Date: 01st October, 2018

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

Respected Sir/Madam,
Sub: Submission of Annual Report

In compliance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, find enclosed herewith a copy of approved Annual Report for the financial year ended 31st March, 2018.

Thanking You
Yours faithfully,
For LUX INDUSTRIES LIMITED

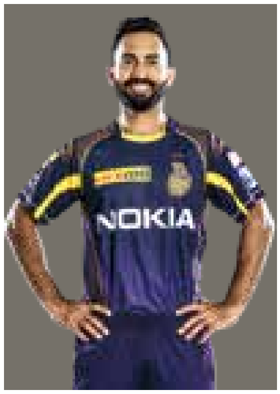
Smita Mishra
Smita Mishra
(Company Secretary & Compliance Officer)
M.No: A26489

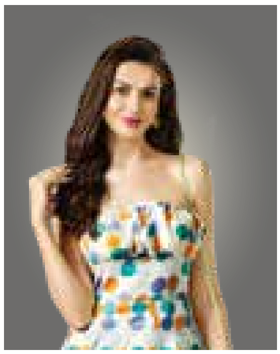
Enclosed: as above

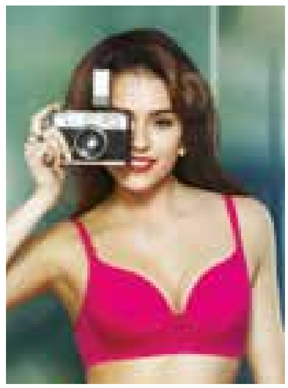
BOLDNESS IS EVERYTHING

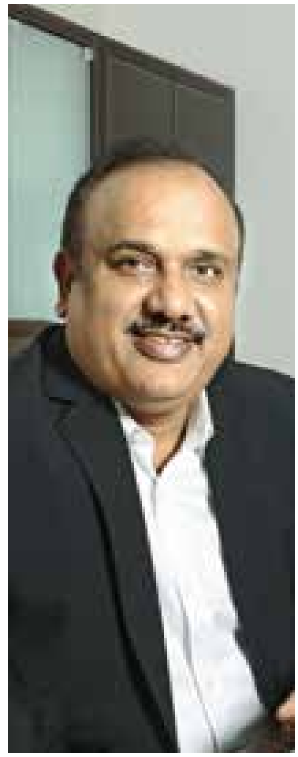
LUX INDUSTRIES LTD | ANNUAL REPORT 2017-18

CONTENTS







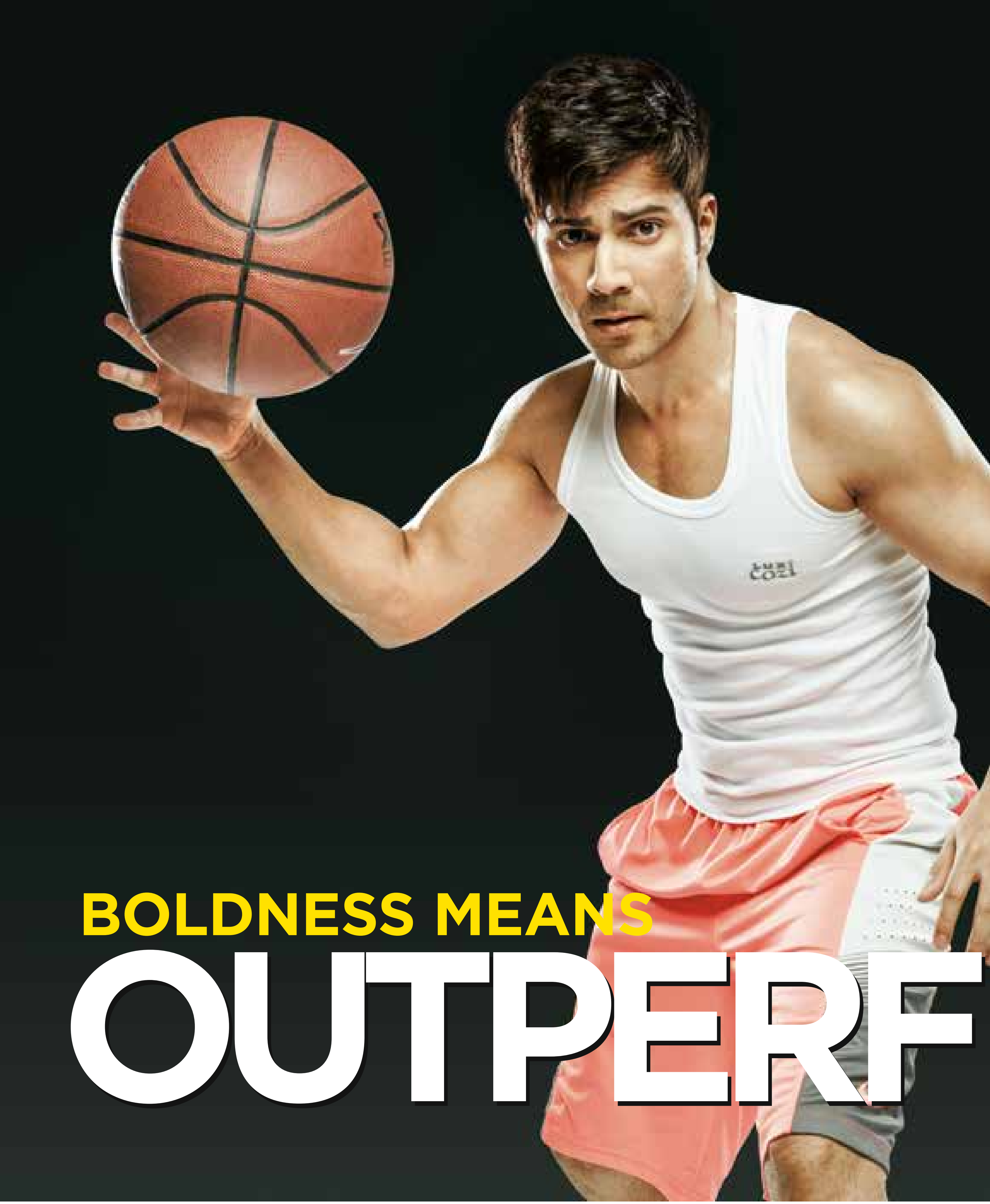


FORWARD LOOKING STATEMENT: In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out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

BOLDNESS
IS EVERYTHING

When the world said, ‘You would do very good to match the overall sector’s growth rate,’ Lux reported growth that was more than the Indian hosiery textile sector’s growth for 2017-18.

When the world said, ‘You would do well even if you delivered moderate growth,’ Lux surprised analysts and reported profitable growth – profit percentage being higher than revenue percentage - in 2017-18.



BOLDNESS MEANS OUTPERF

19

% growth in Lux's revenues, 2017-18

33

% growth in Lux's PAT, 2017-18

ORMING

10 things you need to know about Lux Industries

01

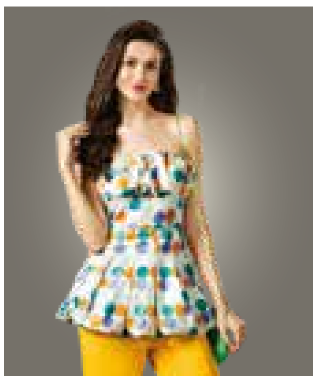
Our vision

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

02

Our mission

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



03

Our core values

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

04

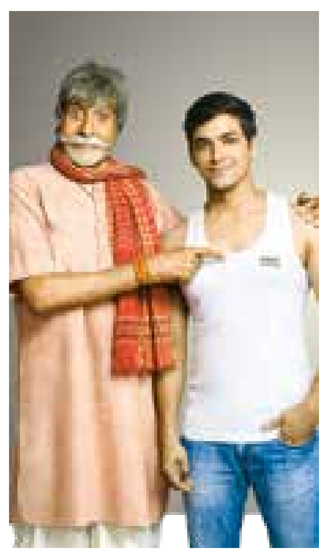
Our legacy

Our founder Late Sri. Girdhari Lal Todi established Biswanath Hosiery Mills in 1957, which became Lux Industries Limited in 1995. The Company is currently headed and managed by the second generation of the founder family. Lux has headquartered in Kolkata and has five manufacturing facilities located across India.

05

Our products

The Company has a wide bouquet of over 100 products across 14 brands that cater to the demands of consumers across ages, genders, geographies and seasons. Lux manufactures products for men, women as well as children, across a range of prices.

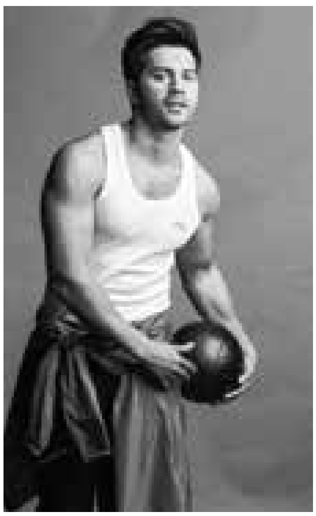


06

Our brands

The Company has numerous brands. A few of the prominent ones that enjoy customer recall, celebrity endorsement, high quality and superior price-value proposition are:

- Lux Venus – 1993
- Lux Classic – 1995
- Lux Karishma – 1997
- Lux Touch – 1998
- GenX – 2000
- Lux Cozi – 2001
- Lux Cozi Big Shot – 2003
- Lux Cott's Wool – 2005
- Lux Inferno – 2007
- Lux Mozze – 2009
- ONN – 2010
- Lyra – 2012
- Lux Cozi GLO – 2016
- One8 – 2018
(by Virat Kohli)



07

Our manufacturing facilities

We have five manufacturing facilities in five locations across India.

Tirupur, Coimbatore, Tamil Nadu	1
B.T. Road, Kolkata, West Bengal	1
Dankuni, Kolkata, West Bengal	1
Dhulagarh, Kolkata, West Bengal	1
Ludhiana, Punjab	1

08

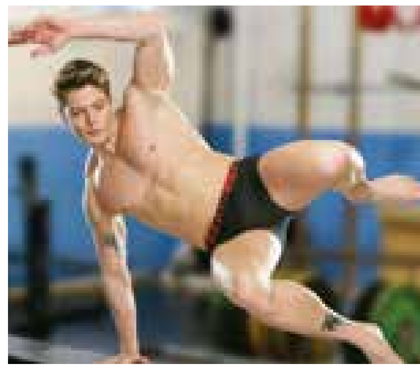
Our listing

The Company's shares are listed and actively traded on the National Stock Exchange and the Bombay Stock Exchange. As on 31st March 2018, Lux's market capitalisation stood at ₹4,296.80 crore.

09

Our quality policy

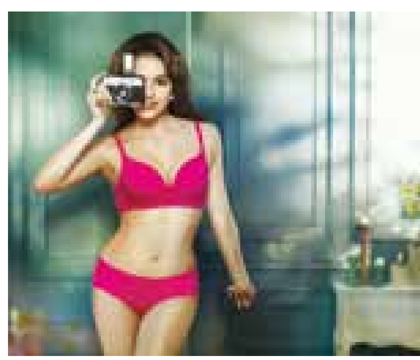
Lux was accredited with the ISO 9001:2015 certification in accordance with the ISO 9001 standards



10

Our awards and accreditations

- **2012-13:** Asia's Most Promising Brands
- **2013:** The Master Brand
- **2014:** The Master Brand
- **2014-15:** The ADMIRED Brand of India
- **2015:** The World's Greatest Brands
- **2016:** Asia's Greatest Brands
- **2017 - 2018:** Asia's Most Admired Brands & Leaders.



HOW WE STRENGTHENED OUR BUSINESS IN 2017-18

- Proposed Merger of J. M. Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (EEPL) with Lux Industries Limited.
- Engaged Amitabh Bachchan as brand ambassador for the Lux Venus & Lux Inferno brands.
- Acquired manufacturing and marketing rights of Virat Kohli's brand One8 which plans to make inroads into the men's premium innerwear segment
- Lux launched a customer scheme 'Buy any 2 Lux products and get a pair of socks free'.

OUR MILESTONES

1957

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

1964

The second generation of entrepreneurs assumed management.

1992

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

1993

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

2001

Lux was incorporated as a public limited company.

2003

The Lux IPO was launched and massively oversubscribed.

2010

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

2013

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

2018

Lux conducted the largest ever distributors' conference in the hosiery textiles industry attended by over 900 distributors.

Mr Amitabh Bachchan was appointed Brand Ambassador for Lux Venus and Lux Inferno

Our global footprint:

The Company exports its products to 47 countries across the world. Its global footprint is present in countries such as:

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

1994

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

1995

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

1998

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

2000

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

2014

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

2015

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

2016

One of Eastern India's largest hosiery product manufacturing plant at Dankuni, West Bengal commenced operations.

Lux became a primary sponsor and merchandising partner of Kolkata Knight Riders

Lux Glo, a sub brand of Lux Cozi, was launched.

2017

Varun Dhawan was signed as Lux Cozi's brand ambassador

Parineeti Chopra was launched as the Brand Ambassador for the Lyra leggings brand

BOLDNESS
AND THE LUX DNA

It would have been easy investing moderately in brands; we invested an aggregate ₹346 cr in our brands across the five years ending 2017-18 instead.

It would be easy following established price points in India's innerwear textiles sector; we created them instead.

It would have been easy staying with tried and tested products; we extended to contiguous products instead.

It would have been safer building a large brands portfolio, spreading our risks wider; we focused on a relatively smaller brand portfolio instead.

It would have been easy completely outsourcing products from vendors; we invested in a new world-class integrated knitting and cutting facility instead.

It would have been easy addressing the needs of the mid-end market with mid-end products; we pioneered products that introduced premium lifestyle products for the mid-end consumer instead.

It would have been easy remaining anonymous when we entered the sector a few decades ago; we emerged as the first Indian innerwear company to advertise and promote innerwear products instead.

It would be predictable for a successful innerwear company to remain restricted to product promotion; we graduated to the sponsorship of prominent national events instead.

It would have been easy spending moderately on brand building; we invested around a sizeable 9.55% of our revenues in marketing and other sponsorships instead.

It would have been predictable following the sector's preference for manual operations; Lux evolved from manual to automated manufacture and some functions extending to digitisation instead.

It would have been easy treating dealers as external to the company; the company was the first Indian innerwear company to organise dealer conferences within and outside India

It would have been easy addressing the market's needs of the day; we introduced premium to mid-end retail products that address the preferences of the future instead.

It would have been easy for a successful innerwear company to remain in the innerwear segment; we extended the portfolio from innerwear to outerwear alternatives instead

It would be easy drawing on local and regional designs and materials; we drew on quality material and contemporary designs (European and American influences) instead.

It would have been easy promoting innerwear in an anonymous way; we engaged a prominent brand ambassador (Sunny Deol) to endorse Lux Cozi in 2001

It would have been easy going with the sectoral flow; Lux Cozi helped transform the sector's recall from unorganised to brand-driven organised instead.

It would have been predictable being an India-focused company; Lux exports to 47 countries instead.

It would have been easy treating an innerwear product like a predictable innerwear product; we graduated innerwear to a fashion statement instead.


BOLD

Lux strengthened its EBIDTA margin by 580 bps - from 8.04% in FY14 to 13.83% in FY18.

Lux's revenues grew to ₹1,139 cr in FY18; EBIDTA grew to ₹158 cr.

Margins rose every single year during the last five years while PAT margin more than doubled to 7%.

A capex-driven Lux moderated its gearing from a peak 2.61 to 1.0 in the last five years.

Lux's profit from every rupee spent on branding spending increased from ₹6.47 in FY14 to ₹9.55 in FY18.

Lux moderated the proportion of raw materials as a percentage of turnover from 49% in FY14 to 44% in FY18

Lux maintained a higher RoE at 24.71% for the year ending 2017-18 compared with the previous financial year 24.3%.

Lux provided a wide range of over 5,000 SKUs, among the largest innerwear ranges in the industry

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

NESS PAYS

BOLD

MADE THE DIFFERENCE IN A CHALLENGING 2017-18

NESS

At Lux, it would have been comfortable conducting business as usual.

We stepped outside our comfort zone instead.

Everyone said, 'Beware of the slowdown in the country's hosiery sector.'

We resolved to create our own momentum instead.

Everyone said, 'It doesn't make sense for India's film icon to promote hosiery innerwear'.

We quietly said we would make it work.

Most observers hinted that any consumer scheme would at best work only for the first few weeks.

We launched one of the most successful long-running consumer schemes in India's hosiery sector instead.

Most trade analysts scoffed at the idea of getting a film personality to endorse an underwear brand.

We proceeded regardless and made this an outstanding success instead.


LUX
VENUS

AMITABH AND AN INNERWEAR HOSIERY BRAND ENDORSEMENT? YOU MUST BE JOKING...

Amitabh Bachchan has endorsed hundreds of products in his career.

But never a hosiery brand.

Brand commentators felt that the endorsement of hosiery products would not be compatible with Amitabh's cultivated image.

Brand analysts indicated that the association of a cinema superstar with a mass hosiery brand would be as disparate as chalk and cheese.

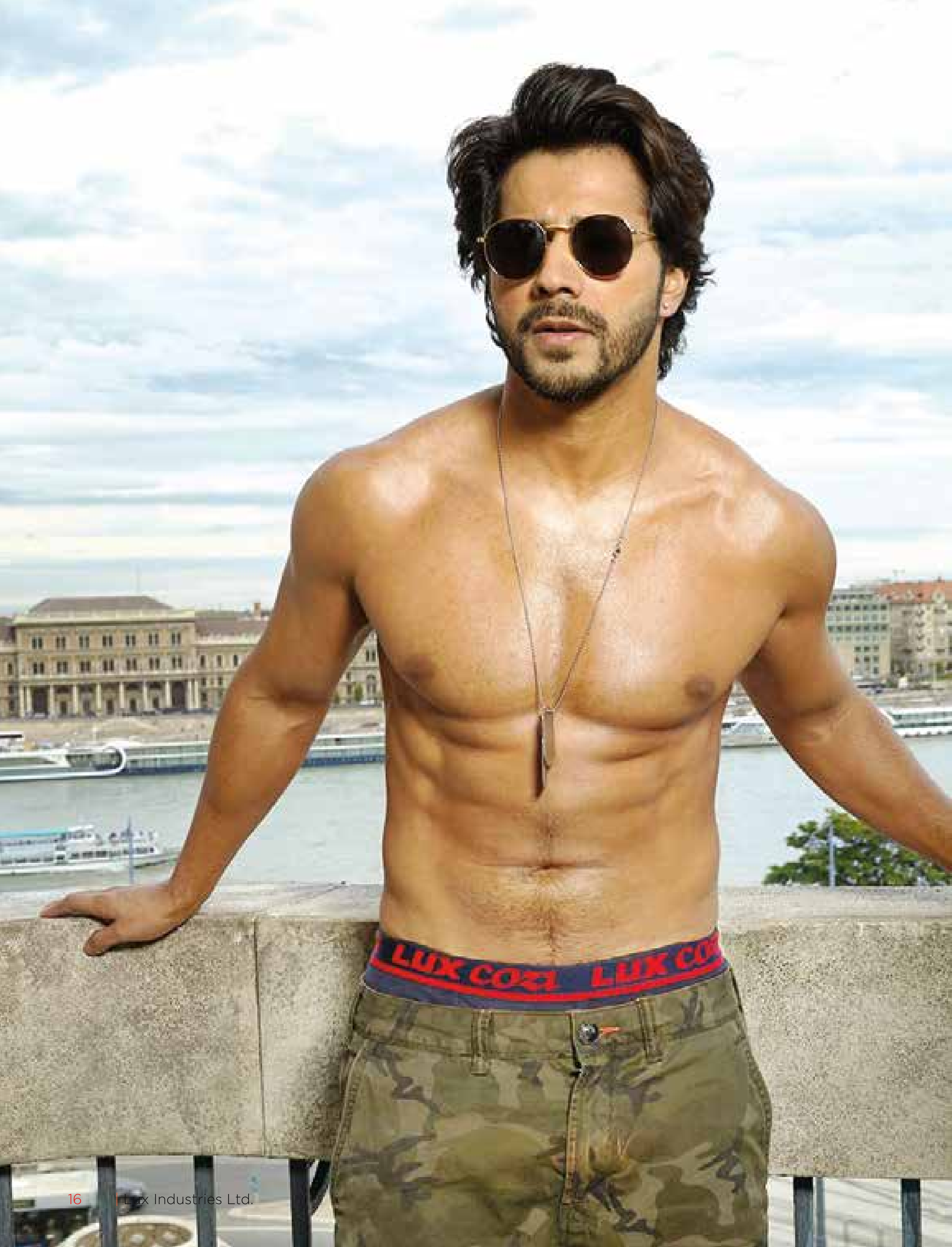
Lux proved them wrong. Because Lux believed that in the last few years, innerwear hosiery had graduated from something that people seldom spoke about to something they were not embarrassed in being shown in.

In line with this shift, Lux engaged the legendary Indian superstar to endorse its Lux Venus and Lux Inferno winter wear brand for a period of two years, starting 2017.

