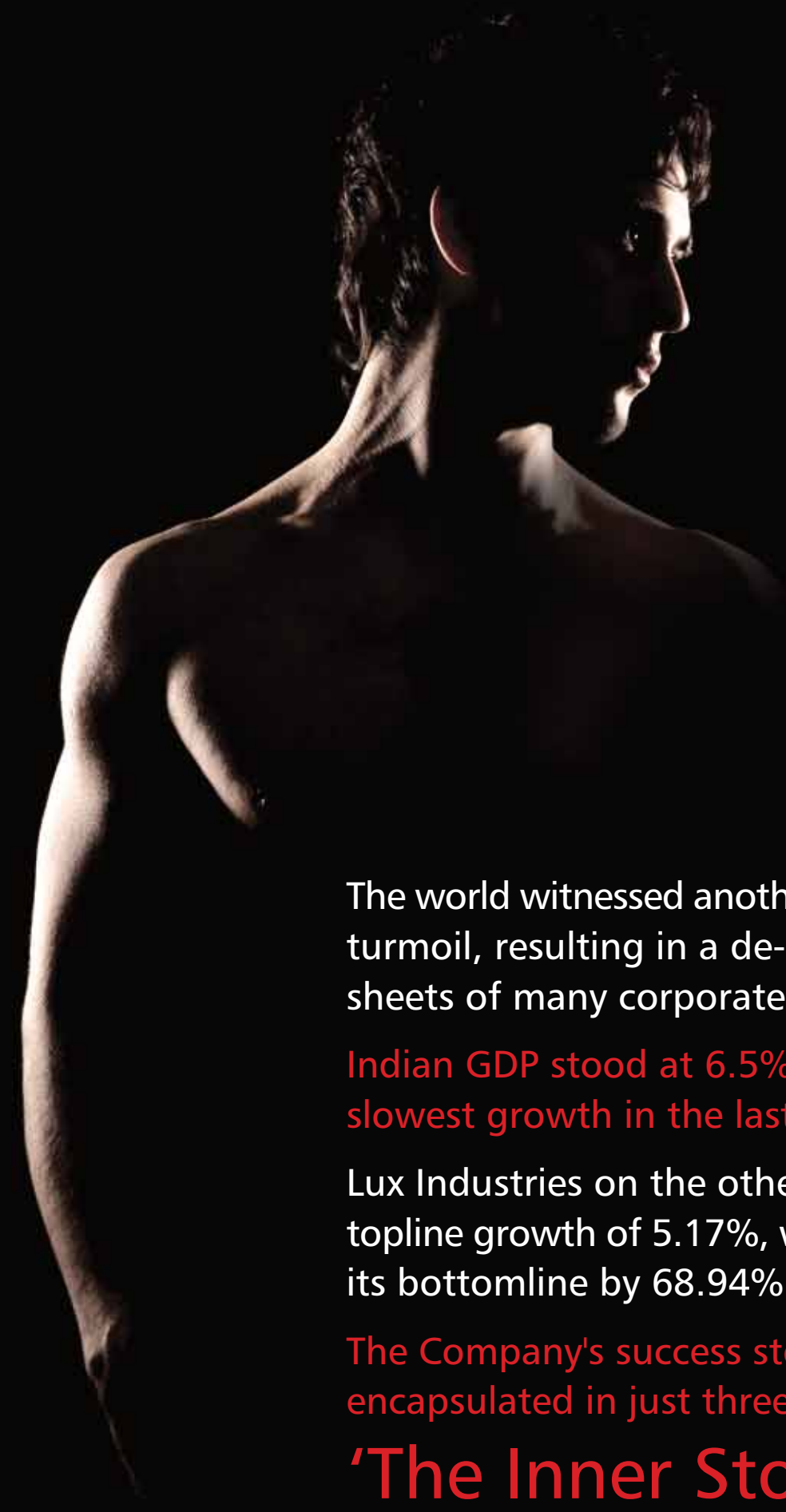
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The world witnessed another year of economic turmoil, resulting in a de-growth of balance sheets of many corporates.

Indian GDP stood at 6.5% in 2011-12, the slowest growth in the last three years.

Lux Industries on the other hand recorded a topline growth of 5.17%, while strengthening its bottomline by 68.94%.

The Company's success story can be encapsulated in just three words
'The Inner Story'.



is one of the fastest growing innerwear brands in the country.

Vision

To sustain healthy growth with excellence in the innerwear industry.

Mission

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



Our inner soul

Legacy

Started in the late 1950s, the group is more than six decades old. Founded by Late Mr. Girdharilalji Todi, the Company was incorporated in 1995 and later changed its name to Lux Industries in 2007. Today, it is among India's leading innerwear brands ably managed by Mr. Ashok Kr. Todi and Mr. Pradip Kr. Todi.

Our business

The Company is among a few in the industry which is engaged in manufacturing wholesale and retail hosiery items for men, women and children under the brand – 'Lux'.

Products

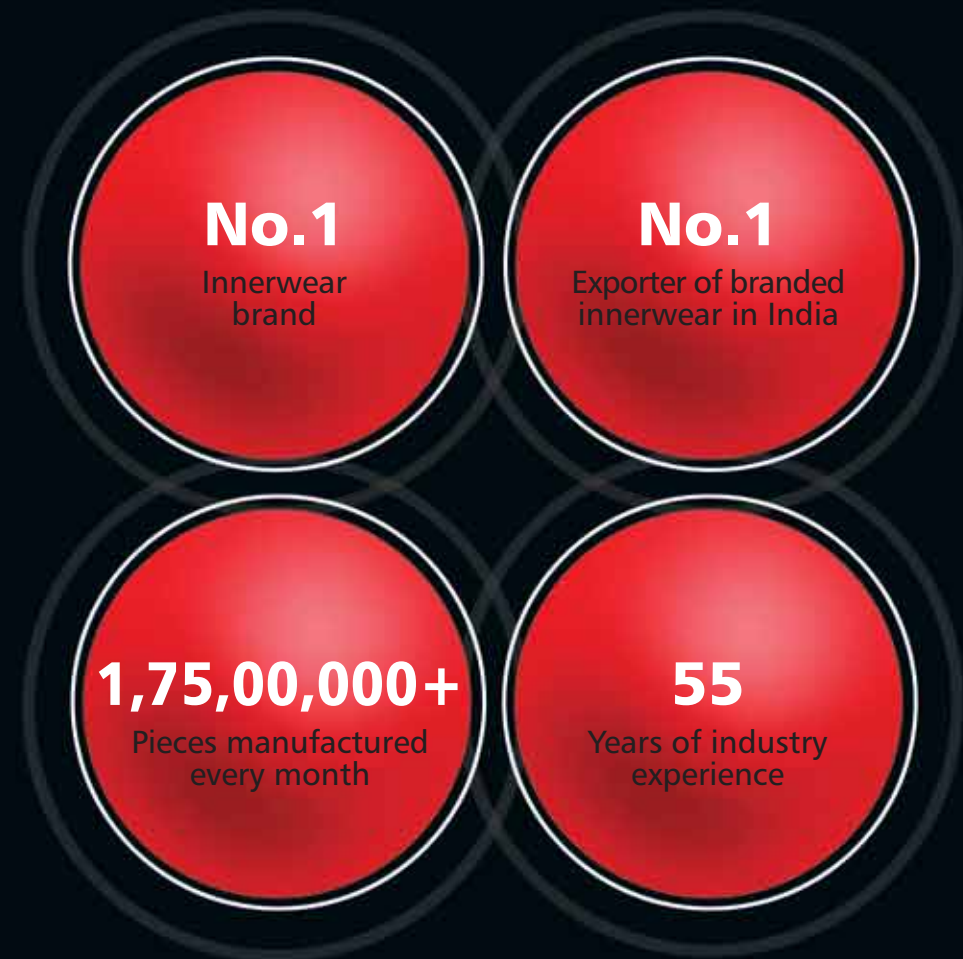
The Company manufactures more than 100+ products under 10 brands which include a complete range of innerwear for men, women and children.

Presence

The Company has three manufacturing facilities located in Kolkata (two) and Tirpur with the group's total production capacity being 7,00,000 pieces a day. The Company has a pan-India presence with a strong marketing and distribution channel. It exports 15% of its production and has a presence in various countries globally.

Certifications

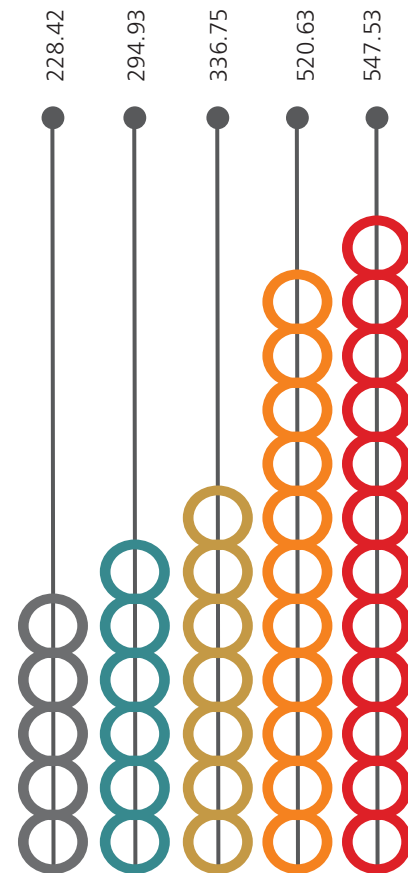
- Lux is an ISO 9001:2008 certified company
- The Company has been accredited with 'Star Export House' by the Ministry of Commerce and Industry (Government of India) for its increasing export



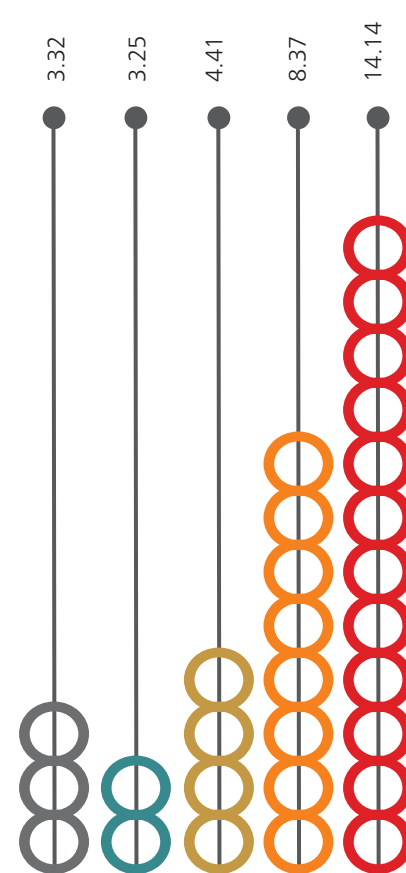
Our journey	▶	▶	▶	▶	▶	▶	▶	▶	▶	▶	▶	▶	▶
	1957	1964	1992	1993	1994	1995	1998	2001	2002	2003	2010	2011	2012
	Late Shri Girdharilalji Todi laid the foundation and formed Biswanath Hosiery Mills.	Shri Ashok Todi and Shri Pradip Todi took charge of the Company.	'Lux' brand was launched extensively with the famous caption 'Yeh andar ki baat hai.'	The Company began global operations exporting products to the Middle East.	The Company organized the first ever dealer conference of the hosiery industry in India.	The Company was formally incorporated into 'Lux Hosiery Industries Limited'.	The Company expands its presence nationally with its first marketing office established in Delhi.	The popular brand 'Lux Cozi' was launched with Sunny Deol as brand ambassador.	'Lux' was awarded the 'Best Hosiery Manufacturer'.	The Company launched its first ever IPO.	Certified by Star Export House, 'Lux' becomes India's first hosiery brand to receive the distinction.	The Company received ISO 9001:2008 certification.	Launched ONN, the Company's premium brand, with SRK as brand ambassador.