As the product association was established, the product carved out a distinctive mind space and is better prepared to sell through its first full winter, starting late-2018.

Lux has moved from a point where analysts were defensive about Amitabh being showcased in a hosiery advertisement to a point where the decision is being perceived as a master stroke.

Boldness is everything.


LUX COZI
LUX CO

YOU MAY USE AN INDIAN FILM CELEBRITY TO ENDORSE UNDERWEAR AT YOUR OWN PERIL... SO SAID THE EXPERTS.

Lux engaged Varun Dhawan to endorse the Lux Cozi brand addressing the mid-market segment in 2017.

Those who follow the trade closely, pronounced their judgment.

They said the move was risky given the branding cost. They said the endorsement by an actor – however popular – would have no appreciable impact on what is a necessity product. They said that the appeal of the actor did not match the nature of the sector.

At Lux, we took a differentiated call. We believed the time had come for innerwear to step out of the shadows and be recognised as an integral part of the aspiring Indian's wardrobe. We also believed that it was time to get positively aggressive about this long-neglected wardrobe component rather than be defensive. We also believed that instead of expecting knee-jerk positives, the upside of the engagement would only gradually, irreversibly, emerge.

At Lux, we are pleased to communicate that the engagement translated into a number of upsides.

Boldness is everything.

SPENDING AN AGGREGATE ₹346 CR IN BRANDING ACROSS FIVE YEARS. SURELY, THAT'S CRAZY.

At Lux, we believe that there is one spending that we do not skimp on.

Spending on our brand.

Over the years, we have emerged as one of the most aggressive brand investors within India's hosiery sector.

We invested in brand associations with prominent teams in national cricket tournaments. We engaged in the sponsorship of local and national events. We promoted our presence in the print, social and electronic media. We invested in prudent celebrity endorsement.

We enhanced our visibility across the roads and highways of the country marked by growing throughput.

And we did all this at a scale that graduated our brand towards the highest consumer recall.

The Company invested ₹346 cr in building its brand in the five years ending 2017-18; brand spend increased from 6.47% of revenues in 2013-14 to 9.55% in 2017-18; brand spend increased to ₹109 cr during the year under review.

The result is in the numbers: every rupee invested in the brand generated a higher revenue output: from ₹871 cr in 2013-14 to ₹1,139 cr in 2017-18.

Boldness is everything.


ONN
ONN

My Life My Lyra

'WHAT'S THE BIG IDEA OF PROVIDING AN UPMARKET PRODUCT FOR A RURAL AUDIENCE?' WE WERE ASKED

A few years ago, when we sat down to discuss product allocation for different markets, one of the things we emphasised upon was that we would need to provide a quality higher than the prevailing benchmarks.

This was easier said than done.

One of the biggest blockers was a difference in requirements across consumers in different markets. For instance, the urban consumer required a superior product and it was generally perceived that the rural consumer would make do with something that corresponded with his/her pocket.

And this is where one of Lux's most decisive initiatives was undertaken. The Company said it would make the best; it would not differentiate between consumer types; it would not differentiate between geographies.

The result of this far-reaching decision is that Lux did not merely service an existing market, it created an appetite for a better quality product – it raised the sectoral benchmark.

The result is that rural and suburban India (described as anything smaller than a Tier-III location) accounted for a substantial percentage of the Company's revenues in 2017-18.

Boldness is everything.

WE LAUNCHED A 'BUY TWO, GET ONE FREE' SCHEME IN 2017-18. IT DIDN'T DILUTE THE BRAND; IT ACHIEVED THE OPPOSITE INSTEAD

In 2017-18, we recognised the need to kick-start growth in a sluggish post-GST market.

We launched the 'buy any two products and one pair of socks free' scheme.

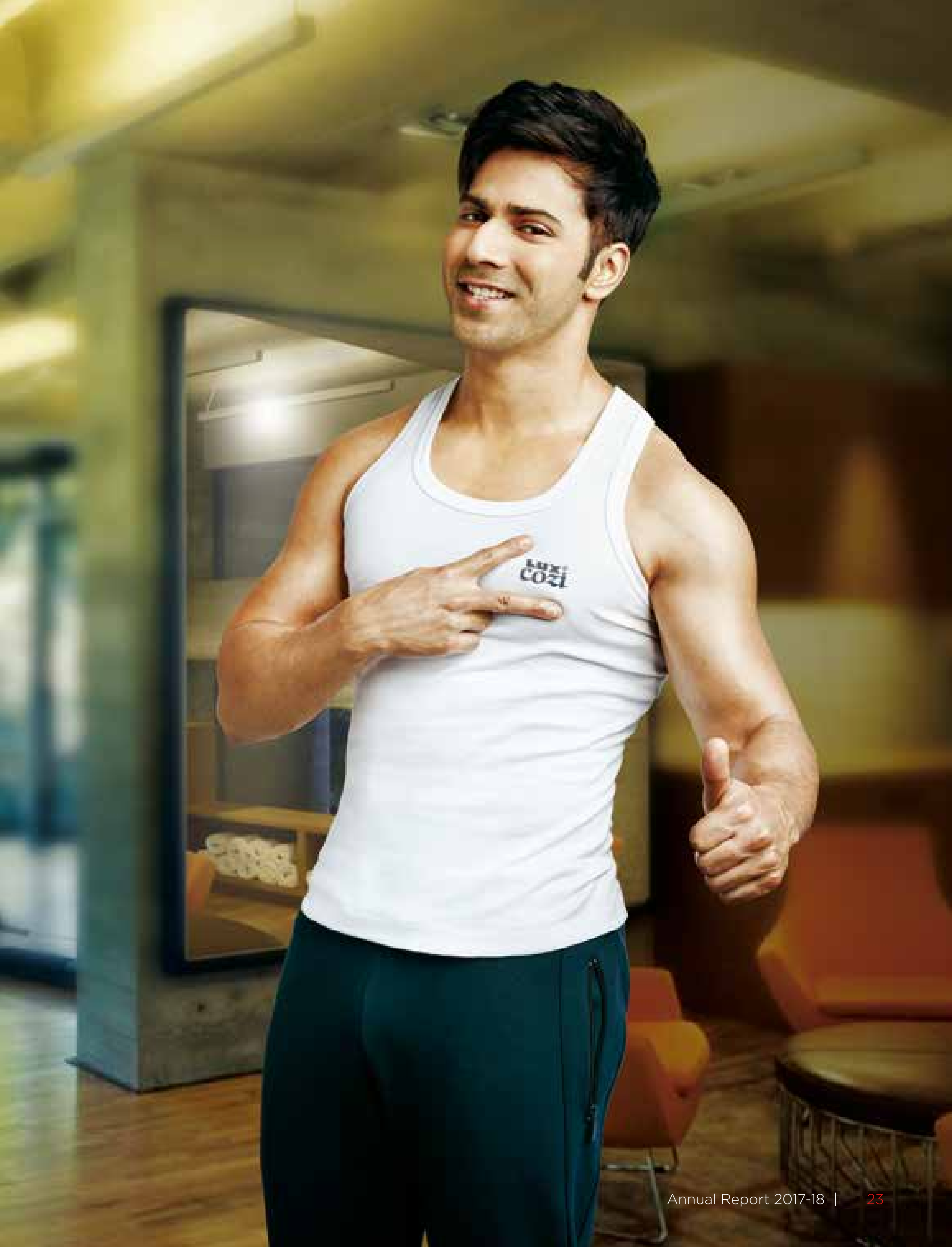
The challenges were various. One, trade observers felt that discounting could potentially impact the sheen on Lux's brand. Two, they felt the Company would be stretched manufacturing the incremental requirement of socks.

Lux embraced the challenge. The trade channels were activated. The scheme was promoted widely. The Company strengthened its manufacturing back-end.

The result is that the Company surprised pundits. Principal product sales strengthened appreciably and the Company leveraged its captive sock manufacturing capacity.

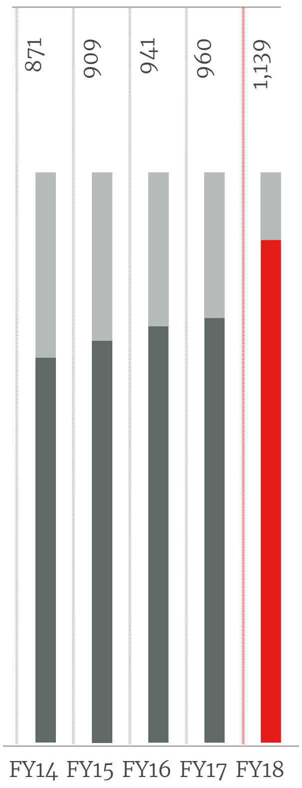
The result is that this consumer promotion scheme ran for *six* months – the most successful in India's hosiery sector.

Boldness is everything.

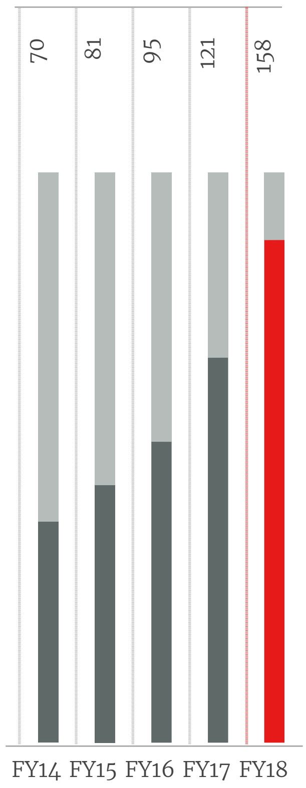

LUX
cozi

OUR REPORT CARD

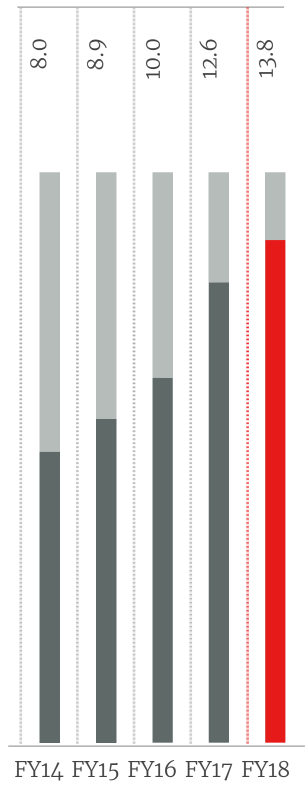
Growing revenues
(₹ Crore)



EBITDA
(₹ Crore)



EBITDA margin
(%)



Definition
Growth in sales net of taxes.

Why we measure
It is an index that helps to assess the effectiveness of the Company's product mix, geographic presence, sales focus, market proximity, network strength, brand equity and market share.

Performance
Revenues increased by 19% to reach ₹1,139 crore in FY18, which is a result of our enhanced productivity and superior market understanding.

Definition
Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why we measure
This measure is an index of the Company's operating profitability, which can be easily compared with sector peers.

Performance
The Company reported a 31% increase in EBITDA in FY18.

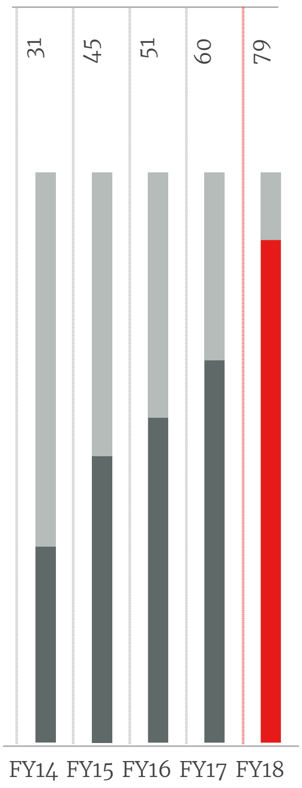
Definition
The movement in percentage points in operating profit before interest, depreciation, exceptional items and tax when divided by the Company's revenues.

Why we measure
This is an evaluation of overall business efficiency – an improvement of margins indicates that there is adequate surplus available for redeployment.

Performance
The Company reported a 120 bps increase in operating profit margin in FY18, derived from higher productivity reported across the business.

Note: FY17 and FY18 numbers are as per Ind-AS Financials.

Profit after tax
(₹ Crore)

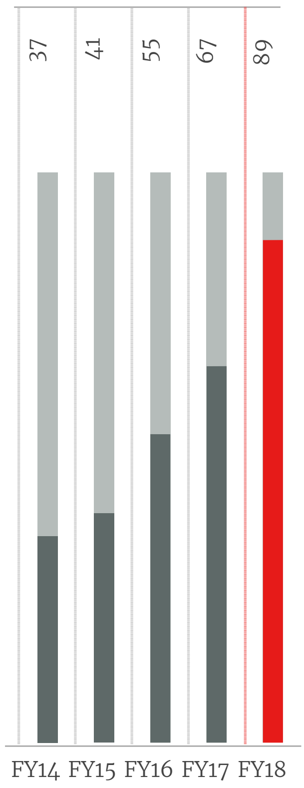


Definition
This measures the profit available for appropriation to the shareholders and for reinvestment within the Company.

Why we measure
This index is the ultimate measure of the success of the business while also measures the effectiveness of managing business expenses.

Performance
Due to the growing scale of the Company along with increased capacity utilization, customer addition and efficient cost management, Lux's bottomline grew by 33 % in FY18 over FY17.

Cash profit
(₹ Crore)

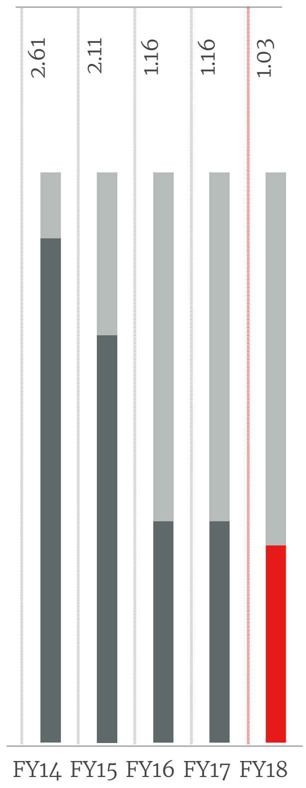


Definition
Cash profit can be calculated by subtracting the cash outflows from the cash inflows without deducting and provision for depreciation.

Why we measure
Cash profit is an index of our financial comfort to grow the business without risking the Balance Sheet.

Performance
The Company's focus on margin expansion and enhanced working capital management has driven the increase in cash profits over the past five years. In FY18, the cash profit grew by 33% over FY17.

Debt-equity Ratio
(x)

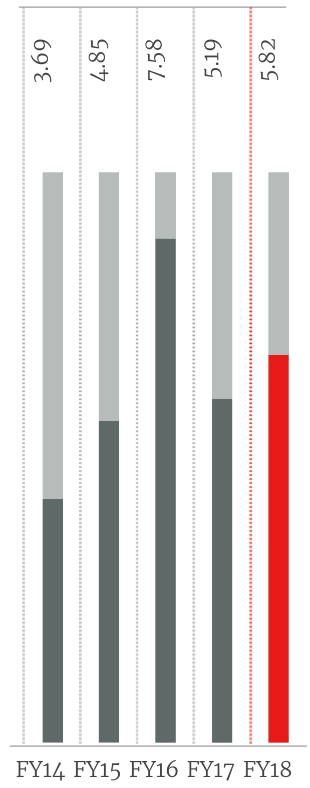


Definition
This is derived through the ratio of debt to net worth (less revaluation reserves).

Why we measure
This is an essential measure of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better). It also indicates the ability of the Company to sustain growth in profits, margins and shareholder value.

Performance
The Company's gearing moderated to 1.03 in FY18. Ideally this ratio should be read in conjunction with the Company's declining net debt, indicating a growing ability to pay back loans.

Interest cover
(x)

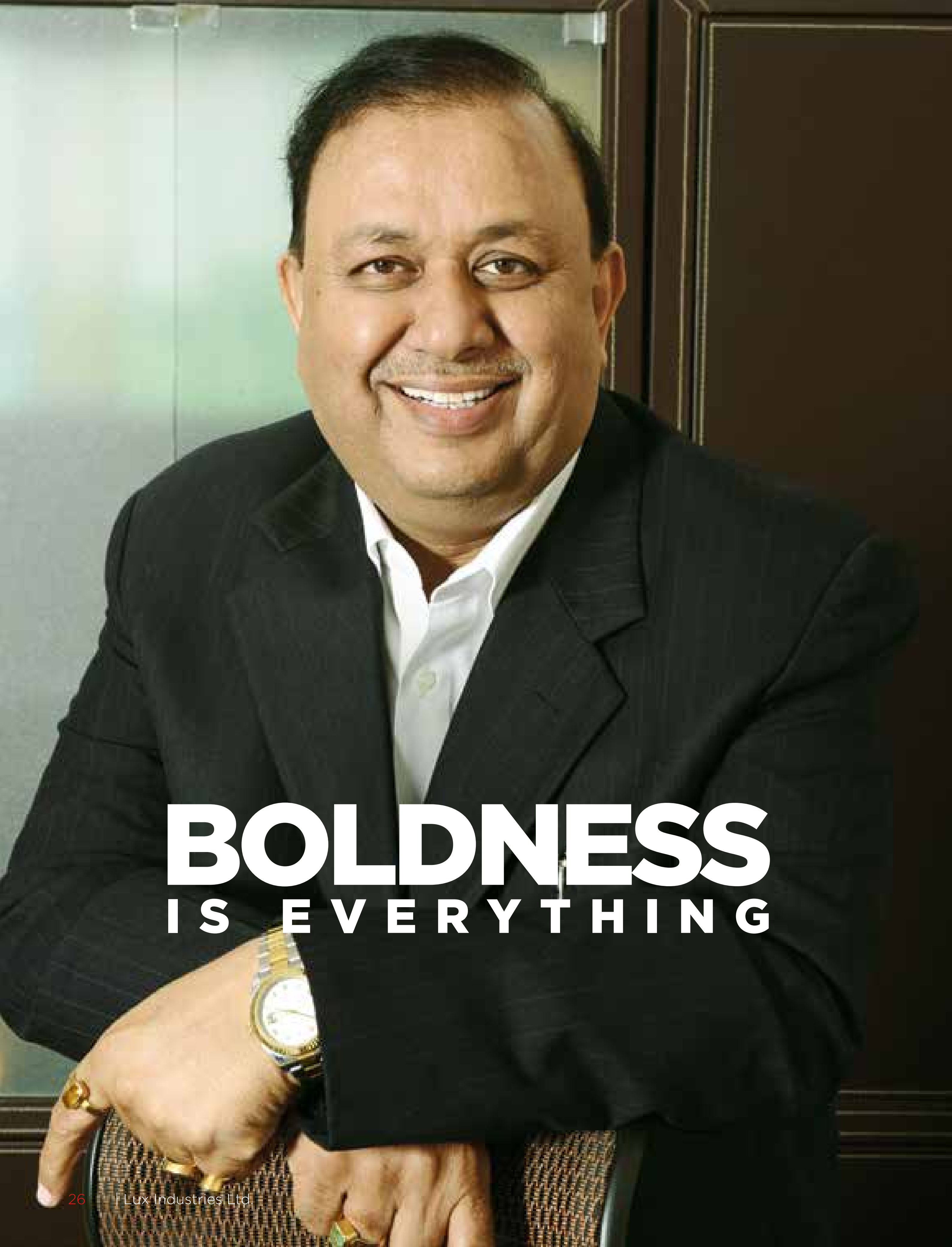


Definition
This is a measure to determine the Company's ability to make interest payments on its debt in a timely manner. It is calculated by dividing EBIDTA by interest outflow.

Why we measure
Interest Cover shows the ease or comfort with which a company can pay interest on outstanding debt from available earnings.

Performance
The Company strengthened its interest cover from 5.19x in FY17 to 5.82x in FY18.

Note: FY17 and FY18 numbers are as per Ind-AS Financials.



BOLDNESS
IS EVERYTHING

Chairman's overview

INDIA'S HOSIERY SECTOR IS AT AN INFLECTION POINT.

The introduction of the Goods & Services Tax in 2017 represents an inflection point in the existence of India's hosiery sector.

By unifying the indirect tax structure, the government has attempted to create a level playing field. For long, unorganised hosiery sector brands outside the country's tax systems and competed aggressively with tax-compliant players. In doing so, they often under-cut market realisations and disturbed market pricing.

The implementation of GST narrowed the cost differential between the organised and unorganised players. By enhancing the relative competitiveness of the organised sector, the government has inspired a re-balancing of the business. The market share of the country's unorganised sector is expected to decline; the share of the organised sector is likely to increase. When one considers that India's apparel and hosiery markets would continue to grow organically, the reality is that India's organised players will need to catch up with two marketplace shifts – from unorganised to organised on the one hand and the organic growth of the market on the other.

At Lux, we recognise that when a shift of such magnitude occurs, the response cannot be usual. Such a scenario requires companies to restructure their businesses to address the potentially unprecedented upside. Companies responding to such a sectoral inflection point by making only cosmetic changes in their business model would perhaps bye missing the overall import of such an opportunity.

At Lux, we responded with a bold and decisive initiative. In 2017-18, the company announced a proposal to merge its two group constituents J.M. Hosiery and Ebell Fashions with itself. We wish to communicate to our shareholders that both these Group constituents are profitable and the decision to merge these companies would prove value- and EPS-accretive. The appointed date of the merger was April 1, 2018, which means that the full impact of the merger will reflect from 2018-19 onwards.

The value that these constituents bring to the business is distinctive. J.M. Hosiery owns the men's brand GenX; Ebell Fashions owns the women's brand Lyra. Their accretion to the Lux business will be complementary and profitable.

The consolidated impact on the business would result in each of the merged arms growing faster than usual and their resulting synergies-cum-economies translating into accelerated growth of the parent company as well.

Lux Industries finished 2017-18 with revenues of ₹1,139 cr and following the merger, we expect to accelerate business growth to achieve ₹2,200 crore in revenues by 2020.

In doing so, we expect to sustain all the things that we hold dear to our company: the ability to grow faster than the rest of the market, the ability to strengthen operating margins and the ability to reinvest accruals to grow our brands, visibility and distribution network.

The principal message that I wish to send out is that the proposed merger is a game-changer, strengthening our industry leadership and business sustainability.

Ashok Todi, *Chairman*

BOLDNESS IS EVERYTHING

1,139

Lux's revenues (₹ cr), 2017-18

2,200

Lux's revenues (₹ cr), 2019-20E

Note: In 2019-20E Lux's revenue figure considered post-merger

THE MERGER MARKS A GAME-CHANGING MOMENT IN OUR EXISTENCE

Before the merger, we were largely a men's innerwear company.

After the merger, we will acquire a women's portfolio marked by premium margins and value-addition

Before the merger, we largely focused on inner wear.

After the merger, we will extend to casual wear addressing the large mid-income segment.

Before the merger, we competed neck to neck with prominent brands for retail visibility.

After the merger, we expect to enhance our visibility through larger retail merchandise.

Before the merger, we focused on finding waste in every business function.

After the merger, we stand to generate enhanced procurement economies (men, media and materials).

Before the merger, we were principally a men's innerwear brand.

After the merger, we will strengthen our positioning as an effective family wardrobe brand.

Note:

- The Board of Directors of Lux Industries Limited (LIL) have approved the scheme of merger of J.M. Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (EFPL) with Lux Industries Limited.
- The scheme is subject to requisite approvals of the regulatory authorities.

J.M. HOSIERY & CO. LIMITED + EBELL FASHIONS PRIVATE LIMITED ▶ LUX®

Before the merger, we were perceived among India's leading hosiery brands.

After the merger, we expect to establish undisputed leadership across all segments of our presence.

Before the merger, we generated attractive revenues through our distribution pipeline.

After the merger, we expect to capitalise on larger distribution economies.

Before the merger, we were questioned about Group companies in the same industry.

After the merger, we are being perceived as a governance-respecting company with no conflicts of interest.

Before the merger, we focused largely on sales of Lux products.

After the merger, we intend to enhance revenues through product upsale and side-sale.

Before the merger, Lux was seen a steadily growing innerwear company.

After the merger, we are being perceived as a company that has re-discovered its aggressive spirit.

Note:

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- The scheme is subject to requisite approvals of the regulatory authorities.

The Management's review, 2017-18

Q What is the big message for shareholders related to 2017-18?

The big message that we wish to communicate with shareholders is that of outperformance. The company outperformed the growth of India's hosiery apparel sector in 2017-18. Revenue growth was 19 per cent over the previous year compared to the 3 per cent growth in 2016-17 over 2015-16. This indicates that even as the company is growing larger, the momentum is accelerating and the company is becoming increasing profitable. This indicates that the overall business engine is responding more ourably to scale than ever.

Q The performance indicates that it was an easy year for the company.

On the contrary, it was a challenging year for two reasons. One, the lingering effect of the demonetisation affected our sales in the second quarter of the year under review. Coincidentally, the second quarter also coincided with the de-stocking by our trade partners on account of the caution induced by the announcement of GST rates. The company recognised that there was a need to not merely return the business to the usual momentum; there was a need to make up for the lost quarter.

Q What were some of the decisive initiatives by the company in 2017-18?

The company recognised that it was faced with alternatives: either resign to the fact that the circumstances were largely outside its control or attempt to outperform regardless. At Lux, we took the view that we needed to give the year a good shot. The result is that the company made a couple of decisive moves with the objective to kick-start growth.

The first decisive move was the introduction of a consumer promotion scheme where consumers were invited to buy any two Lux products and get a pair of socks free. The scheme was largely facilitated by the company's captive manufacturing facilities that made it possible to generate a large number of socks on the one hand of the best quality at the lowest cost. Besides, our ability to generate stronger procurement economies translated into a robust value proposition. The result is that the company generated a significant increase in the sales of its principal products. What was perceived to be a consumer promotion scheme that would at most last a couple of months extended to six months, probably the most successful consumer promotion scheme in the country's hosiery apparel sector.

Q What was the other business-strengthening initiatives?

The other initiative was the decisive one to sign Amitabh Bachchan as the brand ambassador for our Lux Venus and winter wear range Lux Inferno. The decision raised curiosity within our sector: for a considerable time the general opinion was that it would be virtually impossible to get the legendary Hindi film icon to endorse a hosiery product. Lux pulled off this impossible during the year under review by getting Mr Bachchan to endorse our brand for a period of two years. In all humility, we believe that this engagement is not just a big moment for Lux; it stands as something that will enhance visibility for the organised hosiery apparel sector in India.

Q What was the rationale for getting Mr Bachchan as a celebrity endorser for Venus?

At Lux, we believe that this was our most effective answer to the industry inflection prompted by GST. The GST will reduce the cost differential between organised and unorganised players. With organised players becoming more competitive – by leveraging their brand and economies – we believe that they will carve out a larger slice of the country's hosiery apparel sector. Merely scaling production to address the sectoral structural shift will not be enough; the companies will require to broaden the product pyramid base and dovetail that with relevant celebrity endorsement to create precious traction. By engaging Amitabh Bachchan to endorse our Lux Venus & Lux Inferno, winterwear, we addressed the emerging sectoral opportunity with decisiveness and clarity.

> We believe that at a time when the country's consumption is growing and product aspirations growing, this initiative will make it possible for us to capitalise more effectively. The projected outcome will not just be quicker offtake; we believe it could enhance the proportion of value-added products and strengthen our products mix.

Q How did the company strengthen distribution initiatives during the year under review?

The company had initially worked with distributors across the country and aggregated indents of what they expected to sell. During the last financial year, we drilled deeper. We engaged more frequently with the trade. We elicited stronger offtake commitments than we had done in the past. The result is that we energised the trade more effectively and generated a consumer pull rather than the conventional product push approach.

Q What was the other branding initiative during the year under review?

The other initiative that could have an attractive upside was the decision of the company to enter into an agreement with One 8, Virat Kohli's brand management company. This arrangement will empower the company to use the Indian cricket captain's endorsement across One8 products. We believe that at a time when the country's consumption and product aspirations are growing, this initiative will make it possible for us to capitalise more effectively. The projected outcome will not just be quicker offtake; we believe it could enhance the proportion of value-added products and strengthen our products mix.

Q What is the outlook for the company?

The company expects to report an attractive increase in revenues during the current financial year – yet another year when we expect to outperform market growth. We believe that our performance in 2018-19 will bring us considerably closer to our stated objective to report revenues of ₹2200 cr by 2020, reinforcing our position as the largest player in our segment of India's hosiery apparel industry.

6 WAYS IN WHICH WE INTEND TO ENHANCE SHAREHOLDER VALUE

Branding

The Company will promote products more effectively, leveraging media space procurement economies

Endorsements

The Company will engage celebrity endorsers, transforming brands into cash-generating 'properties'

Merger

The company will merge Group units

New products

The Company will enter new product segments (seasonal / innerwear / outerwear / gender-based)

New segments

The Company will enter new product segments (seasonal / innerwear / outerwear / gender-based)

Exports

The Company will strengthen exports, making it possible to leverage manufacturing and distribution economies

OUR BUSINESS MODEL

At Lux Industries Limited, we strive to enhance value for our stakeholders through our robust business model.

Our business model is based on the following principles

Rich sectoral experience → Extensive distribution network → Cost leadership → Deep manufacturing ability → Vast product variety → Strong Balance Sheet

1

Market reality

The innerwear textile industry is growing at a rapid pace and is expected to reach ₹595 billion by 2023 at a 13% CAGR. In the innerwear market, mid and economy range products contribute 85-90% of the market, generally consumed in small cities and rural areas.

The Lux proposition

The Company offers a range of products from ₹38 to ₹1350 per piece - more than 100 products across 14 brands and more than 5000 SKUs within its existing range of products (men's innerwear to women's outerwear).

2

Market reality

A majority of the nation's innerwear market addresses the mass segment. Premiumisation is emerging, marked by new fashionable designs. Increasing urbanization, growing middle-class and rise in per capita incomes are evolving preferences.

The Lux proposition

The Company has its finger on the pulse of customer preferences translating into portfolio and product evolution. For instance, the GLO range (Lux Cozi brand) in neon and bright colors addressed a new market segment and evolved leggings from an anonymous commodity into a branded segment.

3

Market reality

India's innerwear textile industry is fragmented (small unorganised players in numerous pockets). Recent national policies indicate room for consolidation (demonetization and GST). Following GST, the cost differential between unorganised and organised players has declined to 5%, strengthening organised sector competitiveness.

The Lux proposition

Lux has invested to address the emerging opportunity: through proactive manufacturing investment (knitting and cutting), wider distribution network and new celebrity ambassadors for products addressing the mass segment.

4

Market reality

The Indian e-commerce sector is expected to grow from US$ 38.5 billion in 2017 to US$ 228 billion by 2030, strengthening innerwear offtake.

The Lux proposition

The Company is creating an online presence through e-commerce-focused websites, enhancing access and availability.

5

Market reality

Organised competition is increasing, putting a premium on the need for innovation.

The Lux proposition

Lux has consistently responded with innovation and investment in automated technologies to address consumer expectations. The Company procures the best yarn from India and abroad coupled with extensive quality controls. The result is that the Company has consistently outperformed the market.

6 Market reality

Consumer impatience is translating into a need for anytime product affordability, availability and accessibility.

The Lux proposition

Lux's presence across the manufacturing value chain (yarn outsourcing to in-house knitting, processing and stitching operations) has strengthened its cost leadership - the highest innerwear volumes at the lowest cost. The Company's Dankuni factory is equipped to manufacture 5 lacs pieces of knitted products a day, the largest in India's innerwear textile sector. The extensive distribution relationships have helped replenish sales with speed; the large pan-India distributor family (950 across India) has enhanced product accessibility.

THE OUTCOME OF OUR BUSINESS MODEL

Growth in sales revenues (₹ Crore)

228
2007-08

1,139
2017-18

400 % Growth

Dividend declared (%)

22
2007-08

100
2017-18

355 % Growth

EPS (₹)*

1.32
2007-08

31.38
2017-18

2277 % Growth

Book Value per share (₹)*

6.65
2007-08

126.99
2017-18

1810 % Growth

Employees

99
2007-08

1407
2017-18

1321 % Growth

* The Company has sub-divided its Equity shares from face value of ₹10 each to face value of ₹2 each w.e.f. 06.06.2016, accordingly EPS and Book Value per share has been restated.

OUR INTEGRATED REPORT

KEY ENABLERS

Innovate and excel	• Reinforced a culture of innovation and outperformance through the creation of focused teams • Invested in sophisticated and automated cutting machines from Italy and Japan, strengthening efficiency, productivity and profitability • Engaged Varun Dhawan as brand ambassador for Lux Cozi, strengthening an engagement with the youth. • On-boarded Amitabh Bachchan as brand ambassador to endorse to brands Lux Venus and Lux Inferno, strengthening the Company's mass consumer connect
Cost leadership	• The Company focused on superior cost management through prudent investments in scale, integration, technologies and strengthening of trade terms. • Strengthened the debt-equity ratio to 100 bps in FY18.
Supplier-of-choice	• The Company widened its product basket and price range (from ₹38 to ₹1350 per SKU), emerging as a brand of choice. • The Company's products are available through more than 950 distributors and 450,000 retail points (right down to the smallest population clusters). • Lux has invested quality material and contemporary designs (European and American influences), enhancing product aspirational value
Robust people practices	• Increased employees from 907 in FY17 to 1407 in FY18 • Facilitated personal and professional development • Implemented a superior appraisal system for employee reward and recognition • Enhanced employee motivation; lowered attrition.
Responsible corporate citizenship	• Engaged in impact-based CSR initiatives • The Company undertook CSR activities by addressing long-term issues. • Focused on the promotion of health-care through the support of medical facilities, education, traditional art and culture, providing safe drinking water and support for old age homes. • Made a major contribution towards infrastructure support for a government school. • Spent ₹1.58 crore on CSR activities in 2017-18.
Value creation	• The Company is integrated backwards, undertaking knitting and packaging operations. • The Company segmented its automation-intensive (in-sourced) and labour-intensive functions (outsourced) • Lux is associated with 600 contractors engaged in manual-intensive stitching operations, who in turn employ more than 40,000 workers - a robust employment-generating ecosystem.

MATERIAL ISSUES ADDRESSED	CAPITALS IMPACTED
• Commissioned a sophisticated plant in Dankuni • Introduced new products (GLO) • Strengthened the brand in a competitive market	• Manufactured • Intellectual • Human • Financial
• Addressed raw material volatility • Created a larger pool for reinvestment • Built business sustainability across market cycles	• Financial • Manufactured • Intellectual • Natural • Human • Social
• Ability to market large volumes with speed • Ability to spread market risks across terrains • Strengthened pan-India presence and relevance	• Financial • Manufactured • Intellectual • Social
• Focus on worked health and safety in operational practices • Provided a competitive remuneration • Focused on training and people retention	• Intellectual • Human • Financial
• Addressed relatively unmet needs of society • Aligned with national priorities (society, education and healthcare) • Moderated the use of finite resources	• Social and relationship • Natural • Financial
• Addressed consumer needs • Enhanced shareholder value • Made a sizable contribution to the national exchequer	• Financial • Manufactured • Intellectual • Social

Lux Industries' value-creation paradigm

Resources

- **Financial capital**: The financial resources driving the Company comprise mobilisations from investors, promoters, banks and financial institutions (debt or net worth).
- **Manufactured capital:** The Company's manufacturing infrastructure, technologies and equipment constitute its manufactured capital. The freight concurred for raw materials access and finished product delivery are integral to our manufacturing competence.
- **Human capital:** The Company's management, employees and contractual workers constitute its human capital.
- **Intellectual capital:** The Company's proprietary knowledge represents its intellectual capital.
- **Natural capital:** While we depend partly on raw materials sourced from nature (cotton) we have moderated the impact that our operations may have on the natural environment
- **Social capital:** Lux Industries' enduring ties with the stakeholder community and channel partners (distributors and retailers) provide it with the respect accorded to a responsible corporate citizen.

Influencers of business fundamentals

Vision, Mission and Values

Corporate Governance

Code of Conduct

Value created

Financial capital

- Turnover: ₹1,139 crore
- Earnings per share: ₹31.38
- Market capitalization (31.3.18): ₹4,296.80 cr

Manufacturing capital

- Revenues earned from domestic markets: ₹1036.35 crore
- Revenues earned from exports: ₹103.13 crore

Human capital

- Employees: 1407

Social and relationship capital

- CSR spending: In FY18, Lux spent ₹158.89 Lakhs on CSR activities against a budgeted expenditure of ₹155.00 Lakhs.

Natural capital

- Materials recycled and reused 95%

Value shared with

- Investors: Focus on cost reduction, operational excellence and balance of all capitals strengthened earnings and shareholder returns
- Suppliers: Focus on distributor growth and timely payments.
- Employees: Focus on developing skills and preparing leaders; enhancing workplace safety and health.
- Customers: High product quality; timely product delivery
- Government: Ethical conduct, complete compliance; timely payments to exchequer
- Communities: Harmonious engagement with communities.

OUR STRATEGIC MERGERS

J.M. Hosiery & Co. Limited

Revenues (₹ Crore)

2017-18	2016-17	% Growth
291.67	251.18	16.12

Profit after tax (₹ Crore)

2017-18	2016-17	% Growth
16.44	8.75	87.89

Overview

- Engaged in the business of manufacturing innerwear and sportswear for men
- Owns the GenX brand (introduced 2010); brand reported consistent growth in sales and product development

Consumer segment addressed

- GenX is a mid-segment brand
- GenX brand provides comfortable innerwear and sportswear for men across metros, semi metros and semi-urban India
- GenX brand is available through retail points spread across India.

Note:

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- The scheme is subject to requisite approvals of the regulatory authorities.

Ebell Fashions Private Limited

Revenues (₹ Crore)

2017-18	2016-17	% Growth
198.05	164.82	20.16

Profit after tax (₹ Crore)

2017-18	2016-17	% Growth
21.05	16.57	27.04

Overview

- Engaged in manufacturing, marketing, selling and distribution of knitted apparel for women.
- Owns LYRA brand (introduced 2012)
- LYRA reported attractive year-on-year growth

Consumer segment addressed

- LYRA offers young women innerwear and outer wear ranges in various colors and styles
- The Company enjoys a mid-market presence

Note:

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- The scheme is subject to requisite approvals of the regulatory authorities.

PUSHING THE MARKETING AND BRANDING FRONTIERS

Snapshot

The Company focused on enhancing its presence across premium brands.

The Company enriched its product mix to maximize realisations.

Overview

The marketing function establishes an emotional connect with consumers, creating product differentiation. In a largely undifferentiated product segment marked low brand loyalty, the Company created distinctive differentiation through extensive branding and quality-enhancing programmes. The Company is respected as a first-mover in a competitive business and sluggish environment.

Highlights, 2017-18

- The Company's revenues from premium brands increased from 3.9% in FY13 to 11.0% in FY18.
- The Company forayed into consumer promotions through the innovative consumer scheme of 'Buy any 2 Lux products and get a pair of socks free' in March 2017. The consumer promotion proved to be a resounding success, strengthening Lux Cozi market share by 200 bps in the category, making it the largest economy price category brand.
- The Company on-boarded Amitabh Bachchan as brand ambassador for Lux Venus, strengthening offtake.

Strengths

Merchandising: The Company enjoys enduring goodwill among distributors, dealers and retailers

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

Strong distributor network: At present, the Company enjoys relationships with more than 950 distributors. The Company suffered less than 1% attrition among distributors.

Brand outlets: The Company is among few innerwear companies to possess nine exclusive brand outlets.

Retail presence: The Company's portfolio comprises more than 5000 SKUs across major brands.

Products: The Company has been a market leader in product innovations, bringing new products to the market.

Brand architecture: Lux keeps rejuvenating its brand architecture every two years. Through changes in the type of promotions and messages, the Company prevents its brands from getting old.

Holistic marketing: The Company is involved in marketing products through marketing channels. It engages in outdoor marketing and online activities through the electronic media. It conducts product promotions at the distributor and retailer level.

Outlook, 2018-19

The Company plans to sustain innovation, strengthening portfolio appeal.

THE AMITABH EFFECT

Lux countered a growing competition in the innerwear textiles sector through industry-firsts

- Endorsement by Amitabh Bachchan, an Indian film legend
- Lux Venus communicated product characteristics such as strong colors which do not fade and quality of the products which do not wear and tear during use
- Besides, the company invested in the 'Yeh Andar Ki Baat Hai' tagline positioning, retaining audience recall.

How we transformed

Importance of the right brand communication

Lux identified a need to revitalize its brands >

Lux Cozi enjoyed a presence in the mid to economy segment >

Lux engaged Varun Dhawan to promote Lux Cozi in 2017 >

Lux Cozi has evolved from its mass brand recall through premiumisation >

Lux Cozi revenues increased 14.46% in 2017-18

BALANCE SHEET ROBUSTNESS

Snapshot

The Company moderated its debt-equity ratio despite revenue growth

The Company strengthened its credit rating from A+ to AA for long-term bank facilities.

Overview

Finance is regarded as the life blood of any organization and the success of a company largely depends upon the how effectively its finances are managed. Lux remained largely under-borrowed during the year under review, its financials marked by growing margins, rising revenues and adequate liquidity.

Outlook, 2018-19

The Company plans to sustain annual revenue growth rate of 12-13%, reporting profitable growth in the process.

Strengths

Stable margins: The Company has maintained a steady EBITDA margin over the last five years, a direct outcome of prudent financial management.

Consistent dividend policy: Lux has had a track record of regular dividend payment to its shareholders. The value of dividends has increased by 133% in the last five years.