Our numbers reflect our inner strengths

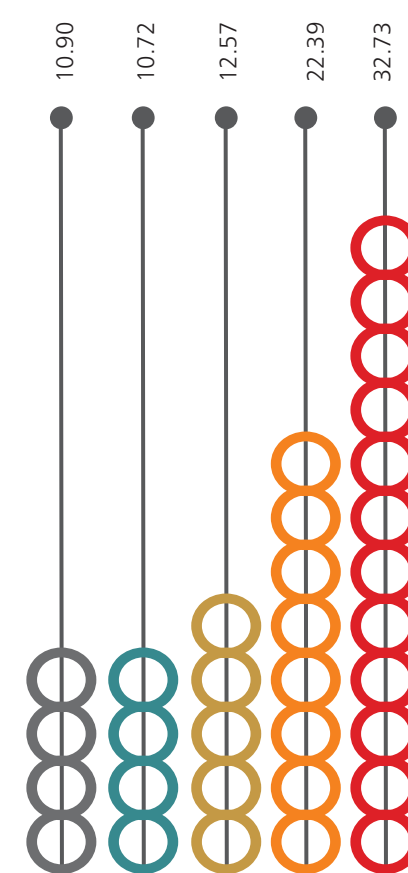
-  2007-08
-  2008-09
-  2009-10
-  2010-11
-  2011-12



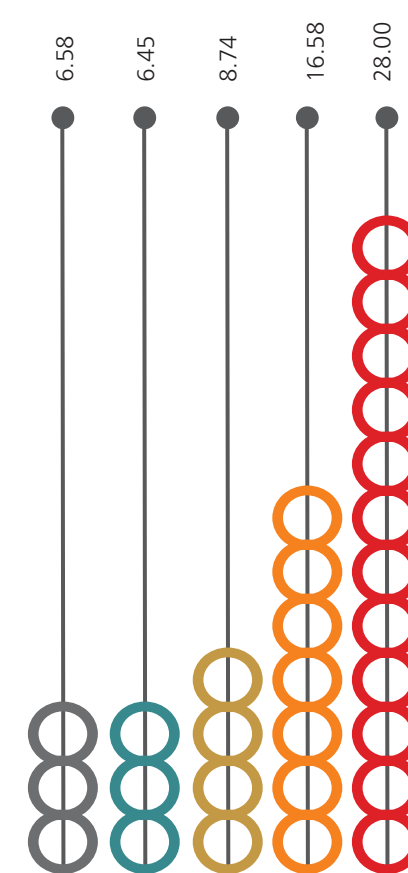
Revenues (Rs. crore)



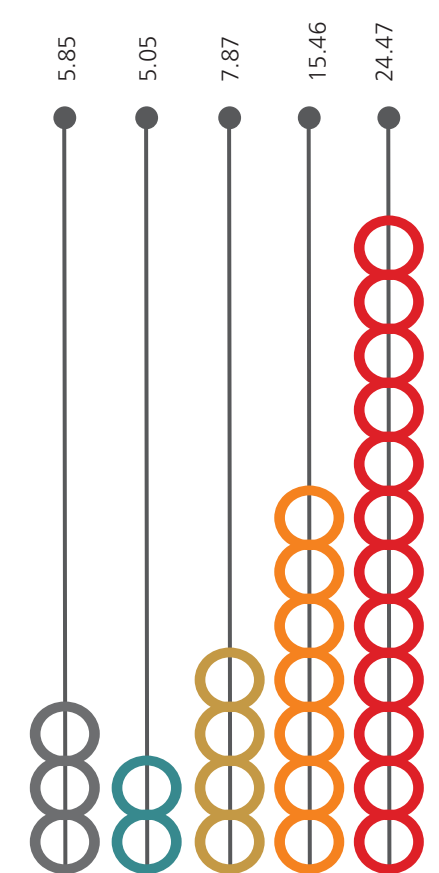
Profit after tax (Rs. crore)



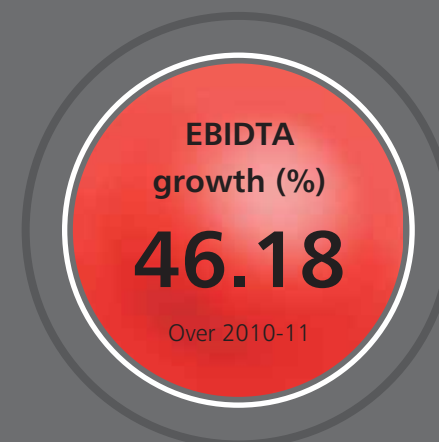
EBIDTA (Rs. crore)



EPS (Rs.)



Cash Profit (Rs. crore)



Chairman's Statement

The Company will continuously drive topline growth through successful new product development, moving closer to customers and increasing its international presence.



Dear shareholders,

I am delighted to report another year of excellent results. Your Company reported a 5.17% growth in topline to Rs. 568 crore and a 68.94% increase in its bottomline to Rs. 14.14 crore in 2011-12.

More than six decades on, we at Lux Industries are optimistic about our business prospects. We are continuously striving towards becoming a global player on the one hand while seizing opportunities in existing markets on the other.

We recorded a commendable performance during a time when many companies struggled hard to stay afloat. Despite competing in an industry surrounded by unorganised players, we in turn have used that to our advantage and evolved the 'Lux' brand significantly. Due to our superior quality and varied product basket, we cater to a significant section of society and provide more value for the money they invest in our brands.

An important way in which we have added value is through our continuous new product development. Over the years, we expanded our product range and scaled the value chain. Our revenue share from premium products stood at around 35-40% in the last fiscal. The same was proactively achieved through investments in technologies, improving operational efficiencies and penetrating newer markets.

With respect to newer markets, we have continuously expanded our footprint across India as well as reach out to customers globally. Presently we have 1,350 distributors, 5,000 wholesalers,

5,00,000 retailers and 300 marketing personnel. On the export front, we added more personnel in our marketing team, helping us extend our reach to the Middle East and Africa. Going ahead, we expect to further penetrate into more countries globally and more cities in India.

An important way in which we have strengthened our presence is through stronger brand promotion. We took a step ahead in the last fiscal by partnering with Kings XI Punjab and Deccan Chargers in the Indian Premier League. This initiative proved to be a mega success for brand 'Lux'.

The guiding principle at Lux is to make a significant impact on the society we live in. To that effect, we have undertaken countless social welfare projects which include feeding hungry pilgrims and providing drinking water. However, our thrust area has been the development of the Bangur Sansad Bhavan, Kolkata, a resthouse for pilgrims where we provide free food and lodging.

Our aim to add value for our customers through efficiently manufacturing high-volume products and value-added applications is stronger than ever. We firmly believe that we are at an inflection point and that our best years are ahead of us.

Ashok Kr. Todi

Mr. Ashok Kr. Todi
Chairman



DIVERSIFIED portfolio

In a challenging and competitive industry of innerwear, the vendor with the most diversified portfolio is likely to sustain in the long term. Lux Industries is among a few players in the industry with a diversified portfolio, catering to various classes and masses.

The Company has a wide range of products that are best suited to cater to various customer requirements. The products perfectly fit the 'fashion' statement of the customers in addition to comfort and quality. The diversified product range caters to men's and women's innerwear in addition to extending to casual wear.

The result: The Company registered a five-year topline CAGR of 26.98% and bottomline of 48.32%

100+
Products

9+
Size variants

20+
Colour and print
variants



REDEFINING quality

In an industry surrounded by unorganized players, the only differentiating factor among them is quality. Lux Industries has always understood this proposition and has created benchmarks of quality.

The Company's products are manufactured with 100% cotton at its state of manufacturing facility accredited with ISO 9001:2008 certification, giving the desired comfort and ease to its customers. The fabrics used are of extra stretch and high quality elastane. In addition, the products are one-of-its-kinds with anti-perspirant materials and super stitches for the best comfort and fit.

Quality hallmarks

- High quality cotton fabric
- Special Egyptian cotton used for premium products
- Anti-perspirant elastane made of microfibres for a non-itchy feel
- Drop needle technology provided the fabric with more comfort and ease

The result: The rejections in manufacturing operations have not exceeded beyond 3% in the last three years.



BRAND power

In a predominantly unorganized industry where countless brands are striving to establish themselves as a market leader, it becomes increasingly difficult to survive. Lux Industries has over the years transformed its products into a fashion statement with the brand 'Lux'.

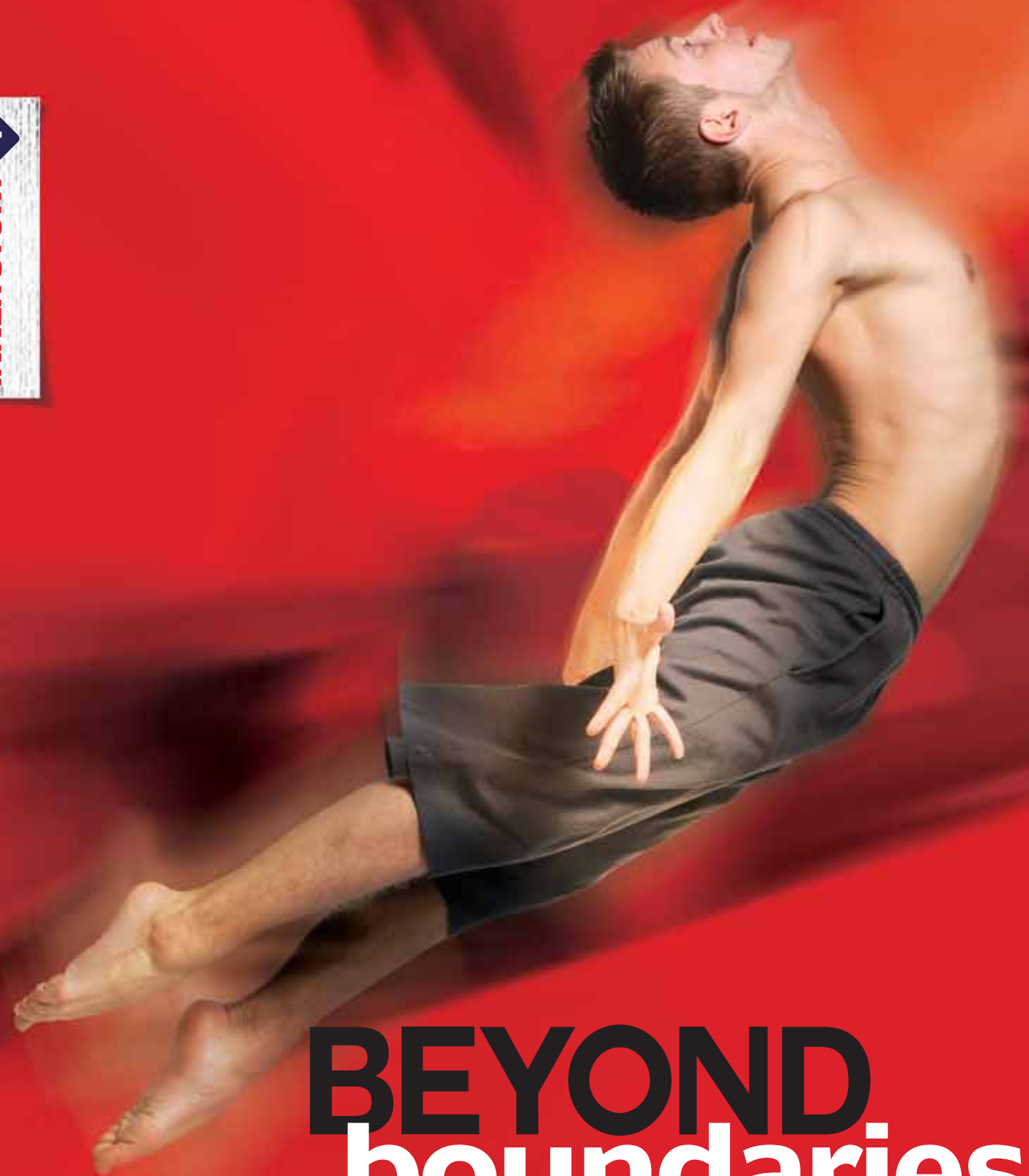
The Company strengthened its brand by partnering with the IPL franchisee of Kings XI Punjab and Deccan Chargers. It widened its marketing orbit by producing the movie 'Force' starring John Abraham in the last fiscal.