Highlights, 2017-18

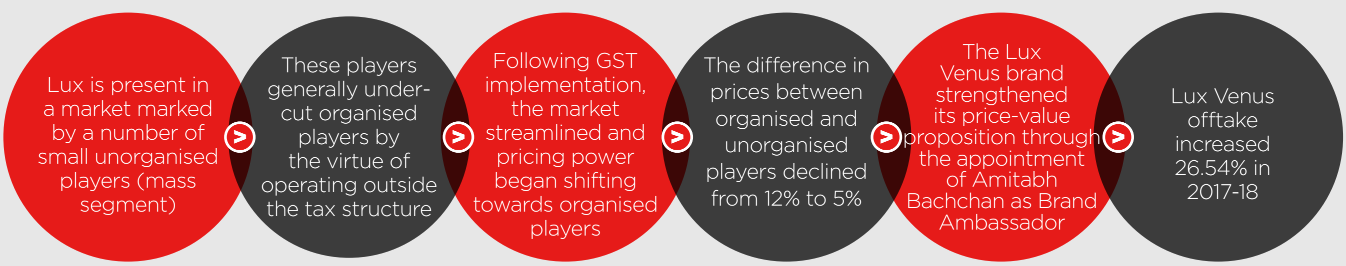
- The Company achieved breakout revenue growth of 19%
- GST implementation helped the Company carve away market share from unorganised players, strengthening EBITDA by 31%.
- The Company moderated its debt-equity ratio from 1.1 in 2016-17 to 1.0 in 2017-18.
- SMERA Bond Ratings improved the Company's debt rating:

Long-term debt was rated SMERA AA in 2017-18 compared to CARE Limited Rating CARE A+ in 2016-17

Short-term debt rating was sustained SMERA A1+in 2017-18 compared to CARE Limited Rating CARE A1+ in 2016-17

Transformation story

Impact of GST



OUR PRODUCTS

Snapshot

1 Economy segment	2 Mid-premium segment	3 Premium segment
Lux Venus; Lux Karishma; Lux Cott's wool	Lux Cozi; Lux Touch; Lux Inferno	ONN
Contribution to total revenues in 2017-18: 34%	Contribution to total revenues in 2017-18: 45%	Contribution to total revenues in 2017-18: 21%
EBITDA margin, 2017-18: 8-10%	EBITDA margin, 2017-18: 13-15%	EBITDA margin, 2017-18: 15-18%

Diverse portfolio

- Economy, mid-premium and premium
- Products ranging from men's innerwear to men's and women's outerwear
- Complementary products like socks and children's wear

Wide consumer range

- The Company's product portfolio starts at ₹38 while the top price range is ₹1,350
- Over 5,000 stock keeping units, translating into the largest innerwear range in the industry

Product innovations

- Neon and bright range of GLO range of underwear for increasing youth appeal
- The Company manufactures women's leggings
- Growing investment in quality material and contemporary designs

CORPORATE SOCIAL RESPONSIBILITY

A core guiding principle of Lux Group is making a difference in society by sharing its success and giving back to the community in equal measure. As a Corporate Citizen, Lux believes it bears the responsibility of paying back, by adhering to the best industrial practices, adopting the best technologies and being environmentally responsible.

The Company engages in initiatives aimed at providing safe drinking water, food and clothes. Additionally, the Company also focuses on education, healthcare, rural and urban infrastructure development, support programs for old-age homes, environmental protection, promotion of traditional art & culture and improving the quality of life in all communities it engages with.

In line with its goals, Lux Industries has installed free drinking-water dispensers at many locations across the city of Kolkata to provide clean and cool drinking water to anyone in need. On the educational front, the Company has constructed 'Sarda Sishu Mandir School' at Nikunjpur, Bankura which provides quality education to approximately 237 students till the fourth standard.

Lux has assisted in the development of the infrastructure of the school by constructing floors in the existing structure and by building an additional hall of approximately 700 sq. ft., two classrooms on a new floor and also constructing toilet blocks for both boy and girl students while a tube-well was also installed which ensures clean drinking water and proper sanitation for the students.

The Company partners directly with various NGOs, registered trusts and Section 8 companies to consult and implement its CSR goals.

BOARD OF DIRECTORS

Ashok Kumar Todi,
Chairman

Pradip Kumar Todi,
Managing Director

K. K. Agarwal,
Independent *Director*

Prabha Devi Todi,
Executive *Director*

Nandanandan Mishra,
Independent *Director*

Snehasish Ganguly,
Independent *Director*

Committees:

1. Audit
2. Nomination and Remuneration
3. Corporate Social Responsibility
4. Stakeholder's Relationship
5. Risk Management
6. Share Transfer
7. Committee of Directors

Corporate Information

Board of Directors

Mr. Ashok Kumar Todi
Chairman

Mr. Pradip Kumar Todi
Managing Director

Mrs. Prabha Devi Todi
Executive Director

Mr. Nandanandan Mishra
Independent Director

Mr. Kamal Kishore Agarwal
Independent Director

Mr. Snehasish Ganguly
Independent Director

Chief Financial officer

Mr. Ajay Kumar Patodia

Company Secretary and Compliance Officer

Mrs. Smita Mishra

Registrar and Share Transfer Agents

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot – 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad – 500032
E-mail: mailmanager@karvy.com

Auditors

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

Bankers

Allahabad Bank,
Park Street Branch

State Bank of India,
Overseas Branch, Strand Road

Corporation Bank,
HB Sarani Branch

HDFC Bank,
Stephen House Branch

Registered Office

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

Corporate Office

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

Statutory section

Directors' Report

Dear shareholders,

Your Directors are pleased to present the 23rd Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2018.

1. Financial Highlights

(₹in lakhs)

Particulars	Standalone		Consolidated
	March 31,2018	March 31,2017	March 31,2018*
Revenue from Operations (Gross)	1,13,775.16	95,796.85	1,13,775.16
Other Income	173.11	161.69	173.56
Total Revenue	1,13,948.27	95,958.54	1,13,948.72
Profit Before Tax	12,237.60	9,213.45	12,237.73
Tax Expense (Including Deferred Tax)	4,314.13	3,248.50	4,314.16
Profit after Tax	7,923.47	5,964.95	7,923.56
Other Comprehensive Income	(20.31)	(3.94)	(20.31)
Total Comprehensive Income	7,903.16	5,961.00.	7,903.25

*Note: In the financial year 2017-18, Artimas Fashions Private Limited became the wholly owned subsidiary of your company and thus Consolidation of accounts was not applicable for the financial year 2016-17.

2. Operating & Financial Performance

Your company delivered another year of steady performance despite of transforming changes made by the Government in the economic environment. This year the Company's total revenue crossed ₹ 1000 crores mark as against ₹ 950 crores in the previous year. Profit before Tax is ₹122.38 crores as against ₹92.13 crores in the previous year. The Net Profit after tax is ₹79.23 crores as against ₹59.65 crores for the previous year. The earnings per share is₹31.38 against ₹23.62 in the previous year.

Post the hiccups faced during the initial implementation of the GST, the Government of India has done a commendable job in normalizing the effect of GST implementation considering its scale.The organised sector has been the major beneficiary of the GST as the compliance cost of the un-organised sector has increased and the price difference between organised and unorganised sector has reduced. Company expects the organised players to grow at a much faster rate due to Economies of Scale and Superior Manufacturing Technology and increasing Brand Consciousness.

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

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

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

3. Composite Scheme of Arrangement

During the year under review, your Directors had proposed the Composite Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 (the 'Scheme") for Amalgamation of Transferor Companies i.e. J.M. Hosiery & Co. Limited and Ebell Fashions Private Limited into Transferee Company i.e. Lux Industries Limited. The Appointed Date of the Scheme is April 1, 2018. The Scheme is subject to requisite approvals, including the sanction of the National Company Law Tribunal.

4. Performance of Subsidiary Companies

Artimas Fashions Private Limited became the wholly owned subsidiary of Lux Industries Limited in the financial year 2017-18 and this Company will manufacture premium innerwear, socks and sleepwear under the brand name of One8- Brand of Indian Cricket Team's Captain Virat Kohli.

5. Dividend

Over the years, Lux has consistently followed a policy of paying high dividend, keeping in mind the cash-generating capacities, the expected capital needs of business and strategic considerations. For Financial Year 2017-18 the Board is pleased to recommend a dividend @ 100% (₹2.00/-) on 25,253,000 Equity Shares of ₹2/- each. [Previous year, the total dividend was declared @ 70%, i.e. ₹1.40/- each on 25,253,000 Equity Shares of ₹2/- each]. Payment of dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The dividend payout is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy of the Company is annexed herewith as "Annexure-A".

6. Capacity Expansion

During the financial year 2017-18 the Dankuni Plant of your company having an area of 5 lakhs square feet is now running at optimum utilizations, combining with cost efficiency measures have helped Company to improve margins. Company has the lowest conversion cost while manufacturing hosiery in our industry.

7. First Year of implementation of Indian Accounting Standards

This is the first year of implementation of the Indian Accounting Standards. The financial statements for the year ended on March 31, 2018 have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with Companies(Accounts) Rules, 2014. The financial statements for the year ended on March 31, 2017 have been restated in accordance with IND AS for comparative information.

8. Material Changes and Commitments

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

9. Consolidated Financial Statements

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

10. Share Capital

During the year under review, the Company has redeemed its 56,00,000 Non-Convertible Redeemable Preference Shares of ₹100 each at par which was issued to Promoter group Companies.

11. Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profit in the profit & loss account.

Futher during the year under review amount of ₹56 crores transferred to capital redemption reserve as per the provision of Companies Act, 2013 for redemption of preference shares.

12. Transfer to Investor Education and Protection Fund

During the financial year under review, your Company has transferred unpaid/unclaimed dividend, amounting to ₹2,14,982/- for Financial Year 2009-10 to the Investor Education and Protection Fund (IEPF) of the Central Government of India.

Dividend which remains unclaimed which was declared for the year ended March 31, 2011 at the Annual General Meeting held on September 30, 2011 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by November, 2018 pursuant to the provisions of the section 124 and 125 of the Companies Act, 2013. Thereafter no claim shall lie on the Company for these unclaimed dividends. Shareholders will have to make their claim with the IEPF Authority following the appropriate rules in this regard.

Shareholders may claim their unclaimed dividend for the years prior to and including the financial year 2009-10 and the corresponding shares, from the IEPF Authority by applying in the prescribed Form No. IEPF-5. This Form can be downloaded from the website www.iepf.gov.in.

3,705 Equity shares in respect of 45 folios corresponding to the dividend for the year ended on March 31, 2010 which remained unclaimed for seven consecutive years has also been transferred to the IEPF Authority in compliance with Section 124 of the Companies Act, 2013 read with rule 6 of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2017 after giving individual notices to concerned Shareholders and advertisements in newspapers.

Equity Shares corresponding to the dividend declared for the year ended on March 31, 2011 and remaining unclaimed for seven consecutive years will also be transferred to the IEPF, if the dividend is not encashed within October 31, 2018. Individual notices has been sent to the concerned Shareholders to claim their dividend and Notices have also been published in the newspapers in this regard. The advertisement is also available on the website of the Company. Attention in particular drawn that the unclaimed dividend for the finanicial year 2010-11 and corresponding shares will due for transfer to IEPF on 7th November, 2018.

List of shareholders whose dividend remained unclaimed are available on the website of the company www.luxinnerwear.com under heading Investors Section. Shareholders are requested to check their unpaid dividend from the list and contact the Registrar & Share Transfer Agent or Company Secretary to encash these unpaid dividends.

Details of Unclaimed/Unpaid Dividend

Year	Dividend Type	Dividend	Date of declaration	Due date for Transfer to IEPF
2010-2011	final	2.20	September 30, 2011	November 07, 2018
2011-2012	final	2.20	September 28, 2012	November 05, 2019
2012-2013	final	2.20	September 27, 2013	November 04, 2020
2013-2014	final	3.00	September 26, 2014	November 03, 2021
2014-2015	final	6.00	September 26, 2015	November 03, 2022
2015-2016	interim	6.00	March 12, 2016	March 19, 2023
2015-2016	final	1.00	September 27, 2016	November 04, 2023
2016-2017#	final	1.40	September 21, 2017	October 28, 2024

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

The Company is sending periodic communications 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.

Unclaimed Shares

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

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

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

13. Fixed Deposits

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

14. Particulars of Loans, Guarantees or Investments

The Company has not given any new loan during the financial year2017-18, however, charged interest on outstanding balance of the loan given during the financial year 2015-16, details of the same are given below.

(₹ in lakhs)

Name	Rate of Interest	Max amount of Outstanding	Purpose
Manamaa Garments	12%	52.74	Loan
Jalan & Sons	12%	32.37	Loan
West Bengal Hosiery Park Insfrastructure Ltd.	9%	0.40	Loan

During the year under review the Company has invested in 100% shares of Artimas Fashions Private Limited resulting said Private Limited Company becoming a Wholly Owned Subsidiary of Lux Industries Limited.

The Company has given a corporate guarantee on behalf of its wholly owned subsidiary Artimas Fashions Private Limited to ensure performance of the financial obligation of Artimas Fashions Pvt. Ltd

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

15. Internal Control System and their adequacy

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

16. Corporate Social Responsibility Initiatives

Pursuant to section 135 of the Companies Act 2013, read with rules made there under, your directors have constituted a Corporate Social Responsibility

Committee. As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has contributed funds for the schemes relating to eradicating hunger and poverty, promoting education, animal and social welfare and medical aid. The contributions in this regard have been made to the registered trusts and / or section 8 companies which are undertaking such schemes. The CSR Policy may be accessed on the Company's website at the link:

http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_03.pdf

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

17. Management Discussion and Analysis Report

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

18. Corporate Governance

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

19. CEO and CFO Certification

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

20. Directors & Key Managerial Personnel

Retirement by Rotation

Mr. Ashok Kumar Todi, Whole Time Director retires by rotation and, being eligible, offers himself for re-appointment. The Board has recommend his re-appointment.

Brief resume / details of Mr. Ashok Kumar Todi (DIN: 00053599) is furnished in the annexure to the notice of the ensuing Annual General Meeting.

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

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

During the year, there has been no changes in the Key Managerial Personnel.

Independent Director's

Mr. Nandananda Mishra, Mr. Kamal Kishore Agrawal and Mr. Snehasish Ganguly will complete their present term as an Independent Director on 31st March, 2019. The Board at their meeting on the recommendation of the Nomination and Remuneration Committee, recommended for the approval of the Members, the re-appointment of Mr. Nandananda Mishra, Mr. Kamal Kishore Agrawal and Mr. Snehasish Ganguly as an Independent Director of the Company for a period of five years with effect from 1st April, 2019.

Mr. Nandanadan Mishra, Independent Director of the Company has attained the age of seventy five years as on 20th October, 2017. The Board at their meeting, on the recommendation of the Nomination and Remuneration Committee, recommended for approval of the members, continuation of Mr. Nandanandan Mishra as an Independent Director of the Company for a period of five years with effect from 1st April, 2019, in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

Declarations from Independent Directors

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

Familiarisation Program for Independent Directors

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

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

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

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

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

Board Evaluation

Pursuant to the provisions of section 178 of the Companies Act, 2013 and Regulation 17, 19 & 20 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the performance of individual directors as well as the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in Nomination & Remuneration Policy in the Corporate Governance Report. Further, the Independent Directors of the Company met once during the year on January 20, 2018 to review the performance of the executive directors, Chairman of the Company and performance of the Board as a whole. Details of separate meeting of Independent Director are given in the Corporate Governance Report.

Remuneration Policy

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

http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_07.pdf

Meetings

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

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

21. Director`s Responsibility Statement

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

a. that in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;

b. that such accounting policies as mentioned in the notes to annual accounts have been selected and applied consistently and judgments and estimates have been made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;

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

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

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

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

22. Related Party Transactions

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

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

23. Subsidiaries, Associate and Joint Ventures

During the year the Company has invested in 100% shares of Artimas Fashions Private Limited (Unlisted Private Limited Company) resulting said Private Limited Company become a Wholly Owned Subsidiary of Company. Further the Company does not have associate and there were no joint ventures entered into by the Company.

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

24. Vigil Mechanism

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

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

25. Auditor's Report / Secretarial Audit Report

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

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

26. Auditors

M/s S.K. Agarwal & Co., Chartered Accountants (Firm Registration Number: 306033E) Statutory Auditors of the Company have submitted their Independent Auditor's report on the financial statement of the Company for the year ended on March 31, 2018.

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

In terms of provision relating to statutory auditor forming part of the Companies amendment Act 2017 notified on May 7, 2018 ratification of the appointment of statutory Auditors at every AGM is no more a legal requirement. Accordingly, the notice convening the ensuing AGM does not carry any resolution on ratification of the appointment of statutory auditor. However M/s. S.K. Agrawal & Co. has confirmed that they are eligible to continue as statutory auditor of the Company and accordingly M/s. S.K. Agrawal & Co. will continue to be the statutory Auditor of the Company for financial year ending March 31, 2019.

27. Insider Trading Code

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

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

28. Ratings

During FY under review, SMERA Ratings Limited has given the following ratings to the Company:-

(₹ in Crores)

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

29. Extract of Annual Return

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

30. Business Responsibility Report

The Company was not in list of top 500 listed Companies as on March 31, 2017 so compliance with Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, preparation of the Business Responsibility Report ('BRR') is not applicable, however, as the Company is in the list of top five hundred listed Companies as on March 31, 2018 and has already started Business Responsibility initiative, Management of the Company voluntarily chose to prepare Business Responsibility Report this year also. Accordingly, it has been prepared and forms part of the Annual Report as Annexure 'J'. The Report provides a detailed overview of initiatives taken by your Company from environmental, social and governance perspectives.

31. Business Risk Management

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

32. Industrial Relation

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

33. Particulars of Employees

As on March 31, 2018, total number of employees on the records of your Company was 1407 as against 907 in the previous FY. Your Directors place on record their appreciation for the significant contribution made by all employees, who through their competence, dedication, hard work, co-operation and support, have enabled the Company to cross new milestones on a continual basis.

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

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

34. Prevention of Sexual Harassment at workplace

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

35. Policies approved by Board

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

Policy	Date of Board Meeting where approved	Web link
Policy for determining Materiality of Subsidiaries	05.12.2017	http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_08.pdf

36. Annexures forming part of Board Report

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

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

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

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

38. Acknowledgement

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

For and on behalf of the Board of Directors

Pradip Kumar Todi
Managing Director
DIN:00246268

Kolkata
May 17, 2018

DIVIDEND DISTRIBUTION POLICY OF LUX INDUSTRIES LIMITED

1. Scope Purpose and Objective

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

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

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

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

The Policy shall not apply to:

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

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

2. Effective Date

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

3. Definitions

- Act" shall mean the Companies Act, 2013 including the Rules made there under, as amended from time to time.
- "Applicable Laws" shall mean the Companies Act, 2o13 and Rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.
- "Company" shall mean Lux Industries Limited.
- "Board" or "Board of Directors" shall mean Board of Directors of the Company.
- "Dividend" shall mean Dividend as defined under Companies Act, 2013.
- "MD & CEO" shall mean Managing Director and Chief Executive Officer of the Company.
- "Policy or this Policy" shall mean the Dividend Distribution Policy.
- "SEBI Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued there under, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

4. Parameters and Factors for declaration of Dividend

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

4.1.1 Financial parameters and Internal Factors:

i. Operating cash flow of the Company

ii. Net operating profit after tax

iii. Profit available for distribution

iv. Earnings Per Share (EPS)

v. Working capital requirements

vi. Capital expenditure requirement

vii. Business expansion and growth

viii. Likelihood of crystalization of contingent liabilities, if any

ix. Upgradation of technology and physical infrastructure

x. Creation of contingency fund

xi. Acquisition of brands and business

xii. Cost of Borrowing

xiii. Past dividend payout ratio / trends

4.1.2 External Factors:

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

i. Economic environment

ii. Capital markets

iii. Global conditions

iv. Statutory provisions and guidelines

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

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

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

i. Proposed expansion plans requiring higher capital allocation

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

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

iv. Proposal for buy-back of securities

v. In the event of loss or inadequacy of profit

4.3 Utilization of retained earning

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

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

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

4.4 Manner of dividend payout

4.4.1 In case of final dividend:

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

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

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

4.4.2 In case of interim dividend:

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

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

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

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

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

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

5. Disclosures

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

6. Policy Review and Amendments

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

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

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

For and on behalf of the Board of Directors

Pradip Kumar Todi
Managing Director
DIN:00246268

Kolkata
May 17, 2018

ANNEXURE 'B' TO BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

   - Promotion of education
   - Promotion of health care through support for medical facilities
   - Supporting economically backward group
   - Animal welfare
   - Support to elderly people
   - Promotion of traditional art and culture

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

2. **Composition of CSR committee:**

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

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

   Average net profit: ₹7,799.44 Lakhs

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

   The Company is required to spend ₹155.99Lakhs

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

   a) Total amount spent for the financial year:-₹158.89 Lakhs

   b) Amount unspent if any :- Nil

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

Sl. No.	CSR Project/ Activities	Sector	Locations	Amount outlay (budget) project or program wise ₹ (In Lakhs)	Amount spent on the project or programs ₹ (In Lakhs)	Cumulative expenditure up to the reporting period ₹ (In Lakhs)	Amount spent Direct or through implementing agency ₹(In Lakhs)
1	Promotion of Education	Schedule VII (ii) Promotion of Education	Kolkata, Uttarakhand, Durgapur-West Bengal.	10.00	58.25	58.25	58.25
2	Healthcare	Schedule VII(i) Promoting healthcare	Kolkata	25.00	18.13	18.13	18.13
3	Social Welfare	Schedule VII (iii) Social Welfare of Socially and economically backward group	Mumbai, Kolkata, Hotar-West Bengal, Rajasthan	25.00	36.34	36.34	36.34
4	Animal Welfare	Schedule VII (iv) Animal Welfare	Jalore, Salasar-Rajasthan, vrindavan-U.P.	30.00	34.00	34.00	34.00
5	Support to elderly people	Schedule VII (iii) Old age homes, day care centres and other facilities for senior citizen.	Kolkata	Nil	0.96	0.96	0.96
6	Promotion of traditional art and culture	Schedule VII (v) Promotion of traditional art and culture	Kolkata, Meerut- U.P.	15.00	11.21	11.21	11.21
				155.00	158.89	158.89	158.89

Note: The actual CSR expenditure was ₹158.89 Lakhs against the budgeted expenditure of ₹155.00 Lakhs.

Major Sector Covered in CSR

During Financial Year 2017-18, Lux has contributed towards infrastructure support to Government School at Bankura, West Bengal.

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

7. Responsibility Statement:

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

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

For and on behalf of the Board of Directors

Pradip Kumar Todi
Managing Director
DIN:00246268

Kolkata
May 17, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic overview

In 2017, a decade after the global economy spiraled into a meltdown, a revival in the global economy became visible. Consider the realities: Every major economy expanded and a growth wave created jobs. This reality was marked by ongoing Euro-zone growth, modest growth in Japan, late revival in China and improving realities in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, a good 60 bps higher than the previous year.

Global economic growth for 6 years:

Year	2014	2015	2016	2017 (e)	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.0

[Source: World Economic Outlook, January 2018] e: estimated f: forecasted

Outlook

The outlook for advanced economies improved, notably in the Euro area, but in many countries inflation remained weak, indicating that slack was yet to be eliminated, and prospects for growth in GDP per capita were held back by weak productivity growth and rising old-age dependency ratios. Prospects for emerging market and developing economies in sub-Saharan Africa, Middle East, and Latin America was lacklustre with several experiencing stagnant per capita incomes. Fuel exporters were particularly affected by protracted adjustment to lower commodity revenues. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting the improved momentum and impact of tax policy changes in the US. [*Source: WEO, IMF*]

Indian economic overview

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy is headed for somewhat slower growth, estimated to be 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies, and achieved through lower inflation, improved current account balance and reduction in fiscal deficit to GDP.

The year under review was marked by structural reforms by the Government. In addition to GST introduction, the year witnessed significant resolution of problems associated with bank non-performing assets, FDI liberalization, bank recapitalization and privatization of coal mines. After remaining in negative territory for a couple of years, export growth rebounded in 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to US$ 426 billion as on April 2018. [*Source: CSO, economic survey 2017-18*]

Outlook

World Bank projected India's economic growth to accelerate to 7.4% in 2018-19 and 7.5% in 2019-20, catalysed by private consumption and services. Private investment is expected to revive as soon as the country adjusts to GST. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector Balance Sheets, enhance credit availability and spur investment. [*Source: IMF, World Bank*]

Key government initiatives

Bank recapitalisation scheme: The Central Government announced capital infusion of ₹ 2.1 lac crore in public sector banks. The measure entailed a budgetary allocation of ₹ 76,000 crore by the Central Government, while the remaining amount is to be raised by the sale of recapitalisation bonds. [*Source: KPMG*]

Expanding road network: To boost road infrastructure in the country and foster job creation, the Government of India announced a ₹ 6.9 lac crore investment outlay to construct 83,677 kilometres of road network, over a period of five years. [*Source: KPMG*]

Improving business ecosystem: The country was ranked at the hundredth position, an improvement of

30 places in the World Bank's Ease of Doing Business 2017 report, a result of the Central Government's pro-reform agenda, comprising measures such as passing of Insolvency and Bankruptcy Code, simplifying tax computation and merging applications for PAN and TAN.[*Source: KPMG*]

Goods and Services Tax: The Government of India carried out a significant overhaul of the indirect tax regime and launched the GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services would be taxed as per five slabs (28%, 18%, 12%, 5% and zero tax). Post-GST implementation, India's tax net expanded, as a 50% increase was recorded in unique indirect taxpayers. [*Source: KPMG*]

Foreign Direct Investment: The ability to attract large scale Foreign Direct Investment (FDI) into India has been a key driver for policy making by the Government. Foreign direct investment into India steadily increased from approximately USD 24 billion in FY2012 to approximately USD 60 billion in FY2017, which was an all-time high.

Coal mining opened for private sector: Ending the state monopoly, the government has opened coal mining to the private sector firms for commercial use. Coal accounts for around 70% of the country's power generation, and the move for energy security through assured coal supply is expected to attract major players, enhance sectoral efficiency, widen competition, increase competitiveness and induct the best technologies. [*Source: The Hindu, Business Today*]

Doubling farm incomes: To improve the living conditions of farmers, the government initiated a seven-point action plan to double incomes by 2022. [*Source: PIB*].

Outlook

World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and services are expected to continue to support economic activity. Private investment is expected to revive as the corporate sector adjusts to the GST. Over the medium-term, GST introduction is expected to catalyse economic activity and fiscal sustainability by reducing the cost of complying with multiple state tax systems, drawing informal activity into the formal sector and expanding the tax base. [*Source: IMF, World Bank*]

The Indian textile and apparel industry overview

With a strong multi-fibre base with an abundant supply of raw materials like cotton, wool, silk, jute and man-made fibres, India enjoyed a distinct advantage of backward integration which many countries do not possess. The Indian textile industry, currently estimated at ~US$ 120 billion, is expected to reach ~US$ 250 billion by 2019. [*Source: IBEF*]

Key textiles and apparel zones in India

North: Kashmir, Ludhiana and Panipat account for 80% of woollens in India

East: Bihar for jute, parts of Uttar Pradesh for woollen and Bengal for cotton and jute industry

South: Tirupur, Coimbatore and Madurai for hosiery and Bengaluru, Mysore and Chennai for silk

West: Ahmedabad, Mumbai, Surat, Rajkot, Indore and Vadodara are the key cotton hubs

[*Source: IBEF*]

Staple fibre production

India's total staple fibre production stood at 9,189 million kilograms in 2016-17. Natural fibre production reduced at a CAGR of 1%, but production of man-made staple fibre has grown at a CAGR of 2% since 2011-12.

Staple fibre production (million kilograms)

Year	Natural fibre	Man-made fibre	Total
2015-16	7,604	1,347	8,951
2016-17	7,825	1,363	9,188

[Source: Office of Textile Commissioner, Government of India]

Spun yarn production

India is one of the most competitive producers of spun yarn. The production of spun yarn stood at 5,659 million kilograms in 2016-17, growing at a CAGR of 3% since 2011-12.

Spun yarn production (million kilograms)

Year	Cotton	Blended	Non-cotton	Total
2015-16	4,138	973	555	5,665
2016-17	4,055	1034	570	5,659

[Source: Office of Textile Commissioner, Government of India]

Filament yarn production

Man-made filament yarn production in India has declined at a CAGR of 5% since 2011-12. Polyester filament yarn accounts for >90% of the total filament yarn production.

Filament yarn production (million kilograms)

Year	Viscose	Polyester	Nylon	Polypropylene	Total
2015-16	45	1,069	37	13	1,164
2016-17	46	1,060	41	12	1,159

[Source: Office of Textile Commissioner, Government of India]

Fabric production

Fabric production has grown at a CAGR of 1% since 2011-12. Cotton fabrics have the majority share of 60%, while man-made and blended fabrics have a share of 23% and 17%, respectively.

Fabric production (million square metres)

Year	Man-made fibre fabrics*	Blended	Cotton	Total
2015-16	16,256	10,809	38,440	65,505
2016-17	14,504	11,080	38,837	64,421

[Source: Office of Textile Commissioner, Government of India]

*includes khadi, wool and silk

Indian textile and apparel market

The Indian textile and apparel market is estimated to be worth US$ 122 billion, with domestic consumption constituting~70% of the total market size and exports accounting for the rest.

Key numbers

122
(US$ billion)
Total market size

[Source: DGCI&S and Wazir Analysis]

85
(US$ billion)
Domestic consumption

US$63 billion Apparel

US$16 billion Technical textiles

US$6 billion Home textiles

37
(US$ billion)
Exports

US$20 billion Textiles

US$17 billion Apparels

Sectoral optimism

Abundant availability: India is the largest producer of cotton in the world with a 27% share of the global production. India is also the second-largest producer of polyester globally with an 8% share of the global production. Moreover, India is the third-largest producer of viscose in the world.

Inherent cost-competitiveness: The wage cost in India is lower than that in China and Vietnam. The power cost in India is lower than that in Bangladesh, Vietnam, Myanmar, Kenya, among others. The lending rates in India are on the higher side as compared to China and Vietnam but with special government support available for the sector, the effective cost of capital becomes more or less the same.

Ready-made infrastructure: In addition to the traditional, natural manufacturing clusters, new virtual clusters are being developed with support from the Central and State Governments in the form of textile and apparel parks. Till date, the Central Government has sponsored 66 such parks across states which are at various stages of implementation.

Governmental support: The Government of India has launched various support schemes for textile and apparel manufacturers to make them globally competitive. Last year, the Government of India announced a US$ 1 billion per annum special package for the next three years for garment and made-up manufacturers.

Preferential access: India currently enjoys preferential market access to 43 countries under 15 trade agreements. The EU has granted India with GSP status for garments under which Indian garment exports to EU attract 20% less duty. India is currently negotiating free trade agreements with the EU, Australia, and Canada.

The GST impact

The textile industry accounts for>10% of the total annual export revenues earned by the country. Under the GST regime, the tax rate has been pegged at 5% for cotton fibres and 18% for man-made synthetic fibres while totally exempting silk and jute from the same.

The rate of GST on apparels is also decided based on the category, as the apparels whose cost is below ₹ 1,000 will incur a 5% GST rate and apparels above this mark will incur a 12% GST rate. At the same time, the GST rates on job work of textiles and related products have been reduced from 18% to 5%. [*Source: IndianTextile Magazine, IBEF, Moneycontrol*]

Budgetary provisions

Initiative: Allocated a sum of ₹7,148 crore towards the textile industry.

Result: This initiative will not only promote exports but also increase production in these two labour-intensive sectors.

Initiative: Allocated a sum of ₹2,300 crore under TUFS.

Result: This should allow players to undertake capacity expansion exercises with greater ease.

Initiative: Allocated a sum of ₹2,163.85 crore under ROSL.

Result: This will allow exporters of made-ups and apparels to backlog which will be cleared and working capital will be released.

Initiative: Proposed to channelise 12% of the new employees' wages towards EPF over the next three years, extend fixed term employment across all sectors and reduce women's employees' contribution to 8% for first three years from 12%.

Result: This is expected to boost hiring in the apparel segment and rope in more women into the textile industry workforce.

Initiative: Allocated a sum of ₹87.15 crore towards schemes for power loom units.

Result: This should be helpful for the decentralised power loom industry across various clusters.

Initiative: Reduced income tax rates by 25% for players reporting turnovers <₹250 crore

Result: This should be immensely beneficial for MSMEs and allow them to grow from strength to strength. .

Initiative: Develop a national logistics portal as a single window online marketplace to link all stakeholders.

Result: This should simplify the marketing problems faced by MSME exporters besides reducing transaction costs.

The Indian innerwear sector review

The domestic innerwear market in India is witnessing a boom with the innerwear market clocking an impressive CAGR of 12% - growing from ₹178 billion in 2013 to a projected ₹ 595 billion in 2023.Out of the entire ₹ 30,000-crore industry, the premium segment is estimated at ₹7,000 crore.

The male factor: The men's underwear market is currently valued at around ₹8,500 crore. Branded innerwear companies cumulatively reported 15.2% CAGR growth in terms of sales and 22% in terms of net profits, respectively – far superior compared to branded outerwear companies (11% CAGR growth in terms of sales a 7% decline in profits).

The men's innerwear segment comprises vests, briefs / boxers, basic T-shirts, shorts / pajamas, sleepwear and active wear. In yesteryears men considered innerwear to be a need-based purchase and seldom paid much attention to it. Now there seems to be a shift in the paradigm. More men are becoming conscious about what they wear underneath, be it in terms of comfort, style or brand. Further, the largest category offerings from leading innerwear brands for men are vests and brief / boxers.

There are four categories of men's innerwear consumers, based on their purchasing attitudes: young aspirers, discerning urbanites, optimistic pursuers and corporate climbers. It is the 'Young Aspirer' group that comprises men in high-paying jobs with high disposable incomes, are ambitious, and demonstrate a keenness to purchase branded innerwear.

Fueled by increasing disposable incomes and changing attitudes, the segment is expected to reach ₹16,500 crore by 2020. Looking ahead, the innerwear market is expected to grow consistently thanks to more and more customers switching from unorganized to branded players. The introduction of GST could be a game changer for highly the unorganized innerwear industry (50% unorganized) by levelling the playing field for the corporates present in the economy and mid segment. The men's innerwear market contributes 40% and is characterized by the presence of numerous Indian and international brands.

Market break-up

Women's innerwear	Men's innerwear
60%	40%

[Source: Kotak Securities]

The female quotient: The women's underwear market, which is driven by value-added underwear products, contributes around 60% to the market and is growing at a faster rate of 15%. The market is largely dominated by the mid-priced and economy segment contributing 80% of the market, while the remaining comes from the premium and super-premium segments.

Considered to be more dynamic, with a variety of design options and innovations, the women's innerwear sub-category includes a wide range of offerings, such as brassieres, panties, camisoles, basic T-shirts, shorts / pyjamas, sleepwear, active wear and maternity wear. Consumers in this category mostly purchase branded brassieres and panties, which constitute more than 90% of the category mix. However, the penetration of brands is comparatively low for other sub-categories like camisoles, sleepwear, etc. thereby, providing ample opportunities for organized players to promote their products and increase the market share.

Market segments: The premium and super-premium segments of the Indian innerwear market are likely to double in the next three years. It's estimated that the market was worth ₹ 24,000 crore, with mid-premium and premium segments making up 40% or ~₹ 9,500 crore. This is expected to grow to ₹ 47,000 crore by 2020, and the premium, mid-premium segment is expected to double, growing at 17-18% CAGR to ₹20,000 crore by that time.

The economy segment contributes ~56%, the mid-price segment 30% and the remaining 14% comes from premium and super-premium segments. With increasing disposable incomes and changing consumer attitudes towards the category, the segment is expected to reach US$2750 million by 2020.

The FY17 combined revenue of the five listed innerwear companies amounted to ₹ 5,323 crore, accounting for a ~18% share of India's total innerwear market. What seems to be driving this change is increasing the presence of organised retail and e-commerce, product innovation, growing awareness about hygiene, and higher disposable income levels. (Source: Wazir Advisors, Kotak Securities, ACE Equity, Moneycontrol, Franchiseindia)

Indian innerwear industry (₹ billion)

2013	2018*	2023*
178	322	595

[Source: The Economic Times]

*Forecasted

Demand drivers

Rapid urbanisation: The country's urban population is currently pegged at around 33.5% of the total population, contributing to over 60% of India's GDP. It is projected that the urban India will contribute nearly 75% of the national GDP by 2030.

Demographic dividend: India's demography is poised at the cusp of a massive dividend, with the country's dynamic and high percentage of youth indicating the long-term benefits of a large workforce. Currently, more than 65% of the population is below the age of 35 in India and the country will rise as an economic superpower, supplying more than half of Asia's potential workforce over the coming decade. The country's median population age is 27.3 years and about 12 million people are added to the working age population every year. By 2025, it is projected to account for 20% of the world's working-age population, and by 2020, to be the youngest country in the world with the median age of 29 years.

Rising incomes: The substantial spurt in discretionary income along with easy financing schemes has shortened product replacement cycles and evolving lifestyles. Thus, as the Indians continue to climb the economic ladder, the composition of their spend will also change considerably. As witnessed in developed economies, discretionary spending will take up a larger share of nation's shopping basket as national income rises. As one grows richer, a higher chunk of income is spent on looking and living better.

Shifting preferences: This evolution of the domestic innerwear market is primarily rooted in urban India. And the urban consumers are willing to pay higher for quality and value-added products. Modern trends and product innovations, too, have turned the innerwear products from a conventionally utilitarian item into an essential fashion constraint.

The 'in-thing': The need for premium inner wear brands specially designed in alignment with quality, comfort and style are now challenging the traditional products available in the market. The innerwear-as-outerwear trend is quickly gaining popularity and garnering phenomenal demand as the 'in-thing' among the modern innerwear industry in India. This clubbed with technological advancements and inclination towards a much wider range of fabrics, including both natural and man-made fibres are a revolutionising trend providing a further boost to the sector.

The online game: Although in its nascent stage, online shopping in India is no longer a new phenomenon, but rather a blessing for the innerwear industry. E-commerce portals and marketplaces have played a vital role in bridging the gap between consumers residing in Tier-II and Tier-III cities and premium wear sellers. Further e-commerce portals provide the convenience of comparisons and choice while sitting at home, workplaces, or even-on-the-go.

Outlook

Brands are widening their reach and extending their product ranges. While elevating the fashion quotient, various international and domestic innerwear brands in India are also expanding their collection beyond just innerwear. This includes active-wear, comfort-wear and sleepwear. Lately, the premium innerwear market in India has been experiencing increasing entry of global brands, mostly through partnerships and tie-ups with home-grown brands. This idea of getting foreign brands to India or associating with them started after market surveys established that consumers using premium and super-premium products have a high level of awareness and mostly go for global brands. Innerwear and leisurewear companies have been on a roll in recent years on the back of operating leverage, product premiumisation, brand appeal, increasing advertisement spends, and gradual foray into the apparel space.

Financial performance

The Company's revenues grew by 19 to reach ₹1139.48 crore in 2017-18 following an improvement in sales volumes. EBIDTA stood at ₹158 crore compared to ₹121 crore in the previous year. The Company reported a post-tax profit of ₹79 crore in 2017-18 compared to a post-tax profit of ₹60 crore in the previous year. Consequently, the Company proposed a dividend of ₹2.00 per equity share (i.e 100 percent) worth ₹2.00 (fully paid-up).

Risk management

Effectively identifying risks that could potentially harm the Company's business and effectively mitigating them is a sign of robust corporate governance. Lux Industries has a systematic risk management policy which aims to identify, monitor and take measures if any unforeseen events post threat to the Company's business. The Company has identified a few major risk factors as below:

1. Slowdown in the global economy:

The Company has presence in 47 locations internationally and derives approximately 10% of its revenues from export sales. A slow-down in the global economy may have an adverse effect on the demand for the Company's products globally, impacting revenues.

Mitigation: The Company has a presence in 47 nations and constantly keeps looking for opportunities to expand into newer markets.

2. Demand risk:

90 % revenues of Lux are derived from domestic sales and a slowdown of the Indian economy could sales growth due to reduced purchasing power of customers.

Mitigation: India is one of the fastest growing major economies in the world. Factors such as rising per capita incomes of consumers, higher disposable incomes, growing urbanization and a young demographic dividend has shifted the preference of consumers towards premium products. Hence there is adequate demand for the products of Lux in the market.

3. Competition risk:

Severe competition from peers present in domestic and international markets as well as players from the unorganized sector of the nation could capture the market share of the Company leading to a slow-down of growth.

Mitigation: Through prudent and proactive investments in R&D, stringent quality checks, cost optimization of products, timely delivery of their products and a robust distributor network, the Company has set itself apart from the competition. Lux has a superior product quality. Besides reforms undertaken by the Indian government such as introducing the Goods and Service Tax (GST) has helped in stunting the competition from the unorganized players in the market.

4. Commodity price risk:

Volatility in raw material prices such as cotton, yarn and chemicals could impact the margins of the Company.

Mitigation: Lux has enriching relationships with its suppliers and has negotiated long term contracts with them which have helped in lowering this price volatility. Besides the Company is backwardly integrated through its facility in Dankuni which has helped to absorb some increases in raw material prices.

5. Changing fashion trends risk:

The industry and trends are rapidly changing in today's time and an inability to be able to cater to these changes in fashion could lead to a loss of customers and lower sales.

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

6. Industrial safety, employee health and safety risk:

Due to the Company's dependence on labor, it is exposed to the risk of accidents, health and injury.

Mitigation: Lux has systematic safety standards in place and it has well defined SOPs for its manufacturing operations which are regularly updated and checked. The Company conducts extensive safety training for its employees as well.

Internal control systems and their adequacy

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

Human resources and industrial relations

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. As on 31st March 2018, the Company's employee strength stood at 1407.

Corporate Social Responsibility

The Company strongly believes in development of and giving back to the society and it adopts a long term vision in the implementation of its CSR program. The objective of the Company is to improve quality of life with direct intervention with the society.

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has contributed funds for the schemes relating to eradicating hunger and poverty, promoting education, animal and social welfare and medical aid. The contributions in this regard have been made to the registered trusts and / or section 8 companies which are undertaking such schemes.