The result: The Company's exports have grown at a CAGR of 83.37% in the last five years leading to 2011-12.

10+
Different
brands

4
Brand
ambassadors

30.58
Rs. crore spent on
brand promotion
in 2011-12



BEYOND boundaries

Establishing a presence in the domestic market is one thing, while carving out a presence internationally is a daunting challenge. Lux Industries has over the years expanded its reach to people in India and abroad. Its products are available across India and in more than twenty countries abroad.

The brand 'Lux' is the trusted name for many in India while it is a multi-national to others. Its excellent quality and fine knitting products are beyond compare – extending the Company's reach. Its effective dealer network and strong relationships with distributors has allowed the Company to expand its presence year-on-year.

The result: The Company's ROCE was 33.26% in fiscal year 2011-12.

33
Branches globally

1,350+
Distributors

5,00,000+
Retailers

AIMING high

Being in an industry marked by low margins and high volumes, it becomes increasingly difficult to sustain for a longer period. Lux Industries defied convention. It relentlessly focused on higher margins and volume without compromising on quality.

The Company has persistently over the years improved its manufacturing capacities and efficiencies, contributing to its exponential growth. The Group's existing manufacturing capacity of 7 lac pieces per day from two units in Kolkata and one in Tirupur, produces 1.75 crore pieces of garments per month. Some of our initiatives include –

- Investment of Rs. 20 crore in the past three years in state-of-the-art technologies to scale up production capacities. The Company's production capacity increased by 20% in the last three years
- Focusing on forward integration by bringing in machinery under its roof and reducing outsourcing
- Set-up a manufacturing unit at Dankuni, West Bengal, with a production capacity of more than 1 lac tonnes
- Appoint quality control professionals and maintain quality standards from sourcing raw materials till the finished product
- Reviewing quality reports on a regular basis on a bottom-up approach to sustain quality and increase revenue.
- Introduce new brands in the super premium segment, producing world-class products
- Consolidate the existing brands under the umbrella brand of Lux

The result: The Company's EBIDTA increased by 46.18% as compared to last year.



Q&A with Mr. Pradip Kr. Todi, Managing Director

We expect our widened market presence to translate into sustainable and profitable growth.



Were you satisfied with the Company's performance in 2011-12?

The year 2011-12 was indeed a satisfying one for the Company. We reported a topline growth of around 5.17% while we strengthened our bottomline by more than 68%. This growth was largely contributed by investment in technologies which helped improve our operational efficiencies and grew our margins.

What specific investments did the Company undertake in the year under review?

Basically, we undertook investments in machinery as well as intellectual capital. In the last three years, we invested around Rs. 20 crores, expanding our manufacturing facilities. Consider this: today, we have a capacity to manufacture more than 1.75 crore of innerwear pieces every month, manufactured across three manufacturing facilities. Also, we strengthened our Research and Development (R&D) team, contributing effectively towards new product development.

Your growth story comes at a time of an economic slowdown, rising interest rates and low consumer sentiments. To what extent was your Company affected?

The Company was largely unaffected for some important reasons: increase in income levels and disposable income coupled with a shift towards recognized brands were primary reasons for the Company's growth. The Rs. 40-billion men's innerwear segment and Rs. 90-billion women's innerwear segment are expected to accelerate further by 25% in the medium term. Despite the fact that the innerwear market is largely dominated by unorganized players (estimated to be at 70%), we have constantly increased our market share. Our increased spending on brand-building and product-positioning were key factors to our growth.

What are the other strengths of Lux?

The Company is dedicated towards process innovation and continuously strives towards the same. During the fiscal year, we scaled the geographic value chain, whereby we penetrated

into Tier-II and Tier-III cities of the country and also expanded our global footprint. In metros and Tier-I cities, we increased our base by widening our distribution channel and adding more retailers. Going ahead, we expect our widened market presence nationally and internationally to translate into sustainable and profitable growth at Lux.

What initiatives by the Company are expected to enhance value?

At Lux, we realize our core competencies and endeavour to focus on the same. We will continue to expand our premium products production on the one hand while simultaneously focusing on the growth of basic products on the other. The setting up of a new production facility with an investment of around Rs. 100 crore will further propel our growth. The addition of newer products and improving the logistics and marketing channel will ultimately result in higher offtake.

What is the revenue outlook for the Company?

Lux's revenue outlook for 2012-13 is viable and practical as it will be derived from an increase in export share, higher sale of premium products and deeper penetration into domestic markets. The proposed new manufacturing capacity will be commissioned by October 2013 which will further enhance the topline in the coming two years. The Company expects to increase its export sale to Rs. 127 crore with expanded footprint in the Middle East and African countries. The Company also expects to launch two new brands under the premium category and consolidate the existing brands. All this will result in surpluses which will be further reinvested into growing the Company's business.

What are the Company's measures to strengthen stakeholder return?

Our focus will be to enhance the quality of our products and increase market share consistently. Taking a step towards backward integration will further add to our inherent strength. This will not only reinforce customer trust but also keep the Company on the path of growth.



What **DRIVES** Lux Industries ahead

- 1 Experience**

More than six decades old, Lux Industries is one of the oldest hosiery manufacturing companies in the country. The rich experience of the promoters is one of the enduring strengths of the Company.
- 2 Brands & Brand ambassadors**

A total of 10 brands under the 'Lux' umbrella makes its products the most trusted and renowned among peers. With celebrities like Shah Rukh Khan, Sunny Deol, Neil Nitin Mukesh and Boman Irani endorsing our products, make them an enviable choice.
- 3 Leadership**

The Company is a leader in eastern India with a majority market share.
- 4 Certifications**

The Company's manufacturing facilities are certified with ISO 9001:2008 and by SGS UKAS
- 5 Quality**

The Company's products are the most trusted and recalled on account of its excellent quality, delivered with its state-of-the-art technologies.
- 6 Markets**

The Company has its presence across almost all Indian states and various countries globally. More than 16.23% of revenues in FY12 came from exports, providing superior realizations, visibility and endorsements of the Company's capability.
- 7 Liquidity**

The Company has a low gearing of only 3.8 times, consolidating its financial soundness.
- 8 Information technology**

Information technology forms the bedrock of our Company. We have a competent in-house SAP team to meet our customer needs. We have and will continue to implement various modules in the future.

The Brands

The Company produces an exuberant range of knitted innerwear for men, women and kids. The product portfolio comprises a mixed blend of qualities which makes it unique and outstanding – highest quality standards, latest designs, wide range of products and excellent comfort and fit.

It has a diverse array of products in each of its segments which includes vests, briefs, drawers, panties, slips/camisoles etc.



MEN

Premium Inners

- ONN Grande Vest, Brief & Drawer
- ONN Comfortz Vest, Brief & Drawer
- ONN Sportz Vest, Brief & Drawer

Regular Inners

- GenX NV Gym Vest
- GenX NV Brief & Drawer
- GenX Gusto Brief
- GenX Elite Brief & Drawer

- Cozi Vest
- Cozi Xylo Vest
- Cozi Activo Vest
- Cozi Lavish Vest
- Cozi Valour Vest
- Super Vest
- Classic Rib Vest
- Champion Vest

- Cozi Bigshot Brief & Drawer
- Cozi Mexx Drawer
- Cozi Longs Brief & Drawer

- Venus Vest & Drawer
- Venus Magic Vest
- Clik Vest
- Interlock Vest
- Classic Brief & Drawer
- Double Force Brief

Casuals

- Astro T-shirt
- Astro Bermudas
- Astro Track Pant

SOCKS

- Spandy Socks
- Sports Socks
- Popular Socks
- Regular Socks
- New Inn Socks
- Anklet Socks
- Women Thumb Socks

WOMEN

Regular Inners

- Touch Panties
- Karishma Panties, Bloomer & Slips
- Lovely Bloomer

KIDS

Regular Inners

- GenX NV Gym Vest
- Cozi Vest, Brief
- Cozi Bigshot Drawer
- Cozi Longs Drawer
- Venus Vest & Drawer
- Classic Brief & Drawer
- Shorty Jetty & Drawer
- Karishma Bloomer
- Lovely Bloomer