Cautionary statement

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

REPORT ON CORPORATE GOVERNANCE

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

1. Company's philosophy on Corporate Governance

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

2. Board of Directors

a. Composition of the Board:

The Board has an optimum combination of Executive and Non-Executive Directors. As on March 31, 2018, the Company's Board of Directors comprised of six directors. The Chairman of the Board is an Executive Promoter Director. In addition, the Board comprises of five other Directors; one Promoter Executive Director, one Woman Executive Director as prescribed under Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and remaining three being Non– Executive Independent Directors. None of the Directors on the Board were a member of more than ten Committees or acted as Chairman of more than five Committees, as prescribed in Regulation 26 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 across all companies in which they were Director. Moreover, none of the Directors were acting as Independent Director in more than seven listed companies and none of the Independent Director who has served as a Whole Time Director in any listed company was an Independent Director in more than three listed companies.

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

The composition of the Board of Directors, the number of other Directorship and Committee position held by the Directors as a Member/ Chairman as on March 31, 2018 is as under:

Name of the Director	Category of Directorship	No. of other Directorships*	No. of Committee Memberships**	
			Chairman	Member
Sri Ashok Kumar Todi, Chairman	Executive & Non- Independent	14	-	1
Sri Pradip Kumar Todi, Managing Director	Executive & Non- Independent	14	-	-
Smt. Prabha Devi Todi	Executive & Non- Independent	1	-	-
Sri Nandanandan Mishra	Non- Executive & Independent	6	4	6
Sri Snehasish Ganguly	Non- Executive & Independent	9	1	2
Sri Kamal Kishore Agrawal	Non- Executive & Independent	1	-	1

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

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

b. Board Procedure:

The Board of Directors meets from time to time to transact the business in respect of which the Board's attention is considered necessary. The Board meets at least once in each quarter, which is scheduled in advance. There is a well-laid procedure to circulate detailed agenda papers to the Directors before each meeting and in exceptional cases these are tabled. The Directors discuss and express their views freely and seek clarifications on items of business taken up in the meetings. The discussions are held in a transparent manner. Various decisions emanating from such meetings are implemented to streamline the systems and procedures followed by the Company.

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

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

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

Name of the Director	No. of Board Meeting attended	Attendance at last AGM held on September 21, 2017
Sri Ashok Kumar Todi	4/5	Yes
Sri Pradip Kumar Todi	5/5	Yes
Sri Nandanandan Mishra	5/5	Yes
Sri Snehasish Ganguly	4/5	Yes
Sri Kamal Kishore Agrawal	5/5	Yes
Smt. Prabha Devi Todi	5/5	No

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

Mr. Ashok Kumar Todi, Whole Time Director, being liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

Mr. Nandanandan Mishra, Mr. Snehasish Ganguly, and Mr. Kamal Kishore Agrawal will be reappointed for the period of five year with effect from 1st April, 2019.

Brief profile of Mr. Ashok Kumar Todi, Mr. Nandanandan Mishra, Mr. Snehasish Ganguly and Mr. Kamal Kishore Agrawal is given in the annexure to the notice of AGM.

d. Independent Directors:

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

e. Familiarisation Programme for Independent Directors:

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

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

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

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

f. Codes & Policies:

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

- Code of Conduct
- Vigil Mechanism/Whistle Blower Policy
- Risk Management Policy
- Remuneration Policy
- Policy on Related Party Transactions
- Corporate Social Responsibility Policy
- Code of Fair Disclosure of Unpublished Price Sensitive Information under SEBI PIT Regulations, 2015.
- Policy on Preservation of documents/Archival Policy
- Policy on Disclosure of Material Events
- Policy for Prevention of Sexual Harassment at Work Place
- Business Responsibility Policy
- Dividend Distribution Policy
- Policy for determining Materiality of Subsidiaries

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

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

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

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

3. Board/ Committee Meetings

a. Details of Board Meeting held during the Year:

Date of Board Meeting	25.05.17	26.08.17	05.12.17	20.01.18	13.03.18
Board Strength	6	6	6	6	6
No. of Directors Present	5	6	5	6	6

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

b. Details of Shareholding of Directors as on March 31, 2018:

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

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

c. Minutes of Board/Committee Meetings:

Minutes of proceedings of each Board and Committee meeting are recorded and draft minutes are circulated to Board/Committee members for their confirmation within 15 days from the date of the meeting. The inputs, if any, of the Board & Committee Members are duly incorporated into the Minutes, after which these are entered in the Minutes Book within 30 days from the date of the meeting.

d. Independent Directors Meeting:

During the year under review, the Independent Directors met on January 20, 2018, inter alia, to evaluate:-

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

All the independent Directors were present at the meeting.

e. Committees of the Board:

Audit Committee

Your Company has an Audit Committee at the Board

Level, with the powers and role that are in accordance with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

i. Composition of Audit Committee:

The composition of the Audit Committee as on March 31, 2018 is as follows:

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

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

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

During the year, six meetings of the Audit Committee were held on May 25, 2017, August 26, 2017, November 10, 2017, December 05, 2017, January 20, 2018 & March 13, 2018 and attendance was as under:

Name of the Committee Member	No. of Meetings	
	Held	Attended
Sri Nandanandan Mishra	6	6
Sri Snehashish Ganguly	6	5
Sri Kamal Kishore Agrawal	6	6

iii. Terms of reference of the Audit Committee:

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

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

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

Nomination and Remuneration Committee

Your Company has a Nomination and Remuneration Committee at the Board level, with powers and roles that are in accordance with Regulation 19 of SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 or any other laws/rules, as applicable or amended from time to time.

i. Composition of the Nomination & Remuneration Committee:

The composition of the Nomination & Remuneration Committee as on March 31, 2018 is as follows:

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

The Company Secretary acts as the Secretary of the Committee.

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

The Committee met thrice during the financial year ended March 31, 2018 on May 25, 2017, August 26, 2017 and January 20, 2018 and all the members had attended the meeting.

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

Brief terms of reference of the Committee include the following:

1. Review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes and personal and professional backgrounds for service as a Director of the Company, as determined by the Committee;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel (KMPs) and other employees of the Company;
3. Formulate criteria for evaluation of Independent Directors and the Board;
4. Devise a policy on board diversity;
5. Identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

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

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

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

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

- **Appointment criteria and qualifications:**

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

- **Term / Tenure:-**

1. Managing Director/Whole-time Director/Manager (Managerial Personnel):-
   - The Company shall appoint or re-appoint any

person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

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

• Evaluation:

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

• Removal:

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

• Retirement:

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

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

• General:

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board, which should be within the slabs approved by the Shareholders in the case of Managerial Person.

   Increments will be effective from the date of reappointment or from 1st April, as the case may be, within the slab approved by the shareholders.

4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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

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

2. Minimum Remuneration:-
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. Provisions for excess remuneration:-
If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

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

1. Remuneration / Commission:-
The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

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

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

4. Stock Options:-
An Independent Director shall not be entitled to any stock option of the Company.
Details of Remuneration to all the Directors for the year ended March 31, 2018

(₹ in lakhs)

Name of Directors	Remuneration (Salary)	Sitting Fees		Total
		Board Meeting	Other Committee	
Sri Ashok Kumar Todi	300.00	-	-	300.00
Sri Pradip Kumar Todi	300.00	-	-	300.00
Sri Nandanandan Mishra	-	0.25	0.55	0.80
Sri Snehasish Ganguly	-	0.25	0.40	0.65
Sri Kamal Kishore Agrawal	-	0.25	0.65	0.90

Stakeholder Relationship Committee (Previously known as Shareholders Grievance Committee)

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

(a) Composition of Stakeholder Relationship Committee:

Details of the composition of the Stakeholder Relationship Committee as on March 31, 2018 is as follows:

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

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

The Committee met once on January 20, 2018 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, 2018.

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

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

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

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

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

The Company Secretary has also been designated as Compliance Officer.

Corporate Social Responsibility (CSR) Committee

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

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

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

The composition of the committee as on March 31, 2018 is as under:

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

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

During the Financial Year ended March 31, 2018, four meetings of the Corporate Social Responsibility were held on May 25, 2017, August 26, 2017, December 05, 2017 & January 20, 2018 and all the members had attended the meeting except in the meeting held on May 25, 2017 in which Sri Ashok Kumar Todi was absent.

Risk Management Committee

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

(a) Composition of Risk Management Committee:

The composition of the committee as on March 31, 2018 is as under:

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

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

The Committee met once during the financial year ended March 31, 2018 on January 20, 2018 and all the members had attended the meeting.

(c) Terms of Reference of Risk Management Committee

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

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

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

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

Committee of Directors

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

(a) Composition of Committee of Directors:

The composition of the committee as on March 31, 2018 is as under:

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

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

During the Financial Year ended March 31, 2018, eight meetings of the Committee of Directors were held on April 1, 2017, April 27, 2017, June 08, 2017, June 21, 2017, October 06, 2017, November 06, 2017, November 10, 2017 and December 15, 2017 and all the members had attended the meeting.

(c) Terms of Reference of Committee of Directors

Brief terms of reference of the Committee include the following:

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

Share Transfer Committee

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

(a) Composition of Share Transfer Committee:

The composition of the committee is as under:

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

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

During the Financial Year ended March 31, 2018, six meetings of the Share Transfer Committee were held on August 22, 2017, September 26, 2017, November 16, 2017, November 23, 2017, February 02, 2018 and March 07, 2018 and all the members had attended the meeting.

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

4. Management

(a) Management Discussion and Analysis:

This Annual Report has a detailed chapter on Management Discussion and Analysis as annexure to the Directors' Report for the year 2017-18.

(b) Disclosures by management to the Board:

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

5. Disclosure regarding appointment or reappointment of Directors

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

6. Compliance certificate of the Auditors

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

7. Code of Conduct

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

8. CEO and CFO Certification

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

9. 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
20th	September 24, 2015, 11.00 a.m	India Power Convergence Centre, Plot no. X-1, 2&3, Block- EP Sector – V, Salt lake City, Kolkata – 700091.	Nil
21st	September 27, 2016, 11.00 a.m	India Power Convergence Centre, Plot no. X-1, 2&3, Block- EP Sector – V, Salt lake City, Kolkata – 700091.	Maintain and keep the Company's Registers and copies of Annual Returns at a place other than Registered Office of the Company.
22nd	September 21, 2017, 11.00 a.m	India Power Convergence Centre, Plot no. X-1, 2&3, Block- EP Sector – V, Salt lake City, Kolkata – 700091.	Re-appointment of Sri. Ashok Kumar Todi as a Whole Time-Director.

b) Passing of Resolutions by Postal Ballot:

During the financial year 2017-18, the company has passed no resolution by postal ballot.

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

c) Extra-ordinary General Meeting:

No Extra-ordinary General Meeting was held by the Company in the financial year 2017-18.

10. Disclosures

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

Transactions with related parties as per Accounting Standard (AS-18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Notes to accounts.

b) Disclosure of Accounting Treatment:

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

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

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

d) Risk Management:

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

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

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

f) Compliance with Governance Framework

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

g) Vigil Mechanism:

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

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

h) Legal Proceedings

There is one pending case related to dispute over partly paid up shares which were forfeited in which we had been made a party. However this case is not material in nature.

i) Disclosure of Non Mandatory Requirement:

Chairman's Office:

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

Nomination and Remuneration Committee:

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

Shareholders' Rights:

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

Audit Qualification:

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

11. Means of Communication

Company Web site:

Pursuant to Regulation 46 of the Listing Regulations, the Company's website, www.luxinnerwear.com contains a dedicated functional segment, Investor

Section where all the information meant for the shareholders are available, including information on Directors, Shareholding Pattern, Quarterly Reports, Financial Results, Annual Reports, Press Releases, details of unpaid/unclaimed dividends and various policies of the Company.

NSE Electronic Application Processing System (NEAPS):

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

BSE Corporate Compliance & Listing Centre (Listing Centre):

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

Financial Results:

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

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

News Releases and Presentations:

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

Presentations to Institutional Investors/ Analysts:

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

Annual Report:

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

Green Initiative:

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

12. General Shareholder Information

Annual General Meeting:

Date and Time	September 27, 2018, 11:00 a.m
Venue	India Power Convergence Centre (Formerly DPSC Auditorium) Plot No. X -1, 2 & 3, Block – EP, Sector – V Salt Lake City, Kolkata - 700091
Book closure dates	September 21, 2018 to September 27, 2018
Proposed dividend	₹2.00 (100%) per equity share of ₹ 2/- each
Dividend payment date	Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting
Financial Year	1st April to 31st March

Financial Calendar:

First Quarterly Results	2nd week of August, 2018
Second Quarterly Results	2nd week of November, 2018
Third Quarterly Results	2nd week of February, 2019
Fourth Quarterly Results	2nd week of May, 2019
Annual General Meeting	September, 2019

Details of Stock Exchange & Stock Code:

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

During the financial year 2016-17, the Company has applied to CSE for Voluntarily delisting of equity shares and the said stock exchanges has given approval in the financial year 2017-18 for the same vide its letter dated 18.09.2017 and the delisting is approved with effect from 19.09.2017. Now the equity shares of the Company are listed on nationwide trading platform Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE).

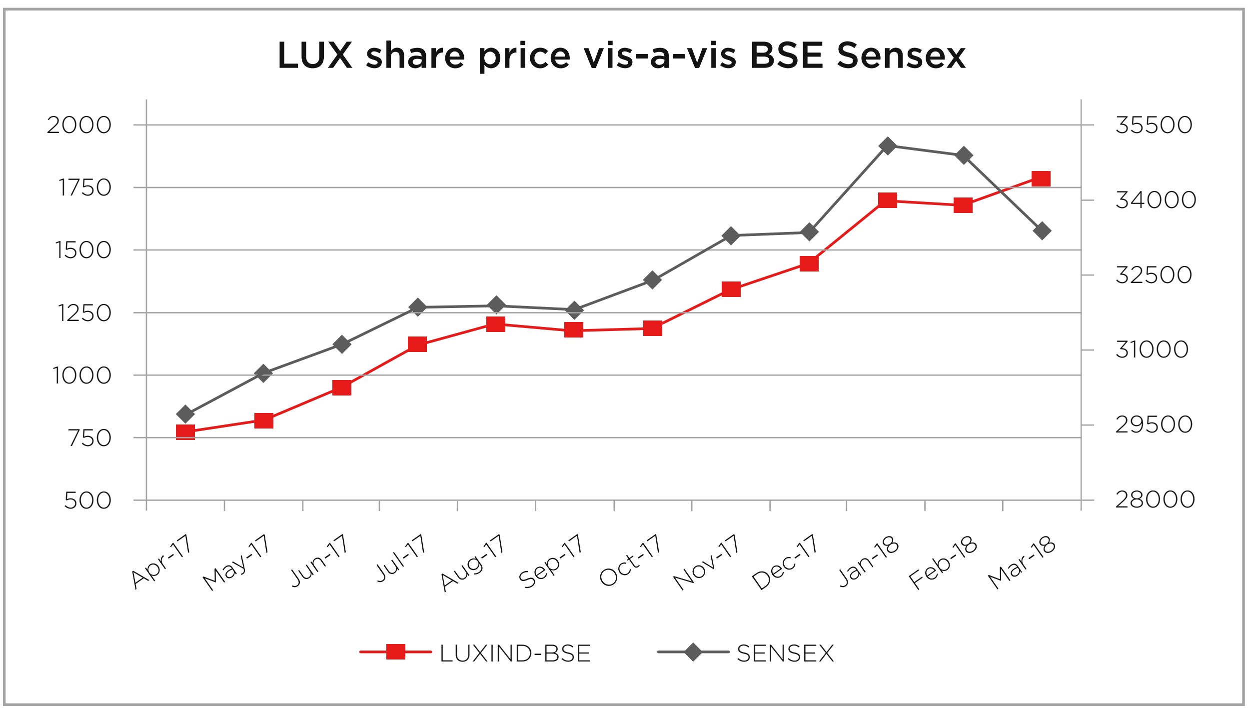
Payment of Listing Fee:

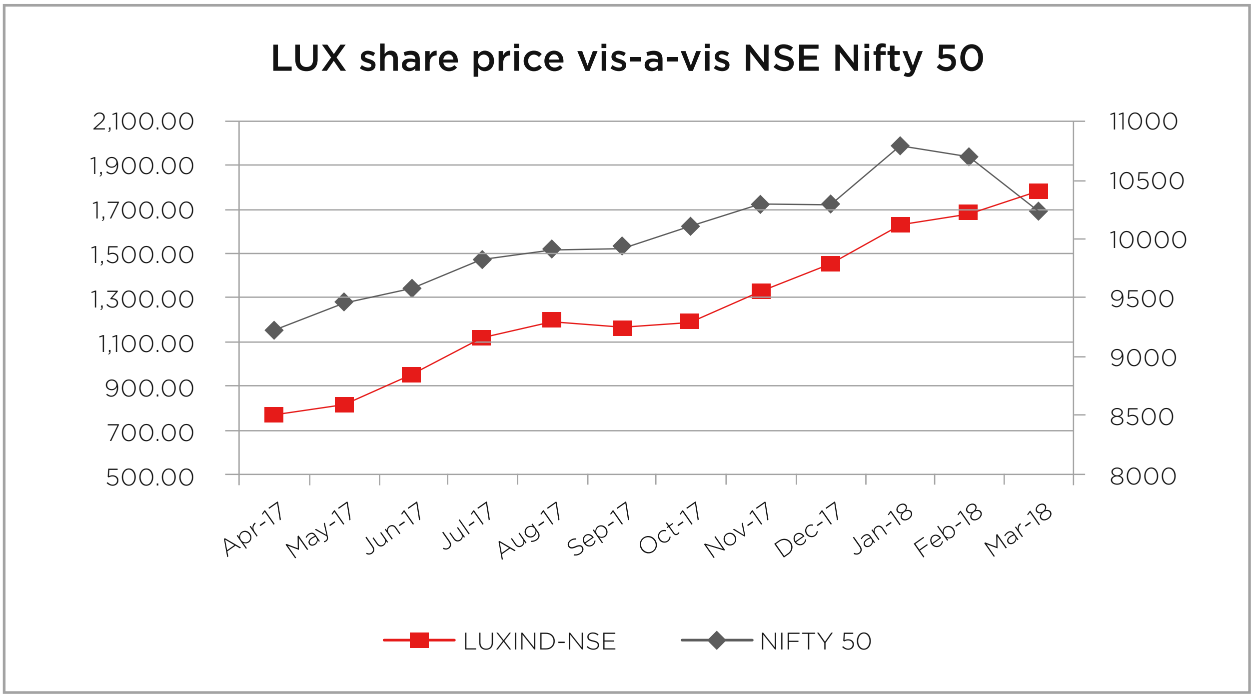
Annual listing fees for the year 2018-19 have been duly paid to the above Stock Exchanges.

Stock Price data:

Month	The National Stock Exchange of India Ltd. (NSE)			Bombay Stock Exchange Limited (BSE)		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
April, 2017	833.90	713.45	600588	835.00	710.10	302158
May, 2017	874.40	765.00	280817	867.00	771.00	185889
June, 2017	1118.40	788.05	3019588	1115.00	785.25	1562335
July, 2017	1234.70	1010.00	1291550	1234.00	1010.00	231262
August, 2017	1319.90	1070.00	705183	1316.60	1079.45	268074
September, 2017	1250.00	1085.05	280286	1248.70	1101.05	71223
October, 2017	1242.80	1140.00	159708	1245.00	1135.00	30179
November, 2017	1490.00	1171.10	1015480	1490.00	1182.00	114681
December, 2017	1538.00	1371.35	923728	1540.00	1350.0	144079
January, 2018	1750.00	1495.00	2067646	1900.70	1483.10	403023
February, 2018	1850.00	1525.00	1298997	1844.40	1510.05	88678
March, 2018	1929.00	1641.10	1390296	1925.00	1635.45	86104

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





There was no transaction in the Equity Shares of the Company at the Calcutta Stock Exchange during the year ended March 31, 2018.

Dematerialisation of Shares:

The Company has arrangements with both NSDL and CDSL to establish electronic connectivity for scrip less trading and as on March 31, 2018, 99.99% of the paid up share capital is held in dematerialised form. The Annual Custodial Charges to NSDL and CDSL have been paid. The ISIN Number allotted to Company's Shares is INE150G01020.