Casuals

- Mookie T-shirt
- Mookie half pant
- Mookie Track Pant



Our Brand Ambassadors

The Brand Promotion

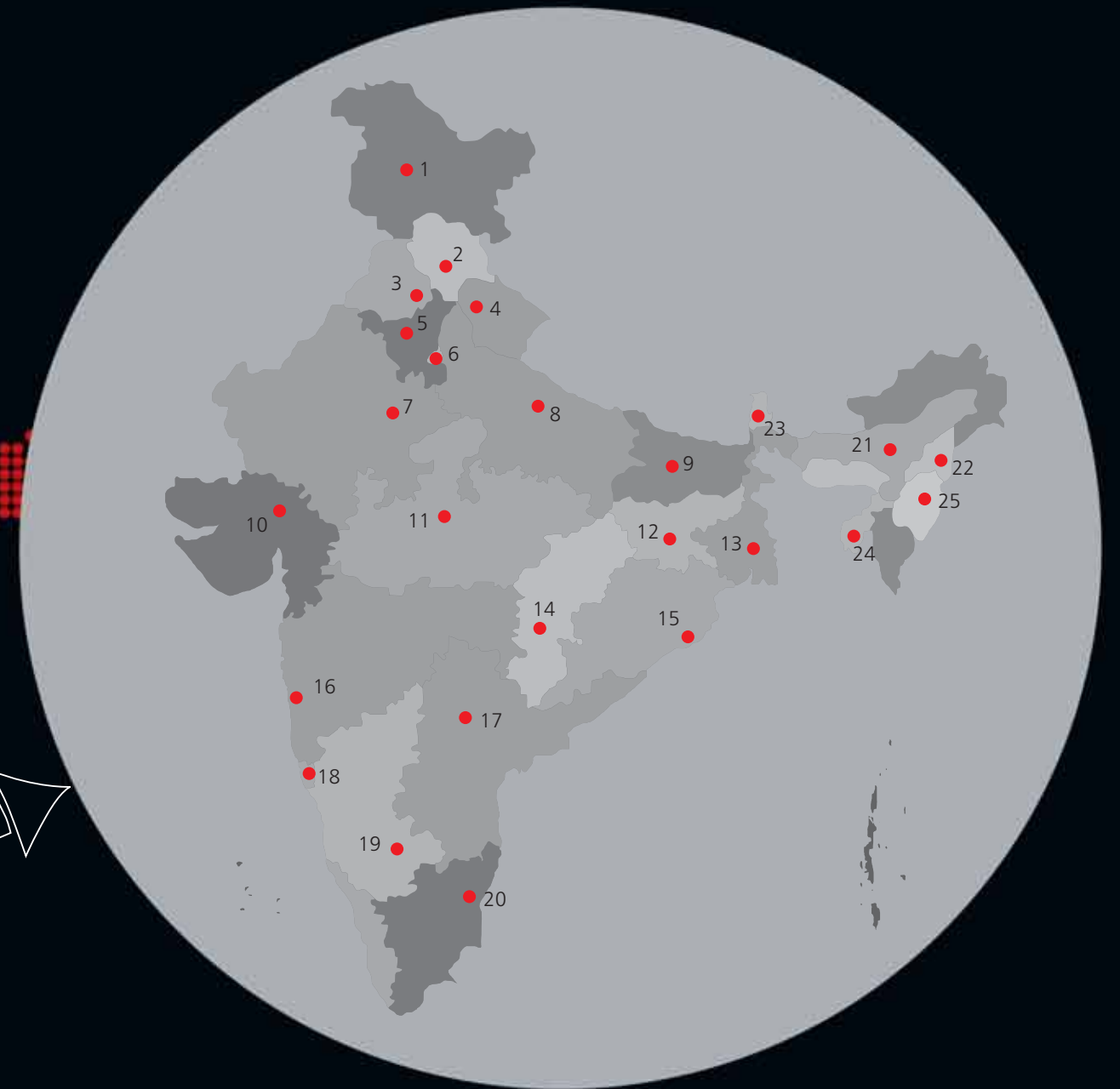


Our global footprint

The Company has marketing executives and representatives in India, the Middle East, Europe and Africa. The team comprises experienced professionals who understand the unique dynamics of the markets of their presence and possess a deep technological understanding of Lux products and customer needs. Due to its strong foothold in the international market, Lux is now expanding its export activities in other parts of the world including Africa, Hong Kong and Singapore, among others.



- 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 Hong Kong 21 India 22 North America



Our national presence

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

Board of Directors



Mr. Ashok Kumar Todi

The Chairman of the Company, he hails from an illustrious family, engaged in the hosiery business for over five decades. Mr. Ashok Kumar Todi joined the business at a very early age, and has a vast experience in running the Company. He acts as a strategic head of the Company, formulating policies of growth and expansion and also looks after various marketing functions including advertising and distribution. Apart from business, he is associated with various philanthropic organizations.



Mr. Pradip Kumar Todi

The Managing Director of the Company, comes from a distinguished family, involved in the hosiery business for over 50 years. He has sound technical know-how and vast experience in the industry. He is the driving force behind the developed and successful marketing of many new products launched by Lux. Mr. Pradip Kumar Todi presently looks after the product development and production functions of the Company.



Mr. Navin Kumar Todi

He joined the Board of Directors in 2004. He represents youth and dynamism in the Board and has a very strong sense of business and emerging trends. He also possesses deep knowledge of production process. Besides Lux, he is also on the Board of a number of other companies.



Mr. Nandanandan Mishra

Former Director General of Income Tax (Administration), Indian Revenue Service. Mr. Nandanandan Mishra joined IRS in 1966 and has over 36 years of senior level experience in administration. He has served in various committees of the Government of India. A specialist in tax administration, he has a deep professional knowledge and has experience in the fields of industry, commerce, business and corporate management.



Mr. Kamal K. Agarwal

He is an accomplished Chartered Accountant with over 30 years of rich experience. Mr. Kamal Agarwal has been associated with the tea industry since 1977 and retired in 2004 as President of Upper Assam and Cachar Tea Estates.



Mr. Snehashish Ganguly

Eminent sports personality and businessman, Mr. Snehashish Ganguly was the former captain of the West Bengal Cricket Team and represented the state in Ranji Trophy, Deodhar Trophy and Dulip Trophy for a number of years. He is the brother of former Indian cricket captain Saurav Ganguly and has considerable experience in cricket.

Financial Section

Directors' Report



To the Members of
Lux Industries Limited

Your Directors are pleased to present the 17th Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2012, together with the notice of Annual General Meeting.

Financial Results

The highlights of your Company's financial performance are:

(Rs. in lacs)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Gross Income	54,753.92	52,063.55
Gross Expenditure	51,480.70	49,824.99
Profit before Depreciation, Interest and Tax	3,273.23	2,238.56
Depreciation	388.03	295.95
Interest	825.88	691.80
Profit Before Tax, Extraordinary Items & Prior Period Items	2,059.32	1,250.81
Provision for Taxes		
(a) Current Tax	688	401
(b) Deferred Tax	(42.77)	12.38
Profit after Tax and before Extraordinary Items & Prior Period Items	1,414.08	837.43
Profit from Exceptional Items		
Profit After Taxes and before Prior Period Items	1,414.08	837.43
Prior Period Items		
Net Profit	1,414.08	837.43
Balance brought from Previous year	1,480.11	857.25
Total	2,894.20	1,694.67
Appropriations:		
Transfer to General Reserve	138.00	85.00
Proposed Dividend on equity shares	111.11	111.11
Corporate Tax on Proposed Dividend	18.02	18.45
Balance carried over to Balance Sheet	2,627.07	1,480.11
Total	2,894.20	1,694.67
Earnings per share (Basic & Diluted)		
-Before Extraordinary Item (Rs.)	28.00	16.58
-After Extraordinary Item (Rs.)	28.00	16.58



Results of Operations

During the year under review, the Company achieved a gross income of Rs. 54,753.92 lacs as against Rs. 52,063.55 lacs for the corresponding period of the previous year thereby achieved a growth of around 5.17%.

The Company's profit before depreciation, interest, tax amounts to Rs. 3,273.23 lacs as compared to Rs. 2,238.56 lacs in the previous year, registering a growth of 46.18%. The Company has achieved Profit Before Tax of Rs 2,059.32 lacs as against Rs. 1,250.81 lacs higher by 64.72%. The Net Profit after tax is Rs. 1,414.08 lacs as against Rs. 837.43 lacs for the previous year.

The financial year 2011-12 was a significant year for the Company in terms of growth in profitability, The net profit during the year has grown around by 69% over the previous financial year.

Dividend

The Board of Directors at the meeting held on July 09, 2012 recommended a dividend of 22% (Rs. 2.20) per Equity Share (last year Rs. 2.20 per Equity Share) on 50,50,600 equity shares of Rs.10 each for the year ended March 31, 2012, subject to approval of the shareholders in the ensuing Annual General Meeting. Distribution Tax on the dividend is being borne by the Company.

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 Rs. 138.00 lacs to the general reserve out of profits earned by the Company. A sum of Rs. 2,627.05 lacs is proposed to be retained in the profit and loss account.

Finance

The Company's additional requirement of working capital has been financed by Allahabad Bank. The said Bank has sanctioned the enhanced working capital of Rs 9,400.00 lacs as against working capital of Rs.9,400.00 lacs in previous year.

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 2011-12 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

Management Discussion & Analysis Report

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

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.

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 Mr. Ajay Patodia, Chief Financial Officer is set out in Annexure E forming part of this report.

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, 2012, 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, 2012 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.

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, Mr. Navin Kumar Todi 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.

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.

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.

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.

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.

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.

Donation

During the year under review, the Company has made donation of Rs. 4.04 lacs for charitable and other purposes.

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
July 09, 2012

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, 2012

A. CONSERVATION OF ENERGY

a. 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.

b. Additional investment and proposal, if any being implemented for reduction of consumption of energy: No

c. 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.

d. 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

a. Research & Development (R & D):

R & D are carried out separately by the Hosiery Research Association.

b. Technology absorption, adaptation and innovation:

No import of technology was made. Company uses indigenous technology only.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a. Activities relating to exports, initiatives taken to increase exports, development of new export market for products and exports plans: During the year Company has exported hosiery goods to Middle East Countries. The Company is exploring further possibility to export goods to Africa, Europe and USA.

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

Sl. No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)
i)	Earning	841,721,528.55	483,926,056.51
ii)	Outgo	18,301,840.00	16,801,645.00

For on behalf of the Board of Directors

Kolkata
July 09, 2012

Ashok Kumar Todi
Chairman

ANNEXURE B

Management Discussion and Analysis



Indian economy

The financial year 2011-12 was challenging for the Indian manufacturing sector marked by an industrial slowdown. The Indian economy grew 6.5% in 2011-12 following 8.6% GDP growth in 2010-11. The IIP growth of 8.1% in January 2011 declined to 1.8% in December 2011. The service sector increased its GDP share from 58% in 2010-11 to 59% in 2011-12. The agricultural and allied sectors projected to achieve 2.5% growth in 2011-12. As per RBI's Monetary Policy Statement 2012-13 released in April 2012, the Indian economy is projected to grow by 7.3% in 2012-13 assuming normal monsoons.

Global textile industry

The estimates for global yarn and fabric production in the 1st quarter of 2012 compared to the last quarter of 2011 are negative. As far as yarn production is concerned this is mainly due to lower output in Asia in general and China in particular, whereas output is estimated to increase in North and South America with Europe remaining unchanged. In global fabric production both Asia and Europe are expecting lower output in the first quarter, whereas South America is estimating an increased production level. The general outlook for the 2nd quarter 2012 is positive both for global yarn and fabric production (Source: ITMF State of Trade Report).

Indian textile industry

Man-made fibre production recorded decrease of about 11% and filament yarn production recorded a decrease of about 5% during March 2012. Man-made fibre production recorded a decrease of 4% and filament yarn a decrease of about 6% during the year 2011-12. Cotton yarn production decreased by 6% during March 2012 and by 11% during 2011-12. Blended and 100% non cotton yarn production decreased by 14% during March 2012 and increased by 1% during the year 2011-12. Cloth production by mill sector increased by 14% during March 2012 and increased by 10% during the year 2011-12. Cloth production by power loom, hosiery sectors increased by 11% and 2%. Handloom

Did you know?

The innerwear market in India is underpenetrated with per capita spend 90% below Thailand and China. The market has been growing faster than the overall clothing market, driven by premium-isation. With discretionary consumer spend in India continuing to grow, these trends should persist, aided by rising urbanization and growth in consumer incomes. Indian consumer spend on innerwear products is significantly lower than other Asian peers. This trend is visible across both men's and women's segments with gaps of over 90% against countries like Thailand and China.



sector decreased by 10% during March 2012. During the year 2011-12, production by handloom, power loom sectors increased by 0.3% and 7%, hosiery sectors decreased by 12%. The total cloth production increased by 6% during March 2012 and decreased by 2% during the year 2011-12 (Source: Ministry of Textiles).

Opportunities and Threats

Your Company has launched premium segment products by the brand name ONN in the month of January 2012 and has been getting tremendous response from the end users, apart from this huge demands are there both in domestic and overseas area for the products of the company and your company is striving hard in order to tap new markets along with strengthening the existing one. The Indian textile industry has immense scope for healthy growth provided market forces of demand and supply are allowed to operate unhindered, proper labour supply is crucial in order to maintain the supply and favourable government policies to the sector will help this sector to grow.

Future Outlook

The products of the the Company are in huge demand from all the sections of the society and 10% of Indian population is using the products of the Company, the demand for premium products are also on the rise and your Company feels that in the coming months the Company will be able to better the past performance in a very significant way.

Risks and Concern

Proper and unhindered availability of labour

force is an issue to meet the increasing demand coupled with an even price fluctuation in yarn prices and government policies are some of the issues that needs to be taken care of, your Company is setting up its own manufacturing units so as to cut down on dependence to outside forces, Your Company has a well documented Risk Management Policy. This policy is reviewed by the Management periodically and is appropriately modified wherever necessary.

Transparency in 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

Despite levy of excise duty on our industry and subsequent strike for nearly two months your Company has been able to register impressive growth in profit after tax as compared to last year.

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 intervals and covers the key areas of operations. It is an independent, objective and assurance function responsible for evaluating and improving the effectiveness of risk management, control and governance processes. An Audit Committee consisting of three independent Non-executive Directors, inter alia, monitors performance of Internal Audit on a periodical basis through review of the audit plans, audit findings and promptness of issue resolution through follow-ups.

Human 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 in-built systems to ensure that employees are continuously updated with the needs of changing technology. The employee strength of your Company is currently 324.

Cautionary Statement

Estimates and expectations stated in this Management Discussion and Analysis may be a 'forward-looking statement' within the meaning of applicable security laws and regulations. Actual results could differ materially from those expected or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/supply, price conditions in the domestic and international markets, changes in the Government regulations, tax laws, other statutes and other incidental factors.

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, 2012, 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 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, 2012 are as under:

Name of the Director	Category of Directorship	No. of other Directorships	No. of Committee Memberships*	
			Chairman	Member
Mr. Ashok Kumar Todi	Promoter Whole-time Director Executive Chairman	14	-	-
Mr. Pradip Kumar Todi	Promoter Managing Director Executive	16	-	-
Mr. Navin Kumar Todi	Non-independent Executive	1	-	-
Mr. Nandanandan Mishra	Independent Non-executive	5	1	6
Mr. Snehasish Ganguly	Independent Non-executive	6	-	-
Mr. 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 meet from time to time to transact the business in respect of which the Board's 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 Meetings attended	Attendance at last AGM held on September 30, 2011
Mr. Ashok Kumar Todi	4	No
Mr. Pradip Kumar Todi	3	Yes
Mr. Navin Kumar Todi	3	No
Mr. Nandanandan Mishra	4	Yes
Mr. Snehashish Ganguly	3	Yes
Mr. Kamal Kishore Agrawal	4	Yes

(d) Details of Board Meeting held during the Year

Date of Board Meeting	30.05.11	11.08.11	14.11.11	13.02.12
Board strength	6	6	6	6
No. of Directors present	5	6	5	5

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

(e) Relationship inter-se

Except Mr. Ashok Kumar Todi, Mr. Pradip Kumar Todi and Mr. 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, 2012

Sl. No.	Name	No. of shares held
1	Mr. Ashok Kr. Todi	6,56,000
2	Mr. Pradip Kr. Todi	7,31,000

Note: Other Directors do 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, 2012 is as follows:

Name of the Committee Member	Category
Mr. Nandanandan Mishra Chairman	Independent, Non-executive
Mr. Snehashish Ganguly Member	Independent, Non-executive
Mr. Kamal Kishore Agrawal Member	Independent, Non-executive

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

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

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

Name of the Committee Member	No. of Meetings	
	Held	Attended
Mr. Nandanandan Mishra	4	4
Mr. Snehashish Ganguly	4	3
Mr. Kamal Kishore Agrawal	4	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) Functions 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 Risk 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 once 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 examine and recommend/ approve.

Details of the composition of the Committee as on March 31, 2012 is as follows:

Name of the Committee Member	Category
Mr. Nandanandan Mishra Chairman	Independent Non-executive
Mr. Snehasish Ganguly Member	Independent Non-executive
Mr. Ashok Kumar Todi Member	Promoter Executive

The Committee met once on February 13, 2012 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 (Wholetime 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 shareholders at the Annual General Meetings.

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, 2012

Name of Directors	Remuneration (Salary)	Sitting Fees		Total
		Board Meetings	Audit Committee	
Mr. Ashok Kumar Todi	15,00,000	-	-	15,00,000
Mr. Pradip Kumar Todi	15,00,000	-	-	15,00,000
Mr. Nandanandan Mishra	-	11,000	11,000	22,000
Mr. Snehasish Ganguly	-	6,000	6,000	12,000
Mr. Navin Kumar Todi	-	-	-	-
Mr. Kamal Kishore Agrawal	-	11,000	11,000	22,000



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, 2012 is as follows:

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

The Committee met once on February 13, 2012 and all members had attended the meeting.

During the year the Company has received 14 complaints which were attended to. No investors' complaint is pending as on March 31, 2012.

Mr. 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 2011-12.

(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
14th	September 30, 2009 10.00 a.m	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700 017	For Re-appointment of Mr. Pradip Kumar Todi as Managing Director of the Company for a period of five years.
15th	September 22, 2010 11.30 a.m	DPSC Auditorium Plot no. X-1,2&3, Block- EP Sector - V, Saltlake City, Kolkata - 700091.	Nil
16th	September 30, 2011 11.30 a.m	DPSC 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 item on the agenda that needs approval by postal ballot.

c) Extra-ordinary General Meeting:

No Extra-ordinary General Meeting was held by the Company during the financial year ended March 31, 2012.

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 accorded approval by the regional Director, Ministry of Corporate Affairs (MCA) Eastern Region, Kolkata for having transactions with Todi Hosiery Pvt. Ltd., wherein Mr. Ashok Kumar Todi, Mr. Pradip Kumar Todi and Mr. Navin Kumar Todi are Directors. 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. 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: The Company has launched its new website ,the address is www.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 28, 2012 at 11.30 am
Venue	DPSC Auditorium, Plot no X – 1, 2 & 3, Block – EP Sector – V Saltlake City Kolkata - 700091
Book closure dates	September 25, 2012 to September 28, 2012 (both days inclusive)
Proposed dividend	Rs. 2.20 (22%) per equity share of Rs. 10/- each
Dividend payment date	On or after September 28, 2012 (within the statutory time limit of 30 days), subject to shareholders' approval

Financial Year	1st April to 31st March
-----------------------	-------------------------

Financial calendar

First Quarterly Results	2nd week of Aug, 2012
Second Quarterly Results	2nd week of November, 2012
Third Quarterly Results	2nd week of February, 2013
Fourth Quarterly Results	2nd week of May, 2013
Annual General Meeting	September, 2013

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 2012-13 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, 2012, 67.07% 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, 2012

Category	Number of		% to total equity
	Shareholders	Shares	
A. Demat mode			
No. of Shares held by NSDL	737	18,80,432	37.23
No. of Shares held by CDSL	286	15,07,065	29.84
Total	1,023	33,87,497	67.07
Physical mode	107	16,63,103	32.93
Grand total	1130	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 (Rs.)	Date of declaration	Due date for transfer
2004-2005	final	1.20	September 27, 2005	November 04, 2012
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

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, 2012.

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 dematerialised shares held with NSDL and CDSL.

National Electronic Clearing Service (NECS) Facility

As per RBI notification, with effect from 1st October, 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 5th March, 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 MCR 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 Computer share 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, 2012

Range of Shares held	No. of Shareholders	%	No. of Shares	%
1 – 5000	857	75.84	1,58,740	3.14
5001 - 10000	178	15.75	1,51,458	3.00
10001- 20000	38	3.36	59,020	1.17
20001 – 30000	14	1.24	37,650	0.75
30001 – 40000	4	0.35	14,500	0.29
40001 – 50000	4	0.35	17,700	0.35
50001 –100000	9	0.80	58,300	1.15
100001 and above	26	2.30	45,53,232	90.15
Total	1130	100.00	50,50,600	100.00



Shareholding pattern as at March 31, 2012

Category	Number of		% to total equity
	Shareholders	Shares	
A. Promoters			
- Indian Promoters	7	3547500	70.24
B. Non- Promoters			
- Corporate Bodies	28	744795	14.75
- Indian Public	1095	758305	15.02
Total	1130	5050600	100.00

Location of Plant

- S. F. 473/1B1, Avinashi Lingam Palayam, Palangarai Village, Avinashi (T.K.) Coimbatore - 641 654
- 57/D, B. T. Road Kolkata - 700 002
- 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

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Lux Industries Limited

- We have examined the compliance of conditions of Corporate Governance by Lux Industries Limited, for the year ended on March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.
- The Compliance of conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
- In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.
- 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.
- 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

Prodyat Chaudhuri
Partner
Membership No. 065401

Kolkata
July 09, 2012



ANNEXURE E

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

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

1. We have reviewed the Balance Sheet of the Company as at 31st March, 2012 and Statement of Profit and Loss 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
July 09, 2012

Pradip Kumar Todi
Managing Director

Ajay Kumar Patodia
Chief Financial Officer

Auditor's Report

To the Members of
Lux Industries Ltd.

We have audited the attached Balance Sheet of M/s. LUX INDUSTRIES LIMITED, Kolkata, as at 31st March 2012, the statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

1. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. 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 such books;
3. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

4. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards (AS) referred to in section 211(3C) of the Companies Act, 1956;
5. On the basis of written representation received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Clause (g) of sub-section(1) of Section 274 of the Companies Act, 1956;
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant accounting Policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
 - ii) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date. and
 - iii) In the case of the Cash Flow Statement, of the cash flow of the company for the year ended on that date.

For Sanjay Modi & Co.
Chartered Accountants
Firm Registration No:322295E

Kolkata
Dated : 9th July ,2012

CA Prodyat Chaudhuri
Partner
Membership No: 065401



Annexure to the Auditor's Report

ANNEXURE IN TERMS OF PARA 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF LUX INDUSTRIES LTD. ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2012.

- 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 the information and explanation 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 the 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 year end). 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 information and explanations given to us, the procedures of physical verification of inventories followed by the Management is 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 covered 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 has taken unsecured loan from five parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.701,995,662.63/- (P.Y. Rs. 277,063,011.63/-) and the year-end balance of loans taken from such parties was Rs. 422,164,637.63/- (P.Y. Rs. 251,430,662.63/-).
- 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 the 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) 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.
- 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 section 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 1st April, 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, sales tax, wealth 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.**

Annexure to the Auditor's Report (Continued...)