Shares held in Demat and physical mode as at March 31, 2018

Category	Number of		% to total equity
	Shareholders	Shares	
A. Demat mode			
No. of Shares held by NSDL	6,100	24,001,812	95.05
No. of Shares held by CDSL	4,207	1,248,730	4.94
Total	10,307	25,250,542	99.99
Physical mode	87	2458	0.01
Grand total	10,394	25,523,000	100.00

Share Transfer System:

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

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

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

Distribution of Shareholding as on March 31, 2018:

Range of Shares held	No. of Shareholders	%	No. of shares	%
1 – 5000	10,093	97.10	1,239,057	4.91
5001 - 10000	164	1.58	622,818	2.47
10001- 20000	51	0.49	357,896	1.42
20001 – 30000	14	0.13	171,206	0.68
30001 – 40000	13	0.13	226,088	0.90
40001 – 50000	11	0.11	251,225	0.99
50001 –100000	23	0.22	825,008	3.27
100001 and above	25	0.24	21,559,702	85.37
Total	**10,394**	**100.00**	**25,253,000**	**100.00**

Shareholding pattern as on March 31, 2018:

Category	Number of		% to total equity
	Shareholders	Shares	
A. Promoters & Promoters Group			
- Indian Promoters	3	11,935,500	47.26
- Directors and their Relatives	6	6,679,500	26.45
B. Non- Promoters			
- Corporate Bodies	367	2,246,500	8.90
-NBFC	1	100,100	0.40
- Banks	2	3514	0.01
- Indian Financial Institutions	1	5,731	0.02
- Non Resident Repatriation	39	28,933	0.11
- Non Resident Indians	79	84,362	0.33
- Foreign Portfolio Investors	16	355,739	1.41
-Mutual Funds	3	800,191	3.17
-Alternative Investment Fund	1	91,931	0.36
-IEPF	1	3,705	0.01
- Indian Public	9,471	2,756,691	10.92
- HUF & Trusts	342	142,636	0.57
- Clearing Members	62	17,967	0.07
Total	**10,394**	**25,253,000**	**100.00**

Location of Plants:

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

Address for Correspondence:

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

Registrar and Share Transfer Agents:

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

For and on behalf of the Board of Directors

Pradip Kumar Todi
Managing Director
DIN:00246268

Kolkata
May 17, 2018

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

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

1. We have reviewed the financial statements and the cash flow statement of the company for the year ended 31st March, 2018 and to the best of our knowledge and belief we state that:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
   b. these statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
2. We further state that to best of our knowledge and belief, there are no transactions entered into by the Company, which are fraudulent, illegal or violate the Company's code of conduct.
3. We and the Company's other Certifying Officers are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedure.
4. We and the Company's other Certifying Officers have indicated, based on our most recent evaluation, whichever applicable, to the Company's auditors and to the Audit Committee:
   a. significant changes, if any, in the internal control over financial reporting during the year;
   b. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to financial statements; and
   c. instance of significant fraud of which we have become aware of and the involvement therein, if any of the management or an employee having a significant role in the company's internal control system over financial reporting.

We further declare that all members of the Board and Committees and all Senior Management Team have affirmed compliance with the Code of Conduct of the company for the financial year 2017-18.

	Pradip Kumar Todi	**Ajay Kumar Patodia**
Kolkata	Managing Director	Chief Financial Officer
May 17, 2018	(DIN: 00246268)	

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Lux Industries Limited

We have examined the compliance of conditions of Corporate Governance by Lux Industries Limited ('the Company'), for the year ended 31 March 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

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

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

Sandeep Agrawal
Partner
Membership No: 058553

Kolkata
May 17, 2018

FORM AOC-1

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

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Name
1.	Name of the subsidiary	Artimas Fashions Private Limited
2.	The date since when subsidiary was acquired	27.05.2017
3.	Financial Year ending on	31st March, 2018.
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A
6.	Share capital	200,000.00
7.	Reserves & surplus	861,177.00
8.	Total assets	1,100,677.00
9.	Total Liabilities	1,100,677.00
10.	Investments	1,000,000.00
11.	Turnover	-
12.	Profit before taxation	13,326.00
13.	Provision for taxation	4,000.00
14.	Profit after taxation	9,326.00
15.	Proposed Dividend	-
16.	% of shareholding	100%

Part "B": Associates and Joint Ventures

The Company does not have any associate or a joint venture, therefore, the requirement under this part is not applicable to the Company.

For and on behalf of the Board of Directors

Pradip Kumar Todi
Managing Director
DIN:00246268

Kolkata
May 17, 2018

ANNEXURE 'H' TO BOARD'S REPORT

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2018

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

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

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

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

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

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

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

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

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

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

   (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

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

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

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

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

(i) Secretarial Standards as mandated and issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange Limited and Calcutta Stock Exchange Ltd. However, the Company had been Voluntarily delisted from Calcutta Stock Exchange Ltd. w.e.f. 19.09.2017.

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

We further report that,

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

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

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

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

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

For M R & Associates
Company Secretaries

M.R. Goenka
Partner
FCS No.: 4515
CP No.: 2551

Place : Kolkata
Date : May 17, 2018

“ANNEXURE – A”

(TO THE SECRETARIAL AUDIT REPORT OF LUX INDUSTRIES LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018)

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

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M R & Associates
Company Secretaries

M.R. Goenka
Partner
FCS No.: 4515
CP No.: 2551

Place : Kolkata
Date : May 17, 2018

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS

1.	CIN	L17309WB1995PLC073053
2.	Registration Date	21stJuly 1995
3.	Name of the Company	LUX INDUSTRIES LIMITED
4.	Category / Sub-Category of the Company	Indian, Non- Government Company, Limited by Shares
5.	Address of the Registered office and contact details	39, Kali Krishna Tagore Street, Kolkata-700007 Phone no. 91-33-40402121 Fax: 91-33-40012001
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent:-	Karvy Computershare Private Limited, "Karvy Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032 Tel:+91-40-67162222 Fax:+91-40-23420814 E-Mail: support@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2017)				No. of Shares held at the end of the year (As on 31stMarch 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	18615000	0	18615000	73.71	18615000	0	18615000	73.71	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	**18615000**	**0**	**18615000**	**73.71**	**18615000**	**0**	**18615000**	**73.71**	**0**
(2) Foreign									
a) NRIS - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**18615000**	**0**	**18615000**	**73.71**	**18615000**	**0**	**18615000**	**73.71**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	800191	0	800191	3.17	3.17
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	4469	0	4469	0.02	9245	0	9245	0.04	0.02
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investors	3046	0	3046	0.01	355739	0	355739	1.41	1.40
Sub-total (B)(1):-	**7515**	**0**	**7515**	**0.03**	**1165175**	**0**	**1165175**	**4.62**	**4.59**
2. Non-Institution									
a) Bodies Corp.									
i) Indian	4090579	0	4090579	16.20	2246500	0	2246500	8.90	-7.30
ii) Overseas	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2017)				No. of Shares held at the end of the year (As on 31stMarch 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital Up to ₹2 lakh	2472771	2685	2475456	9.80	2893029	2458	2895487	11.47	1.67
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	0	0	0	0	0	0	0	0	0
c) Other (specify)	0	0	0	0	195736	0	195736	0.77	0.77
NBFC Registered with RBI Alternative Investment Fund									
Trust	440	0	440	0	3840	0	3840	0.02	0.02
Non Resident Indians	11944	0	11944	0.05	91931	0	91931	0.36	0.32
Clearing Members	42267	0	42267	0.17	17967	0	17967	0.07	0.10
Non Resident Indian Non Repatriable	9799	0	9799	0.04	28933	0	28933	0.11	0.07
Sub-total (B)(2):-	**6627800**	**2685**	**6630485**	**26.26**	**5470367**	**2458**	**5472825**	**21.67**	**-4.59**
Total public shareholding(B)=(B)(1)+(B)(2)	**6635315**	**2685**	**6638000**	**26.29**	**6635542**	**2458**	**6638000**	**26.29**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**25250315**	**2685**	**25253000**	**100.00**	**25250542**	**2458**	**25253000**	**100.00**	**0**

(ii) Shareholding of Promoters

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

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	PRABHA DEVI TODI				
	At the beginning of the Year	3723000	14.74	3723000	14.74
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			3723000	14.74
2	PRADIP KUMAR TODI				
	At the beginning of the Year	4482500	17.75	4482500	17.75
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			4482500	17.75
3	ASHOK KUMAR TODI				
	At the beginning of the Year	3730000	14.77	3730000	14.77
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			3730000	14.77
4	BIMLA DEVI TODI				
	At the beginning of the Year	3505000	13.88	3505000	13.88
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			3505000	13.88
5	SHOBHA DEVI TODI				
	At the beginning of the Year	2752500	10.90	2752500	10.90
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			2752500	10.90
6	UDIT TODI				
	At the beginning of the Year	186000	0.74	186000	0.74
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			186000	0.74
7	SAKET TODI				
	At the beginning of the Year	136000	0.54	136000	0.54
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			136000	0.54
8	SHILPA AGRAWAL				
	At the beginning of the Year	50000	0.20	50000	0.20
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			50000	0.20
9	NEHA TODI				
	At the beginning of the Year	50000	0.20	50000	0.20
	Date wise Increase / Decrease with reasons	No change during the year			
	At the End of the year			50000	0.20

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning/end of the year		Date of Change	Increase/ decrease in the shareholding	Reason for Increase or decrease	Cumulative Shareholding during the year 2017-18	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
1	**Venerable Advertising Private Limited**							
	Shareholding at beginning of the year	659000	2.61	14.04.2017	659000	sale	0	0.00
	Shareholding at the end of the year	0	0					
2	**Panghat Vanijya Pvt. Ltd.**							
	Shareholding at beginning of the year	609000	2.41		There is no change in the shareholding of the holder during the year 2017-18			
	Shareholding at the end of the year	609000	2.41					
3	**Valuead Securities Pvt. Ltd.**							
	Shareholding at beginning of the year	562006	2.23	16.06.2017	562002	sale	4	0.00
				14.07.2017	4	sale	0	0.00
	Shareholding at the end of the year	0.00	0					
4	**Mangalnidhi Mercantile Pvt. Ltd.**							
	Shareholding at beginning of the year	445000	1.76		There is no change in the shareholding of the holder during the year 2017-18			
	Shareholding at the end of the year	445000	1.76					
5	**Anchor Finstock Pvt. Ltd.**							
	Shareholding at beginning of the year	351910	1.39	26.01.2018	351910	sale	0	0.00
	Shareholding at the end of the year	0	0.00					
6	**Cliff Trexim Private limited**							
	Shareholding at beginning of the year	243000	0.96	26.01.2018	60000	sale	183000	0.72
	Shareholding at the end of the year	183000	0.72					
7	**Garg Brothers Pvt. Ltd.**							
	Shareholding at beginning of the year	175000	0.69	26.01.2018	120000	sale	55000	0.22
				09.02.2018	60000	purchase	115000	0.46
	Shareholding at the end of the year	115000	0.46					
8	**Karvy Stock Broking Ltd (BSE)**							
	Shareholding at beginning of the year	152447	0.60	07.04.2017	1426	sale	151021	0.60
				14.04.2017	1306	purchase	152327	0.60
				21.04.2017	421	purchase	152748	0.60
				28.04.2017	248	purchase	152996	0.61
				05.05.2017	1400	purchase	154396	0.61
				05.05.2017	1500	sale	152896	0.61
				12.05.2017	616	purchase	153512	0.61
				19.05.2017	22	purchase	153534	0.61
				19.05.2017	174	sale	153360	0.61
				26.05.2017	18	purchase	153378	0.61
				26.05.2017	955	sale	152423	0.60
				02.06.2017	414	Purchase	152837	0.61
				09.06.2017	25	Purchase	152862	0.61
				16.06.2017	860	Purchase	153722	0.61
				23.06.2017	44	Purchase	153766	0.61
				30.06.2017	271	Purchase	154037	0.61
				07.07.2017	13	Purchase	154050	0.61

Sl. No.	Name of the Shareholder	Shareholding at the beginning/end of the year		Date of Change	Increase/ decrease in the sharehold-ing	Reason for Increase or decrease	Cumulative Shareholding during the year 2017-18	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
				14.07.2017	538	Purchase	154588	0.61
				21.07.2017	794	Sale	153794	0.61
				28.07.2017	147	Sale	153647	0.61
				04.08.2017	194	Sale	153453	0.61
				11.08.2017	1014	Purchase	154467	0.61
				11.08.2017	2056	Sale	152411	0.60
				18.08.2017	425	Sale	151986	0.60
				25.08.2017	559	Purchase	152545	0.60
				01.09.2017	871	Purchase	153416	0.61
				08.09.2017	52	Purchase	153468	0.61
				15.09.2017	30	Purchase	153498	0.61
				15.09.2017	761	Sale	152737	0.60
				22.09.2017	488	Purchase	153225	0.61
				29.09.2017	15	Purchase	153240	0.61
				06.10.2017	354	Purchase	153594	0.61
				13.10.2017	299	Purchase	153893	0.61
				20.10.2017	77	Purchase	153970	0.61
				27.10.2017	2	Purchase	153972	0.61
				31.10.2017	2005	Purchase	155977	0.62
				03.11.2017	390	Purchase	156367	0.62
				10.11.2017	3689	Sale	152678	0.60
				17.11.2017	96	Purchase	152774	0.60
				24.11.2017	819	Purchase	153593	0.61
				01.12.2017	78	Purchase	153671	0.61
				08.12.2017	2944	Purchase	156615	0.62
				08.12.2017	8735	Sale	147880	0.59
				15.12.2017	2400	Purchase	150280	0.60
				15.12.2017	2743	Sale	147537	0.58
				22.12.2017	206	Sale	147331	0.58
				29.12.2017	77	Purchase	147408	0.58
				05.01.2018	40	Purchase	147448	0.58
				05.01.2018	108	Sale	147340	0.58
				12.01.2018	78	Purchase	147418	0.58
				19.01.2018	57	Purchase	147475	0.58
				26.01.2018	187	Purchase	147662	0.58
				02.02.2018	145	Purchase	147807	0.59
				02.02.2018	283	Sale	147524	0.58
				09.02.2018	21	Purchase	147545	0.58
				09.02.2018	85	Sale	147460	0.58
				16.02.2018	295	Sale	147165	0.58
				23.02.2018	98	Purchase	147263	0.58
				02.03.2018	43	Purchase	147306	0.58
				09.03.2018	276	Purchase	147582	0.58
				16.03.2018	88	Purchase	147670	0.58
				16.03.2018	97	Sale	147573	0.58

Sl. No.	Name of the Shareholder	Shareholding at the beginning/end of the year		Date of Change	Increase/ decrease in the sharehold-ing	Reason for Increase or decrease	Cumulative Shareholding during the year 2017-18	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
				23.03.2018	453	Purchase	148026	0.59
				30.03.2018	105	Purchase	148131	0.59
				30.03.2018	209	Sale	147922	0.59
	Shareholding at the end of the year	147922	0.59					
9	**Monet Securities Private Ltd**							
	Shareholding at beginning of the year	142965	0.57	07.04.2017	2163	Sale	140802	0.56
				14.04.2017	27500	Sale	113302	0.45
				21.04.2017	9000	Purchase	122302	0.48
				28.04.2017	15000	Sale	107302	0.42
				26.05.2017	187	Sale	107115	0.42
				02.06.2017	8000	Purchase	115115	0.46
				09.06.2017	18209	Purchase	133324	0.53
				16.06.2017	4834	Sale	128490	0.51
				23.06.2017	18751	Sale	109739	0.43
				30.06.2017	9744	Purchase	119483	0.47
				14.07.2017	15029	Sale	104454	0.41
				28.07.2017	6125	Purchase	110579	0.44
				04.08.2017	2500	Purchase	113079	0.45
				11.08.2017	9200	Purchase	122279	0.48
				18.08.2017	42279	Sale	80000	0.32
				01.09.2017	200	Purchase	80200	0.32
				22.09.2017	1600	Purchase	81800	0.32
				17.11.2017	16366	Purchase	98166	0.39
				05.01.2018	5000	Purchase	103166	0.41
				19.01.2018	4080	Purchase	107246	0.42
				26.01.2018	15946	Sale	91300	0.36
				02.02.2018	519	Sale	90781	0.36
				09.02.2018	9000	Purchase	99781	0.40
				16.02.2018	8156	Purchase	107937	0.43
				23.02.2018	970	Purchase	108907	0.43
				02.03.2018	3009	Purchase	111916	0.44
				23.03.2018	20000	Purchase	131916	0.52
				30.03.2018	20480	Purchase	152396	0.60
	Shareholding at the end of the year	152396	0.60					
10	**Avantika Commotrade Private Limited**							
	Shareholding at beginning of the year	89660	0.36	There is no change in the shareholding of the holder during the year 2017-18				
	Shareholding at the end of the year	89660	0.36					

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Sri Ashok Kumar Todi- Chairman & Whole Time Director				
	At the beginning of the year	3730000	14.77		
	Changes during the year	No change during the year			
	At the end of the year	-	-	3730000	14.77
2	Sri Pradip Kumar Todi- Managing Director				
	At the beginning of the year	4482500	17.75	-	-
	Changes during the year	No change during the year			
	At the end of the year	-	-	4482500	17.75
3	Smt. Prabha Devi Todi- Director Non Independent				
	At the beginning of the year	3723000	14.74	-	-
	Changes during the year	No change during the year			
	At the end of the year	-	-	3723000	14.74

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

V. INDEBTEDNESS (₹ in Lakhs)

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19913.59	2553.06	-	22466.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	19913.59	2553.06	-	22466.65
Change in Indebtedness during the financial year				
Addition	7022.26	2652.02		9674.28
Reduction	-	-	-	-
Net Change Indebtedness	7022.06	2652.02	-	9674.28
At the end of the financial year				
i) Principal Amount	26935.85	5205.08	-	32140.93
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**26935.85**	**5205.08**	**-**	**32140.93**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Sri Ashok Kumar Todi – Chairman	Sri Pradip Kumar Todi – Managing Director	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	300.00	300.00	600.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others specify	-	-	-
5	Others please specify	-	-	-
	Total (A)	300.00	300.00	600.00
	Ceiling as per the Act	1281.73Lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to other directors:-

(Amount In ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Sri Nandanandan Mishra	Sri Kamal Kishore Agarwal	Sri Snehasish Ganguly	Smt Prabha Devi Todi	
1	Fee for attending board/committee meeting	75,000	90,000	65,000	-	230,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	75,000	90,000	65,000	-	230,000
2	Other Non-Independent Directors					
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	75,000	90,000	65,000	-	230,000
	Total Managerial Remuneration					230,000
	Overall ceiling as per the Act	128.17 Lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

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

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Ajay Kumar Patodia, Chief Financial Officer	Mrs. Smita Mishra, Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35.00	8.50	43.50
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others specify	-	-	-
5	Others please specify	-	-	-
	Total (C)	35.00	8.50	43.50

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/ punishment/ compounding of offence against the Company, its Directors and other Officers in default under the Companies Act, 2013, during the year ended 31st March, 2018

For and on behalf of the Board of Directors

Pradip Kumar Todi
Managing Director
DIN:00246268

Kolkata
May 17, 2018

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended March 31, 2018 has been issued in compliance with the requirements of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of the Director's Report of the Company, for the financial year 2017-18.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L17309WB1995PLC073053
Name of the Company	Lux Industries Limited
Registered Office Address	39, Kali Krishna Tagore Street, Kolkata-70007.
Website	www.luxinnerwear.com
E-mail Id	cs@luxinnerwear.com
Financial Year reported	2017-18
Sectors that the company is engaged (Industry activity code wise)	Group*: 143 Class: 1430 Sub-Class: 14309 Description: Manufacture of other knitted and crocheted apparel including hosiery. *As per classification under National Industrial Classification.
List three key products/services that the Company manufactures/ provides (as in balance sheet)	Vests Briefs Thermal wear
Total number of locations where business activity is undertaken by the Company	The headquarter of the Company is in Kolkata. We have 5 manufacturing plants in 5locations in the country: State/Union Territory Location - Tamil Nadu: Tirupur, West Bengal: B.T.Road, Dhulagarh, Dankuni, Punjab: Ludhiana
Markets served by the Company - Local/State/ National/International	We have a global footprint that serves both in National and International Markets. International Markets are served through exports, Currently, we are catering to 48 countries and are committed to cover more countries by 2020.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ In Lakhs)

Paid up Capital	529.98
Total Turnover	113,948.27
Total Profit after tax	7,923.47
Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profits (%)	Our total spending on CSR is ₹158.89 Lakhs which is 2.04 % of average net profits of the last three financial years
List of activities on which expenditure in (4) above has been incurred	(a) Promotion of Education (b) Medical Facilities (c) Social Welfare (d) Animal Welfare (e) Promotion of traditional art and culture (f) Support to elderly people.

SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company?	The Company has one wholly owned subsidiary Artimas Fashions Private Limited as on 31.03.2018.
Do the Subsidiary Company participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Currently, the Company is carrying the BR initiative individually. The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of running business with responsibility.

SECTION C: OTHER DETAILS

Details of Director responsible for implementing BR Policies- (Name, DIN, Designation, Contact Details)	1) Mr. Ashok Kumar Todi DIN:00053599 Designation: Chairman Contact Details: 033-40402121 2) Mr. Pradip Kumar Todi DIN:00246268 Designation: Managing Director Contact details:033-40402121 3) Mr. Kamal Kishore Agarwal DIN:01433255 Designation: Independent Non-Executive Director Contact details: 033-24864924
Details of BR head responsible for implementing BR Policies (Name, Designation, Contact Details)	Mr. Ajay Kumar Patodia, Designation: Chief Financial Officer, Mobile: 9007021011. E-mail Id: ajay.patodia@luxinnerwear.com

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

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

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

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

6	Is the Policy uploaded on the website of the Company? what is its link?	Yes, the web link is as follows: http://www.luxinnerwear.com/upload%20pdf/Cgovernance/policies_01.pdf
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Company has uploaded its BR Policy on its website.
8	Does the company have in-house structure to implement the policy/ policies.	Yes.
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes.
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, the Company has an external agency to carry out an independent audit of the working of its BR policy.