- b) According to the Information and explanation 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 undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they become 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 has not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act	Sales Tax	2,086,586	2003-04	Commissioner, Commercial Taxes, Kolkata
Tamil Nadu Sales Tax Act, 1959	Penalty	12,295,937	2004-05	Assistant Commissioner of Commercial Taxes, Pollachi

- 10) The Company does not have accumulated losses as at 31st March 2012 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
- 11) Based on our audit procedures and as per the information and explanations given by the management, we are of opinion that 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 provision of any special statute as specified under paragraph (xii) of the order are 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) In our opinion and 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 & Co.
Chartered Accountants
Firm Registration No:322295E

CA Prodyat Chaudhuri
Partner
Kolkata
Dated : 9th July ,2012
Membership No: 065401



Balance Sheet as at 31st March, 2012

Particulars	Note	(Rs. in Lacs)			
		As at 31.03.2012		As at 31.03.2011	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	529.98		529.98	
Reserves and Surplus	3	3,684.90	4,214.88	2,399.96	2,929.94
Non-Current Liabilities					
Long-Term Borrowings	4	4,410.78		2,649.14	
Long-Term Provisions	5	49.84	4,460.62	40.03	2,689.17
Current Liabilities					
Short-Term Borrowings	6	8,699.88		10,436.53	
Trade Payables	7	8,354.68		7,555.45	
Other Current Liabilities	8	831.06		1,128.84	
Short-Term Provisions	9	341.76	18,227.38	130.70	19,251.52
Total			26,902.88		24,870.63
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	10	2,006.89		2,066.27	
Intangible Assets		31.69		22.46	
Capital Work-in-Progress-Tangible Assets		—		29.73	
Non-Current Investments	11	24.81		24.81	
Deferred Tax Assets (Net)	12	61.54		18.78	
Long-Term Loans and Advances	13	243.53		41.61	
Other Non-Current Assets	14	55.91	2,424.37	59.85	2,263.51
Current Assets					
Inventories	15	9,992.61		9,069.75	
Trade Receivables	16	8,407.67		8,718.35	
Cash and Bank Balance	17	3,472.47		2,992.84	
Short-Term Loans and Advances	18	2,605.76	24,478.51	1,826.18	22,607.12
Total			26,902.88		24,870.63

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

In terms of our report of even date

FOR SANJAY MODI & CO.

Chartered Accountants
Firm Reg no.322295E

Prodyat Chaudhuri

Partner
Membership no.065401

Place : Kolkata
Date : July 09, 2012

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, 2012

Particulars	Note	(Rs. in Lacs)	
		For the year ended 31.03.2012	For the year ended 31.03.2011
Income			
Revenue from Operations (Gross)	19	56,802.26	52,053.72
Less: Excise Duty		2,053.56	—
Revenue from Operations (Net)		54,748.70	52,053.72
Other Income	20	5.22	9.83
Total		54,753.92	52,063.55
Expenses			
Cost of Materials Consumed	21	34,010.55	34,092.85
Purchase of Stock-in-Trade	22	1,056.66	824.26
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	(1,571.84)	(2,528.62)
Employee Benefits Expense	24	458.96	389.88
Finance Costs	25	825.88	691.80
Depreciation & Amortization Expense	26	388.03	295.95
Other Expenses	27	17,526.38	17,046.62
Total		52,694.61	50,812.74
Profit before Tax		2,059.32	1,250.81
Tax Expense:			
Current Tax		688.00	401.00
Deferred Tax		(42.77)	12.38
Profit for the year		1,414.08	837.43
Earnings per share (Nominal value Rs. 10/- each (P.Y. Rs. 10/-):	28		
Basic		28.00	16.58
Diluted		28.00	16.58

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

In terms of our report of even date

FOR SANJAY MODI & CO.

Chartered Accountants
Firm Reg no.322295E

Prodyat Chaudhuri

Partner
Membership no.065401

Place : Kolkata
Date : July 09, 2012

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 31st March, 2012

	(Rs. in Lacs)	
	For the year ended 31.03.2012	For the year ended 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	2,059.32	1,250.81
Adjustment for :		
Depreciation & Amortisation	388.03	295.95
Misc expenditure written off	0.00	1.90
Interest income	(5.02)	(7.71)
Dividend income	(0.20)	(0.02)
Loss (gain) on sale of fixed assets	0.20	(2.09)
Interest payment	759.74	613.20
Provision for Doubtful Debts	24.99	6.79
Provision of diminution in the Value of Investment	2.95	0.02
Provision of gratuity	8.45	15.09
Operating profit before working capital changes	3,238.46	2,173.94
Adjustment for :		
Trade and other receivables (increase)/Decrease	291.74	(2,808.85)
Inventories(increase)	(922.87)	(3,598.91)
Loan advances & other current assets(increase)	(987.53)	(854.01)
Current liabilities (decrease)	678.50	4,613.14
Cash generated from operations	2,298.30	(474.69)
Tax paid (Net)	(687.57)	(401.00)
Net cash from operating activities	1,610.73	(875.69)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (Including capital work in progress)	(310.36)	(901.61)
Sale proceeds of fixed assets	2.02	3.67
Increase in investment	0.00	(0.05)
Decrease/(Increase) in term deposit	0.04	(17.71)
Decrease/(Increase) in inter corporate Investment	0.00	0.00
Interest received	8.92	3.97
Dividend received	0.20	0.02
Net cash used in investing activities	(299.18)	(911.71)

Cash Flow Statement (Continued...)

	(Rs. in Lacs)	
	For the year ended 31.03.2012	For the year ended 31.03.2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings (a) Short Term	(1,704.25)	3,795.28
(b) Long Term	1,761.64	933.43
Interest paid	(759.74)	(613.20)
Dividend paid	(111.11)	(101.01)
Dividend tax paid	(18.45)	(16.77)
Net cash from used in financing activities	(831.91)	3,997.73
Net increase in cash and cash equivalents	479.64	2,210.33
Cash and cash equivalents at beginning of the year	2,992.84	782.51
Cash and cash equivalents at end of the year	3,472.48	2,992.84
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	March 31, 2012	March 31, 2011
Cash in Hand	62.09	64.35
Balance with Bank on current Accounts	3,406.86	2,925.15
Other Bank Balance on Undpaid Deposit Account	3.53	3.34
	3,472.48	2,992.84

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

In terms of our report of even date

FOR SANJAY MODI & CO.

Chartered Accountants

Firm Reg no.322295E

Prodyat Chaudhuri

Partner

Membership no.065401

Place : Kolkata

Date : July 09, 2012

For and on behalf of the Board

Ashok Kumar Todi
Chairman

Pradip Kumar Todi
Managing Director

Ajay Kumar Patodia
Chief Financial Officer

Navin Kumar Agarwal
Company Secretary



Notes to Financial Statements for the year ended 31st March 2012

1. SIGNIFICANT ACCOUNTING POLICIES:

a) Nature of Operation

The Company is engaged in the business of manufacturing & sale of knitwears.

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. The financial statements have been prepared under the historical cost convention on an accrual basis. The accountings 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.

- Sale of Goods** : Sales are recognized when goods are supplied and are net of Sales Return.
- Revenue from Services** : Revenue from services is recognized as the service is performed based on agreements/ arrangements with the concerned parties
- Interest** : Interest on investments are recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividends** : Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.
- Export Benefits** : Export Entitlements in the form of Duty

Drawbacks are recognized in the Statement of Profit and Loss 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

- 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.
- 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

- 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.
- 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

- 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 Rs. 5,000 are fully depreciated in the year of acquisition..

i) Investments

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, packing material, work in progress and finished goods are valued at lower of cost and net realizable value. The cost of inventories comprise of all costs of purchase, cost of conversion & other cost incurred in bringing the inventories to their present location & conditions. Excise duty on finished goods lying in factories is considered for valuation of inventories, as per the guidelines of the ICAI, The company has valued inventory net of modvat benefits. When there is a decline in the price of materials & it is estimated that cost of the finished goods will exceed net realizable value, the materials are written down to net realizable value and in such circumstances the replacement cost of the materials are taken as net realizable value. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are

expected to be sold at or above cost. Cost is determined on FIFO basis. 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

- Defined Contribution Schemes such as provident fund, pension and employees state insurance is charged to the Profit & Loss Accounts of the year when the contribution to the respective funds are due.
- Defined Benefit Plan – the present value of the obligation under such plan is determined based on an actuarial valuation made on 23rd April, 2012 using the projected unit credit method. Actuarial gain and losses arising on such valuation are recognized immediately in Profit and Loss Account.
Under the PUC method a 'projected accrued benefit' is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan
- Short Term benefit are recognized in the Statement of Profit & Loss relating to the year in which the employee has rendered services.
- 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.

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. It is the policy of the company to make provision for doubtful debts and doubtful advances to the extent of 50% of the total amount identified as doubtful 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 a 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.

Notes forming part of the Financial Statements

(Rs. in Lacs)

Particulars	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	Amount	No. of Shares	Amount
2. SHARE CAPITAL				
a) Authorised, Issued, Subscribed and Paid up Share Capital				
Authorised				
Equity Shares of Rs. 10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Issued and Subscribed				
Equity Shares of Rs. 10/- each	55,47,500	554.75	55,47,500	554.75
Paid up				
Equity Shares of Rs 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	55,47,500	529.98
Equity Shares at the closing of the year	50,50,600	529.98	55,47,500	529.98

The Company has only one class of equity shares with a par value of Rs.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 share 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 31.03.2012		As at 31.03.2011	
	Numbers	% age	Numbers	% age
Prabha Devi Todi	10,03,000	19.86	10,03,000	19.86
Pradip Kumar Todi	7,31,000	14.47	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	6,50,500	12.88
Shobha Devi Todi	5,00,500	9.91	5,00,500	9.91


Notes forming part of the Financial Statements

Particulars	(Rs. in Lacs)	
	As at 31.03.2012	As at 31.03.2011
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	266.28	181.28
Add: Transferred from surplus in the statement of Profit & Loss	138.00	85.00
Balance at the end of the year	404.28	266.28
Total	1,057.86	919.86
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	1,480.10	857.25
Add : Profit for the year	1,414.09	837.42
	2,894.19	1,694.67
Less: Appropriations		
Transfer to General Reserve	138.00	85.00
Proposed Dividend	111.11	111.11
Tax on Proposed Dividend	18.03	18.45
Surplus carried to Balance Sheet	2,627.05	1,480.10
Total	3,684.90	2,399.96
4. LONG TERM BORROWINGS		
SECURED LOANS		
Term loans from banks	189.14	134.84
	189.14	134.84
UNSECURED LOANS FROM RELATED PARTIES		
From Body Corporates	3,303.18	1,451.82
From Directors	918.46	1,062.48
	4,221.64	2,514.30
Total	4,410.78	2,649.14

Notes forming part of the Financial Statements

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

Bank	31.03.2012	31.03.2011	Nature of Security	Repayment Terms
Allahabad Bank	134.53	181.83	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 Rs. 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	134.00		— Exclusive Hypothecation charge over the machineries / equipment valuing Rs. 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 instalment of Rs. 8.10 lacs each commenced from Feb'2012 quarter (as existing). Interest @ BR+2.5% is serviced on monthly basis, as and when due.

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 taken at nil rate of interest.

Particulars	(Rs. in Lacs)	
	As at 31.03.2012	As at 31.03.2011
5. LONG TERM PROVISIONS		
Provision for Employee benefits	42.56	35.70
Provision for diminution in the value of investment	7.28	4.33
Total	49.84	40.03
6. SHORT TERM BORROWINGS		
SECURED		
Loan from Banks		
Cash Credit facilities	8,699.88	10,436.53
Total	8,699.88	10,436.53

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.



Notes forming part of the Financial Statements

Particulars	(Rs. in Lacs)	
	As at 31.03.2012	As at 31.03.2011
7. TRADE PAYBLES		
Due to Micro & Small & Medium Enterprises	101.16	143.29
Others	8,253.51	7,412.15
Total	8,354.67	7,555.44
8. OTHER CURRENT LIABILITIES		
Current maturity of long term debt	79.40	47.00
Unclaimed Dividend	3.03	2.75
Statutory liabilities	246.27	247.89
Advance from customers	200.65	603.67
Deposits from Dealers, Agents etc.	276.03	179.48
Other payables	25.69	48.05
Total	831.07	1,128.84
9. SHORT TERM PROVISIONS		
Provision for employee benefit	2.72	1.13
Proposed Dividend on equity shares	111.11	111.11
Tax on Proposed Dividend	18.46	18.45
Other Provisions	209.47	—
Total	341.76	130.69

a) Other Provision includes excise duty payable on clearance of goods lying in stock as on 31.03.2012. The company had recognised such liability based on substantial degree of estimation for which actual outflow is expected in the next year. The details of the same are as follows:

Particulars	Amount
Opening Balance as on 1st April, 2011	—
Add: Provided during the Year	209.47
Less: Paid/Adjusted during the year	—
Closing Balance as on 31st March, 2012	209.47

Notes forming part of the Financial Statements

PARTICULARS	GROSS BLOCK		DEPRECIATION/AMORTISATION		NET BLOCK	
	As at 01.04.2011	Additions for the year for the year 01.04.2011	As at 01.04.2011	Deduction for the year for the year 01.04.2011	As at 31.03.2012	As at 31.03.2011
10. FIXED ASSETS						
I. TANGIBLE ASSETS						
LAND	599.53	108.83	-	-	708.36	599.53
BUILDING	258.47	73.14	101.72	19.02	120.74	210.87
PLANT & EQUIPMENTS	1,617.57	102.29	498.75	303.50	795.06	884.33
FURNITURE & FIXTURES	145.55	38.77	32.56	23.63	56.19	128.13
VEHICLES	99.84	12.32	58.33	13.00	58.22	38.86
OFFICE EQUIPMENTS	44.06	5.03	7.39	5.38	12.77	36.32
CAPITAL WORK IN PROGRESS	2,765.02	340.38	698.75	364.53	1,042.98	2,066.27
SUB TOTAL (A)	2,765.02	340.38	698.75	364.53	1,042.98	2,096.00
II. INTANGIBLE ASSETS						
COMPUTER SOFTWARE	64.00	30.73	44.82	22.09	66.91	27.82
WEBSITE DEVELOPMENT	3.58	2.00	0.30	1.41	1.71	3.87
SUB TOTAL (B)	67.58	32.73	45.12	23.50	68.62	31.69
TOTAL (A+B)	2,832.60	373.11	743.87	388.03	1,111.60	2,038.56
PREVIOUS YEAR	1,296.78	1,544.74	425.27	295.95	743.87	2,118.47


Notes forming part of the Financial Statements

Particulars	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	Amount	No. of Shares	Amount
(Rs. in Lacs)				
11. NON-CURRENT INVESTMENTS				
Investment in equity instruments				
Long term & Trade Investments				
Quoted Equity Share of Rs.10- each fully paid up (Valued at Cost)				
Pacific Cotspin Ltd	49120	4.40	49120	4.40
Viranchi Technology Limited	4000	1.69	4000	1.69
Vardhman Textiles	4000	10.27	4000	10.27
Other Investment		16.36		16.36
Unquoted Equity Share of Rs.10- each fully paid up (Valued at Cost)				
Todi Hosiery Private Limited (Associate)	84000	8.40	84000	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		9.08		12.03
Aggregate provision for dimunition in the value of investment		7.28		4.33
12. DEFERRED TAX ASSETS(NET)				
Deferred tax Assets				
Tax impact of timing differences leading to deferred tax assets				
Provision for doubtful debts/advances		20.31		12.49
Provision for Employee benefits		14.69		12.23
Difference between book value of depreciable assets as per books of account and written down value for tax purpose		26.55		—
Total deferred tax assets		61.55		24.72
Difference between book value of depreciable assets as per books of account and written down value for tax purpose		—		5.94
Net deferred tax assets/ (liabilities)		61.55		18.78
13. LONG TERM LOANS & ADVANCES				
Unsecured Considered Good				
Security Deposits		72.53		41.61
Capital advances		171.00		
Total		243.53		41.61
14. OTHER NON - CURRENT ASSETS				
Bank deposit with more than 12 months maturity		50.87		50.91
Interest accrued on deposits.		5.04		8.94
Total		55.91		59.85

Notes forming part of the Financial Statements

Particulars	As at 31.03.2012		As at 31.03.2011	
(Rs. in Lacs)				
15. INVENTORIES				
(at lower of Cost and net realisable value)				
Raw Materials		1,345.79		2,159.71
Work-in-progress		3,396.36		3,334.15
Finished goods (Manufactured)		4,902.02		3,426.94
Stock-in-trade (Goods purchased for resale)		42.23		7.68
Packing materials		306.21		141.28
Total		9,992.61		9,069.76
16. TRADE RECEIVABLES				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good		231.97		210.87
Unsecured, considered doubtful		99.38		61.49
Less: Provision for doubtful debts		49.69		30.74
		281.66		241.62
Outstanding for a period less than six months from the date they are due for payment				
Unsecured, considered good		8,126.01		8,476.73
Total		8,407.67		8,718.35
17. CASH AND BANK BALANCES				
Cash And Cash Equivalents				
Cash on hand		62.09		64.35
Balances with bank				
On current account		3,406.86		2,925.15
Other bank balances				
Unpaid Dividend		3.53		3.34
Total		3,472.48		2,992.84
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		2,592.87		1,807.25
Unsecured, considered doubtful		25.79		25.79
Less: Provision for doubtful advances		12.89		6.85
Total		2,605.77		1,826.19


Notes forming part of the Financial Statements

Particulars	For the year ended 31.03.2012		For the year ended 31.03.2011	
	Amount	Amount	Amount	Amount
(Rs. in Lacs)				
19. REVENUE FROM OPERATION				
Sale Of Products				
i) Manufactured Goods		55,149.25		51,176.26
ii) Stock-in-trade		853.22		396.60
Sale of Services				
Job Work		6.20		—
Other Operating Revenue				
i) Assist Under WBIP Scheme	74.30		84.73	
ii) Export Incentive	682.54		387.80	
iii) Incentive received on yarn purchase	29.30		8.32	
iv) Others	7.45	793.59	—	480.85
Total		56,802.26		52,053.71
a) Other operating revenue includes liability no longer required written off.				
20. OTHER INCOME				
Interest Income				
i) From Fixed Deposit	5.02		4.27	
ii) Int on Advance/Delayed Payments	—	5.02	3.45	7.72
Dividend Income				
From Long Term Trade Investment		0.20		0.02
Other Non Operating Income				
Profit on Sale of Vehicle		—		2.09
Total		5.22		9.83
21. COST OF MATERIAL CONSUMED				
Yarn Consumed				
Opening Stock	2,159.71		936.16	
Add : Purchases during the year	16,701.29		22,254.71	
	18,861.00		23,190.87	
Less: Yarn Sale			10.38	
Less : Closing Stock	1,345.79	17,515.21	2,159.71	21,020.78
Packing Materials Consumed				
Opening Stock	141.28		294.52	
Add: Purchases during the year	5,757.12		5,425.38	
	5,898.40		5,719.90	
Less: Closing Stock	306.22	5,592.18	141.28	5,578.63
Consumption of Fabrics		10,855.18		7,493.44
Consumption of Steaching Thread		47.98		
Total		34,010.55		34,092.85

Notes Forming part of the Financial Statements

Particulars	For the year ended 31.03.2012		For the year ended 31.03.2011	
	Amount	Amount	Amount	Amount
(Rs. in Lacs)				
22. Purchase of Stock in Trade (Knitwear)		1,056.66		824.26
Total		1,056.66		824.26
23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE				
Finished Goods				
Opening Stock	3,426.94		1,956.36	
Closing Stock	4,902.02	(1,475.08)	3,426.94	(1,470.58)
Work-in-progress				
Opening Stock	3,334.15		2,283.78	
Closing Stock	3,396.36	(62.21)	3,334.14	(1,050.36)
Stock in trade				
Opening Stock	7.68		—	
Closing Stock	42.23	(34.55)	7.68	(7.68)
Total		(1,571.84)		(2,528.62)
24. EMPLOYEE BENEFIT EXPENSE				
Salaries & Wages & Bonus	398.62		330.54	
Provision for Employment benefit	9.96	408.58	15.94	346.48
Contribution to Provident & Other Funds		20.17		17.39
Staff Welfare Expenses		30.21		26.00
Total		458.96		389.87
25. FINANCE COST				
Interest Expense		759.74		613.20
Bank Charges		66.14		78.60
Total		825.88		691.80
26. DEPRECIATION & AMORTIZATION EXPENSE				
Depreciation on Tangible Assets		364.52		270.06
Amortization on Intangible Assets		23.50		25.90
Total		388.02		295.96



Notes forming part of the Financial Statements

Particulars	(Rs. in Lacs)	
	For the year ended 31.03.2012 Amount	For the year ended 31.03.2011 Amount
27. OTHER EXPENSES		
Consumption Of stores & spare parts	60.96	44.20
Excise Duty on Closing Stock of Finished Goods	209.47	—
Power & Fuel	24.14	53.05
Rent	76.90	46.80
Repairs to buildings	34.60	21.60
Repairs to machinery	13.66	12.66
Repairs to other	10.31	10.93
Insurance	15.62	14.93
Rates & Taxes	64.70	70.25
Selling Expenses	2,351.64	2,637.72
Share issue expense written off	—	1.90
Royalty	5.00	5.00
Advertisement & Publicity	3,058.65	2,718.43
Commission	603.23	573.81
Freight & Other Handling Charges	801.70	824.66
Bad Debts	—	5.47
Processing expense	9,266.87	9,627.32
Prior Period Items	(45.05)	1.30
Loss on Sale of Vehicle (net)	0.20	—
Foreign currency translation loss (net)	358.99	(44.93)
Miscellaneous Expenses	584.34	412.51
Payment to auditors	2.50	2.21
Provision for diminution in the Market value of Investment	2.95	0.03
Provision for Doubtful Debts/Advance	24.99	6.79
Total	17,526.37	17,046.64

Notes forming part of the Financial Statements

28. Earning per share Computed in accordance with AS 20: "Earning Per Share"

Sl. Particulars	31.03.2012	31.03.2011
1. Profit for the year (Rs. in Lacs)	1,414.08	837.42
2. Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS.	50,50,600	50,50,600
3. Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	50,50,600	50,50,600
4. Nominal Value per share (Rs.)	10	10
5. Earning per shares (Rs.)		
Basic	28.00	16.58
Diluted	28.00	16.58

29. Particulars of Contingent Liabilities and Commitments

Particulars	2012	2011
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	2.50	2.50
(b) to Commissioner of Customs, Kolkata	1.40	1.40
(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	0.20	0.20
(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*	20.87	20.87
(iv) Sales Tax Penalty for F.Y. 2003-04 under appeal with Kolkata High Court*	—	30.84
(v) Sales Tax Penalty for F.Y. 2004-05 under appeal with Kolkata High Court*	—	19.17
(vi) Claim not acknowledge as debt	—	—
2. Commitments		
Estimated amount of contracts remaining to be executed on Capital account and not provided for	36.00	30.00

* 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.



Notes forming part of the Financial Statements

30. Segment Reporting:

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

Sl. Particulars	(Rs. in Lacs)	
	2012	2011
1 Segment Revenue		
-Within India	45,417.62	46,666.87
-Outside India	9,220.03	5,293.80
Total	54,637.65	51,960.67
2 Segment Assets		
-Within India	25,523.92	23,867.39
-Outside India	1,378.96	1,003.24
Total	26,902.88	24,870.63
3 Capital Expenditure		
-Within India	373.11	15,44.74
-Outside India	—	—
Total	373.11	15,44.74

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:

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

b) Associates controlled by Director/Relatives:

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

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

(Rs. in Lacs)

Sl. Nature of Transaction	Key Management Personnel		Relatives of Key Management Personnel		Associates controlled by Director/Relatives	
	2012	2011	2012	2011	2012	2011
1 Sale of goods						
Todi Hosiery Pvt. Ltd.	—	—	—	—	3.34	0.73
Ebel Polymers Pvt. Ltd.	—	—	—	—	2250.87	1209.38
Total					2254.21	1210.11
2 Purchase of goods						
Todi Hosiery Pvt. Ltd.	—	—	—	—	552.99	211.96
Jaytee Exports	—	—	—	—	109.73	401.47
Total					662.72	613.43
3 Payment for services						
Todi Hosiery Pvt. Ltd.- Agent						
Commission	—	—	—	—	1.21	2.17
Jaytee Exports – Knitting Charges	—	—	—	—	—	2.73
Biswanath Hosiery Mills Ltd.-						
Raising Charges	—	—	—	—	27.08	22.34
Holly Field Traders Pvt. Ltd.-						
Rent Paid	—	—	—	—	1.80	1.80
P.G.Infomatic Pvt. Ltd.-Rent					21.18	21.18
P.G.Infomatic Pvt. Ltd.-						
Data Processing					49.64	—
Total					99.70	50.23
4 Remuneration						
Ashok Kumar Todi	15.00	15.00	—	—	—	—
Pradip Kumar Todi	15.00	15.00	—	—	—	—
Total	30.00	30.00				
5 Royalty paid						
Biswanath Hosiery Mills Ltd.	—	—	—	—	5.00	5.00
Total					5.00	5.00
6 Received towards services						
Todi Hosiery Pvt. Ltd.	—	—	—	—	—	—
Total						
7 Security Deposit						
P.G.Infomatic Pvt. Ltd.					-	10.00
Total						10.00
8 Interest paid						
Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	61.07	12.68
Rotex Intertrade Pvt. Ltd.	-	-	-	-	110.36	13.72
Holly Field Traders Pvt. Ltd.	-	-	-	-	20.86	12.50
Total					192.29	38.90



Sl.	Nature of Transaction	(Rs. in Lacs)					
		Key Management Personnel		Relatives of Key Management Personnel		Associates controlled by Director/Relatives	
		2012	2011	2012	2011	2012	2011
9	Loan received						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	1983.00	663.00
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	3452.00	1173.00
	Holly Field Traders Pvt. Ltd.	-	-	-	-	1325.00	1841.00
	P.G.Infomatic Pvt. Ltd.	-	-	-	-	-	70.00
	Ashok Kumar Todi	67.75	69.90	-	-	-	-
	Pradip Kumar Todi	42.00	66.25	-	-	-	-
	Total	109.75	136.15	-	-	6760.00	3747.00
10	Loan repayment						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	693.11	686.02
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	2667.54	770.93
	Holly Field Traders Pvt. Ltd.	-	-	-	-	1742.09	1435.40
	P.G.Infomatic Pvt. Ltd.	-	-	-	-	-	70.00
	Ashok Kumar Todi	136.50	59.83	-	-	-	-
	Pradip Kumar Todi	117.27	38.60	-	-	-	-
	Total	253.77	98.43	-	-	5102.73	2962.35
11	Guarantees and collaterals issued	-	-	-	-	-	-
12	Provision for doubtful debts						
	amount written off and written back	-	-	-	-	-	-
13	Outstanding as at 31st March						
	(a) Sundry creditors	-	-	-	-	-	-
	Jaytee Exports	-	-	-	-	-	59.59
	Ebel Polymers Pvt. Ltd.	-	-	-	-	71.53	450.40
	Biswanath Hosiery Mills Ltd.	-	-	-	-	1293.22	110.78
	Total	-	-	-	-	1364.75	620.77
	(b) Unsecured loans						
	Chitragupta Sales & Services (P)Ltd.	-	-	-	-	1616.67	265.71
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	1499.03	604.21
	Holly Field Traders Pvt. Ltd.	-	-	-	-	187.48	581.91
	Ashok Kumar Todi	461.64	530.39	-	-	-	-
	Pradip Kumar Todi	456.83	532.10	-	-	-	-
	Total	918.46	1062.48	-	-	3303.19	1451.82
	(c) Debtors						
	Todi Hosiery Pvt. Ltd.	-	-	-	-	316.22	455.48
	Jaytee Exports	-	-	-	-	48.93	-
	P.G.Infomatic Pvt. Ltd.	-	-	-	-	0.28	-
	(d) Security Deposit						
	P.G.Infomatic Pvt. Ltd.	-	-	-	-	10.00	10.00
	Total	-	-	-	-	375.43	465.48

32. Auditor's Remuneration includes :

	(Rs. in Lacs)	
	2012	2011
Statutory Audit	2.25	1.93
Tax Audit	0.25	0.28
Total	2.50	2.21

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:

Sl.	Details of dues to Micro, small and Medium Enterprises as per MSMED Act, 2006	2012	2011
i	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	Principal Amount Unpaid	101.16	143.29
	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 statement of profit and loss and the funded status and amounts recognized in the balance sheet for respective plans.



(Rs. in Lacs)

Particulars	Gratuity	
	For the year ended 31.03.2012	For the year ended 31.03.2011
Present Value of Obligation at the beginning of the year	36.83	21.74
Current Service Cost	9.44	9.67
Interest Cost	3.28	2.34
Net Actuarial Losses / (Gain)	(2.76)	3.93
Benefit Paid	1.51	(0.85)
Present Value of Obligation at the end of the year	45.28	36.83

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	For the year ended 31.03.2012	For the year ended 31.03.2011
Discount Rate	8.00%	8.00%
Rate of increase in Salaries	5.00%	5.00%
Expected average remaining working lives of employees (years)	22.33	23.18
Withdrawal rates	Varying between 2% p.a. and 1% p.a. depending on duration and age of the employees	

(c) Amount recognized in current year and previous four years

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Present value of obligation as at the beginning of the year	36.83	21.74	14.91	10.00	6.31
Current Service cost	9.44	9.67	5.82	4.66	2.97
Interest cost	3.28	2.34	1.47	1.00	0.61
Total Expenses recognized in P/l account	9.96	15.95	6.98	4.91	3.69
Actuarial (gain) /loss during the year	(2.76)	3.93	(0.31)	(0.74)	(0.11)
Actual benefit paid	1.51	0.85	0.15	0.00	0.00
Present value of obligation as at the end of the year	45.28	36.83	21.74	14.91	10
Fair value of plan assets	0.00	0.00	0.00	0.00	0
Liability recognized in Balance Sheet	45.28	36.83	21.74	14.91	10

35. During the previous year pursuant to imposition of excise duty on readymade garments and made up article under chapter 61-63 of the central excise tariff, the company had accounted for excise duty paid on input goods, capital goods and service tax on inputs amounting to Rs 47.96 lacs as expense under respective accounting heads. However, as per Cenvat credit rules the company is eligible for cenvat credit of excise duty paid on inputs, capital goods and service tax paid on input services. During the current financial year, based on the decision of the management and the interpretations of the relevant provisions of

the act, the company has claimed an amount of Rs 47.96 Lacs as credit of excise duty paid on inputs, capital goods and service tax paid on inputs crediting prior period income account. This is keeping with the provision of AS -5 "net profit or loss for the period, prior period items".

36. The year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31.03.2012		As at 31.03.2011	
	US \$ Equivalent	INR	US \$ Equivalent	INR
A. Amount Receivable in Foreign currency on account	27, 92,397.89		22, 59,559.78	
Of the following:				
Debtors Outstanding		1378.95 Lacs		1003.24 Lacs
B Amount Payable in foreign Currency on account of the Following:	NIL		373,780.00	
Import of Goods etc		NIL		169.15 Lacs

Value (Rs. in lacs)

Class of goods	2012	2011
37. Particulars in respect of sales		
Knitwear	56002.47	51572.87
38. Details of finished stock		
i) Opening stock		
Knitwear	3426.94	1956.36
ii) Closing stock		
Knitwear	4902.02	3426.94
39. Details of Finished Goods Purchased		
Knitwear	1056.66	824.26
40. Particulars about Work in Progress		
Fabrics	3396.36	3334.15
41. Details of raw materials consumed during the year		
Yarn	17515.20	21020.78
Fabric	10855.18	7493.44
Packing material & Others	5640.16	5578.63
Total	34010.55	34092.85



42. Value of imported and indigenous raw materials and spares consumed and percentage of each to total consumption:

Class of goods	Percentage		Value (Rs. in Lacs)	
	2011-12	2010-11	2011-12	2010-11
(a) Raw materials				
Imported	—	—	—	—
Indigenous	100.00	100.00	34010.55	34092.85
Total	100%	100%	34010.55	34092.85
(b) Stores and spares				
Imported	20%	—	11.99	—
Indigenous	80%	100.00	48.97	44.20
Total	100%	100%	60.96	44.20

(Rs. in Lacs)

Class of goods	2011-12	2010-11
43. Value of imports during the year on C.I.F. basis		
Raw materials	NIL	NIL
Capital goods	209.41	654.48
44. Earning in foreign currency:		
Direct Export of goods at FOB value	8417.22	4839.26
45. Expenditure in foreign currency:		
(a) Travelling expenses	11.56	11.02
(b) Agent Commission	171.46	156.99
Total	183.02	168.02

46. The revised Schedule VI as notified under the Companies Act 1956 has become applicable for the company for presentation of its financial statements for the year ending March 31, 2012. The adoption of the revised Schedule VI requirements has significantly modified the presentation and disclosures which have been complied with in these financial statements. Previous year figures have been re-grouped, re-arranged and re-casted wherever considered necessary.

As per our report of even date attached.

FOR SANJAY MODI & CO.

Chartered Accountants

Firm Reg no.322295E

Prodyat Chaudhuri

Partner

Membership no.065401

Place : Kolkata

Date : July 09, 2012

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

Notes



Notes

Board of Directors

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,
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Hyderabad-500 034
E-mail: mailmanager@ karvy.com

Auditors
M/s Sanjay Modi & Co.
Chartered Accountants
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Bankers
Allahabad Bank
Park Street Branch
Kolkata-700 016

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