(b) Governance related to BR

- The frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. (Within 3 months, 3-6 months, Annually, More than 1 year) Annually.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

  Yes, Company has published its BR Report which forms part of the Directors Report under Annual report of the Company for the financial year 2017-18 and the same can be viewed under the investor section on the website of the Company : www.luxinnerwear.com

SECTION E: PRINCIPLE WISE PERFORMANCE

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

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

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

No.	Questions	Yes/No
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities	NA
2	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes, the Company has taken few initiatives relating to long term sustainable contracts made with large suppliers for raw materials.

3	What percentage of your inputs was sourced sustainably? Also, provide details thereof	It is difficult to ascertain the percentage of inputs sourced. All inputs have a sustainable source in place.
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If Yes, What steps have been taken to improve their capacity and capability of local and small vendors?	Yes, while the criteria for selection of goods and services is quality, reliability and price, Lux gives preference to small organizations, particularly promoted by entrepreneurs from socially backward communities.
5	Does the company have a mechanism to recycle products and waste?What is the percentage of recycling of products. Also, provide details thereof/ What is the percentage of recycling of waste. Also, provide details thereof	Yes, the nature of the Company's business is such that there are no emissions or process wastes. Around 95% cutting waste generated are resold, and ultimately recycled.

Principle 3 : Businesses should promote the wellbeing of all employees

No.	Questions	Yes/No
1	Total number of employees	1407
2	Total number of employees hired on temporary/ contractual/casual basis	47
3	Number of permanent women employees	133
4	Number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognized by management? What percentage of your permanent employees is members of this recognized employee association?	The Company does not have any employee association.
6	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Child labour, forced labour, involuntary labour is prohibited in the workplace as stated in the Company's Code of Conduct. The Company has adopted a Policy on prevention, prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder. During the financial year 2017-18, the Company has not received any complaints on sexual harassment, child labour, forced labour, involuntary labour and discriminatory environment. Further, no such complaint was received in the past year as well.
7	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/ Temporary/Contractual Employees (d) Employees with Disabilities	All the categories of employees mentioned here have been covered through our training modules. Training on health and safety is imparted to employees as a part of the induction training.

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

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

Principle 5: Businesses should respect and promote human rights.

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

Principle 6: Business should respect, protect, and make efforts to restore the environment.

No.	Questions	Yes/No
1	Does the above mentioned policy extend to the Group/ JV/Suppliers/Contractors/NGOs/Others	All the companies in Lux Group are covered by the Business Responsibility Policy and therefore, there is no separate environmental policy. Lux itself follows and also persuades and encourages its external stakeholders to move towards environmental friendly practices.

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

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

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

Principle 8: Businesses should support inclusive growth and equitable development

No.	Questions	Yes/No
1	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? details thereof.	Yes, the Company has CSR Policy which derives its core values and covers various aspects as per the guidelines given by Ministry of Corporate Affairs as part of the Companies Act, 2013. Lux through various foundations, trust has undertaken various initiative/ projects as mentioned below:- a. Education b. Healthcare c. Animal Welfare. d. Promotion of traditional art & culture. e. Making available safe drinking water. f. Support to elderly people. g. Social Welfare of socially and economically backward group.
2	Details of Programmes:	Lux has taken various steps with the help of government bodies, trust, NGOs to promote education to tribal children, Contribution in making schools in rural areas and also promoting health care by providing medical facilities to underprivileged people and contribution for ambulance, Animal Welfare & Supporting to elderly People &Social Welfare of Socially and economically backward group & making available safe drinking water.
3	Are the programmes/projects undertaken through, in-house team, own foundation, external NGO, government structures, any other organization?	Through external registered trust, NGO, local municipal bodies and government structures.
4	Have you done any impact assessment of your initiative?	Yes, the company during financial year 2017-18 has done various impact assessment.
5	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Activities — Amt in Lakhs Promotion of Education — 58.25 Medical Facilities — 18.13 Social Welfare — 36.34 Animal Welfare — 34.00 Promotion of traditional art and culture — 11.21 Support to elderly people — 0.95
6	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain	Yes. Most of our programs are participatory in nature and focus on institutional development and capacity building.

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

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

For and on behalf of the Board of Directors

Pradip Kumar Todi
Managing Director
DIN:00246268

Kolkata
May 17, 2018

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

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

(1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of the Director	Director Identification Number (DIN)/ PAN	Designation	Remuneration in fiscal 2018 (in ₹ lakhs)	Remuneration in fiscal 2017 (in ₹ lakhs)	% increase of remuneration in 2018 as compared to 2017(1)	Ratio of remuneration to MRE(1)	Comparison of the Remuneration of the KMP against the performance of the Company
Ashok Kumar Todi	00053599	Whole-Time Director	300.00	240.00	25%	301.00	The increments were linked to market and industry information, on performance of the individual employee as well as company performance. In the year under review, average increment is 26.38% .
Pradip Kumar Todi	00246268	Managing Director	300.00	240.00	25%	301.00	
Nandanandan Mishra(2)	00031342	Independent Director	0.75	0.45	88%	0.38	
Kamal Kishore Agrawal(2)	01433255	Independent Director	0.90	0.45	100%	0.38	
Snehasish Ganguly(2)	01739432	Independent Director	0.65	0.45	44%	0.38	
Ajay Kumar Patodia	AFVPP9103P	Chief Financial Officer	35.00	15.00	100%	35.00	
Smita Mishra(3)	BCLPM5354D	Company Secretary & Compliance Officer	8.50	1.00	N.A	7.00	

MRE - Median Remuneration of employees.

1) *Based on annualized Salary.*

2) *Difference in remuneration for the year 2018 as compared to year 2017 is due to number of meetings attended.*

3) *% increase in remuneration in 2018 is not applicable as for the last year (i.e. 2017) the appointment was made w.e.f 14.02.2017*

(2) The Median Remuneration of Employees (MRE) of the Company during the financial year was 1.00 lacs.

(3) In the financial year, there was decrease of 15.36 % in the Median Remuneration of Employees.

(4) There were 1407 employees on the rolls of Company as on 31st March, 2018.

(5) Relationship between average increase in remuneration and company performance: The Profit before Tax for the financial year ended 31st March, 2018 increased by 32.82% whereas the average remuneration increased by 65.43%.

(6) Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year was 79.47% whereas the increase in the managerial personnel was 26.38%. Average increase in remunerartion of employees compared to increase in remuneration of KMP is in line with the performance of the company over period of time. There is no exceptional increase in the Managerial Remuneration.

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

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

THE STATEMENT SHOWING THE LIST OF TOP TEN EMPLOYEES AND THEIR REMUNERATION AS ON 31ST MARCH, 2018

Sr. No.	Name of Employee	Designation	Remu-neration received (₹in lakhs)	Qualification and experi-ence of the employee	Date of com-mencement of employ-ment	Age of the employee	The last employ-ment held by such employee before joining the company	The per-centage of equity shares held by the employee in the Com-pany within meaning of clause (iii) of sub rule (2) above	Whether such employee is a relative of any other director or manager of the Company	Nature of employ-ment, whether contractual or other-wise
1	Ashok Kumar Todi	Chairman, Whole Time Director	300.00	B. Com , 40 years	21/Jul/1995	60 years	NA	14.77	Elder brother of Mr. Pradip Kumar Todi and Brother in law of Mrs. Prabha Devi Todi	Permanent
2	Pradip Kumar Todi	Managing Director	300.00	B. Com, 36 years	21/Jul/1995	56 years	NA	17.75	Younger brother of Mr. Ashok Kumar Todi and Brother in law of Mrs. Prabha Devi Todi	Permanent
3	Ajay Kumar Patodia	Chief Financial Officer	35.00	FCA, FICWA, DISA (ICAI), SAP (FI), IFRS (C), 24 years	1/Apr/2005	44 years	M. V. Cotspin Ltd.	-	-	Permanent
4	Saket Todi	Vice President-Marketing	30.00	MBA & B. Com, 4 years	1/Apr/2014	29 years	NA	0.54	Son of Mr. Ashok Kumar Todi and Nephew of Mrs. Prabha Devi Todi & Mr. Pradip Kumar Todi	Permanent
5	Udit Todi	Vice President-Strategy	30.00	MBA & B. Com, 4 years	1/Apr/2014	29 years	NA	0.74	Son of Mr Pradip Kumar Todi and Nephew of Mrs. Prabha Devi Todi & Mr Ashok Kumar Todi	Permanent
6	Priyanka Todi	Vice President-Electronic Media	30.00	B. Com, 10 years	1/Apr/2014	34 years	NA	-	Daughter of Mr. Ashok Kumar Todi and Niece of Mrs. Prabha Devi Todi & Mr Pradip Kumar Todi	Permanent
7	Bibekananda Maity	Head-Information Technology	23.04	MBA, PGDCA, MCA, 24 years	2/Nov/2015	49 years	Aryan Mining & Trading Corporation Ltd.	-	-	Permanent

Sr. No.	Name of Employee	Designation	Remuneration received (₹in lakhs)	Qualification and experience of the employee	Date of commencement of employment	Age of the employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the Company within meaning of clause (iii) of sub rule (2) above	Whether such employee is a relative of any other director or manager of the Company	Nature of employment, whether contractual or otherwise
8	Anand Poddar	Head- Advertisement	16.33	B. Com (H), Diploma in Advertising Management, 13 years	1/Aug/2005	33 years	NA	-	-	Permanent
9	Vikash Malhotra	Vice President-Sales	20.00	PG in Sales & Marketing, 22 years	25/Jun/2016	43 years	Bodycare International Ltd.	-	-	Permanent
10	Subroto Biswas	National Sales Manager	16.50	B. Com, PGDBM	02/May/2017	46 years	Bombay Dyeing (Wadia Group)	-	-	Permanent

For and on behalf of the Board of Directors

Pradip Kumar Todi
Managing Director
DIN:00246268

Kolkata
May 17, 2018

INFORMATION UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF DIRECTOR'S REPORT FOR THE YEAR ENDED MARCH 31, 2018

A. CONSERVATION OF ENERGY

i) **The steps taken or impact on conservation of energy :-** The company continuously identifies the areas to conserve energy. The maintenance and up-gradation of machines and equipments is done from time to time keeping energy conservation in mind.

ii) **The steps taken by the company for utilizing alternate sources of energy :-** The company does not use / employ any alternate source of energy as there is no availability of the same.

iii) **The Capital Investment on energy conservation equipments :-** No direct identifiable investment pertaining to conservation of energy was done during the year, other than maintenance and up-gradation of machines and equipments. Hence the amount of investment cannot be directly measured.

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

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

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

b. Technology absorption, adaptation and innovation:-

(i) **The efforts made towards technology absorption:** The Company keeps a close watch on the technological developments pertaining to its industry. Up-gradation and replacement of old machines is done as and when required in order to maintain high quality of output.

(ii) **The benefits derived through the use of the machines:** By using new technology, your Company is able to produce the finest quality of knitted products. It has enabled to reduce wastage, expedite the production process and reduction in the inventory of WIP.

(iii) **In case of imported technology [imported during the last three (3) years reckoned from the beginning of the financial year]:**

(a) Your Company has imported following machines with the latest and updated technology:-

- Automatic Cutting Machine from Morgan Technica Italy,
- Sewing Machine set from Brother Machinery(Asia) Ltd., Singapore,
- Sewing Machine set from Pte Ltd., Singapore
- Knitting Machine from Xiamen Xing-Quanlong, China.

(b) The year of import: 2017-18.

(c) Whether technology has been fully absorbed: Partially absorbed during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a. **Activities relating to exports, initiatives taken to increase exports, development of new export market for products and export plans:**

During the year the Company export edits products to Middle East Countries, Africa, Australia and South East Countries.

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

(₹ in lakhs)

Sl. No.	Particulars	Current Year	Previous Year
i)	Earning	10313.45	9197.65
ii)	Outgo	1037.10	1498.06

For and on behalf of the Board of Directors

Pradip Kumar Todi
Managing Director
DIN:00246268

Kolkata
May 17, 2018

Independent Auditor's Report

To the Members of
LUX INDUSTRIES LIMITED

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of **LUX INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes In Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements).

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cashflows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit (financial performance including other comprehensive income), its cashflows and the changes in equity for the year ended on that date.

OTHER MATTER

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with applicable Accounting Standards (previous GAAP) was carried out by the predecessor auditor vide their unmodified report dated May 25, 2017, whose report have been furnished to us by the management and which have been relied upon by us for the purpose of our audit of the standalone financial results. Our audit report is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. As required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

   e. On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements (Refer Note No. 32 to the standalone Ind AS financial statements).

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For, **S. K. AGRAWAL & CO.**
Chartered Accountants
Firm's Registration Number- 306033E

Sandeep Agrawal
Partner
Membership No: 058553

Place: Kolkata
Dated: May 17, 2018

Annexure -A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of **LUX INDUSTRIES LIMITED** ('the Company') on the standalone Ind AS financial statements for the year ended on March 31, 2018. We report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventories have been physically verified during the year by the management at regular intervals (except for materials lying with third parties which have substantially been confirmed by such third parties at the year end). In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 with respect to Loans and Advances made, guarantee given and investment made.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.

vi. According to the information and explanation given to us, the Central Govt. of India has not specified the maintenance of cost records under sub section (1) of section 148 of the Act for the product of the company.

vii. According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, GST and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of service tax, sales tax, duty of excise and value added tax have not been deposited by the Company on account of disputes:

Name of the Statue	Nature of dues	Amount (INR in Lakhs)	Period to which amount relates	Forum where the dispute is pending
West Bengal Sales Tax Act	Penalty	30.84	2003-04	High Court Kolkata
West Bengal Sales Tax Act	Penalty	19.17	2004-05	High Court Kolkata
Punjab Vat Act, 2005	Vat & Penalty	11.71	2002-03 to 2005-06	Division Bench, Kolkata High Court.
The Finance Act. 1994	Service Tax and Penalty	136.23	2007-08 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act. 1944	Excise Duty and Penalty	47.79	2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act. 1944	Excise Duty and Penalty	197.97	2011-12 to 2012-13	Deputy Excise and Service Tax Appellate Tribunal
The Central Excise Act. 1944	Excise Duty and Penalty	100.52	2011-12	Customs, Excise and Service Tax Appellate Tribunal

viii. In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution and banks. The Company does not have any loans or borrowings from Government and has not issued any debentures.

ix. To the best of our knowledge and belief and according to the information and explanations given to us, the term loan have been applied by the company during the year for the purpose for which they were raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us, the Company has paid/provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For, **S. K. AGRAWAL & CO.**
Chartered Accountants
Firm's Registration Number- 306033E

Sandeep Agrawal
Partner
Membership No: 058553

Place: Kolkata
Dated: May 17, 2018

Annexure -B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **LUX INDUSTRIES LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **S. K. AGRAWAL & CO.**
Chartered Accountants
Firm's Registration Number- 306033E

Sandeep Agrawal
Partner
Membership No: 058553

Place: Kolkata
Dated: May 17, 2018

Standalone Balance Sheet as at March 31, 2018

₹ in Lakhs

	Notes	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
ASSETS				
A Non-current assets				
Property, plant and equipment	4	12,806.56	11,292.74	3,702.86
Capital work-in-progress	4	530.53	1,138.32	7,197.20
Other intangible assets	4	106.30	113.90	27.20
Intangible assets under development	4	-	-	40.08
Financial assets				
Investments	5	84.91	74.51	74.51
Other financial assets	6B	293.90	130.09	207.53
Other non-current assets	7	49.49	49.51	125.17
Total Non-current assets		**13,871.69**	**12,799.07**	**11,374.55**
B Current assets				
Inventories	8	29,917.63	23,275.34	20,014.90
Financial assets				
Trade receivables	9	38,909.47	27,475.86	25,464.14
Cash and cash equivalents	10	210.68	697.64	704.77
Bank balance other than above	11	11.22	12.26	12.16
Loans	6A	84.55	76.71	26.92
Other financial assets	6B	240.91	726.16	337.44
Current tax assets	12	-	61.88	17.13
Other current assets	13	4,237.91	3,497.67	1,960.68
Total Current assets		**73,612.37**	**55,823.52**	**48,538.14**
TOTAL ASSETS		**87,484.06**	**68,622.59**	**59,912.69**
EQUITY AND LIABILITIES				
C Equity				
Equity share capital	14	529.98	529.98	529.98
Other equity	15	31,532.40	24,060.32	18,162.97
Total Equity		**32,062.38**	**24,590.30**	**18,692.95**
D Non-current liabilities				
Financial liabilities				
Borrowings	16	492.86	6,340.67	6,534.98
Deferred tax liabilities (Net)	30	619.83	559.44	423.02
Provisions	17	228.88	168.94	123.66
Total Non-current liabilities		**1,341.58**	**7,069.05**	**7,081.66**
E Current liabilities				
Financial liabilities				
Borrowings	16	31,648.08	21,205.85	18,840.39
Trade payables	18	18,859.07	12,029.87	11,263.45
Other financial liabilities	19	2,414.79	2,770.09	2,714.40
Provisions	20	47.03	14.52	13.55
Other current liabilities	21	1,064.71	942.91	1,306.29
Current tax liabilities	22	46.43	-	-
Total current liabilities		**54,080.11**	**36,963.24**	**34,138.08**
TOTAL EQUITY AND LIABILITIES		**87,484.06**	**68,622.59**	**59,912.69**
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.K. Agrawal & Co.
Chartered Accountants
ICAI Firm Registration No. 306033E

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : May 17, 2018

For and on behalf of Board of Directors

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Ajay Kumar Patodia
Chief Financial Officer
(PAN - AFVPP9103P)

Smita Mishra
Company Secretary
(Mem No - A26489)

Standalone Statement of Profit & Loss for the year ended March 31, 2018

₹ in Lakhs

		Notes	Year ended 31-Mar-2018	Year ended 31-Mar-2017
I	Revenue from operations	23	1,13,775.16	95,796.85
II	Other Income	24	173.11	161.69
III	**Total income (I+II)**		**1,13,948.27**	**95,958.54**
IV	**Expenses**			
	Cost of raw materials consumed	25	50,451.81	41,596.16
	Purchases of traded goods	25	3,333.97	1,093.81
	(Increase) / decrease in inventories of finished goods, work-in-progress & traded goods	25	(5,238.30)	(646.38)
	Employee benefit expense	26	3,747.05	2,507.61
	Finance costs	27	2,542.44	2,199.98
	Depreciation and amortisation expense	28	974.75	708.35
	Other expenses	29	45,898.95	39,285.56
	Total expenses (IV)		**1,01,710.67**	**86,745.09**
V	**Profit Before Tax (III - IV)**		**12,237.60**	**9,213.45**
VI	**Tax expense**			
	(i) Current tax		4,243.00	3,110.00
	(ii) Deferred tax		71.13	138.50
	Income tax expense (i+ii)		**4,314.13**	**3,248.50**
VII	**Profit for the Year (V-VI)**		**7,923.47**	**5,964.95**
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified subsequently to profit and loss			
	(a) Remeasurements of the defined benefit liabilities/ (asset)		(31.06)	(6.03)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		10.75	2.09
	Other comprehensive income for the year (net of tax) (i-ii)		**(20.31)**	**(3.94)**
	Total comprehensive income for the period, net of income tax (VII + VIII)		**7,903.16**	**5,961.00**
	Earnings per equity share [nominal value of share ₹ 2 (March 31, 2017 ₹ 2)]			
	Basic in ₹ per share	31	31.38	23.62
	Diluted in ₹ per share		31.38	23.62
Summary of significant accounting policies		3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.K. Agrawal & Co.
Chartered Accountants
ICAI Firm Registration No. 306033E

For and on behalf of Board of Directors

Sandeep Agrawal
Partner
Membership no. 058553

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Place : Kolkata
Date : May 17, 2018

Ajay Kumar Patodia
Chief Financial Officer
(PAN - AFVPP9103P)

Smita Mishra
Company Secretary
(Mem No - A26489)

Standalone Statement of Changes in Equity for the year ended March 31, 2018

a. Equity share capital

	No. of shares	₹ in Lakhs
Equity shares of ₹ 2 each issued, subscribed and fully paid		
As at April 1, 2016	**50,50,600.00**	**529.98**
Changes in equity share capital during the year due to share split	2,02,02,400.00	-
As at March 31, 2017	**2,52,53,000.00**	**529.98**
As at April 1, 2017	**2,52,53,000.00**	**529.98**
Changes in equity share capital during the year	-	-
As at March 31, 2018	**2,52,53,000.00**	**529.98**

b. Other Equity

₹ in Lakhs

	Capital Redemption Reserve	Securities premium	General reserve	Retained earnings	Other Comprehensive Income	Total
As at April 1, 2016	-	653.58	1,377.70	16,126.14	5.55	18,162.97
Add: Transferred from surplus in the Statement of profit & loss	-	-	100.00	-	-	100.00
Add: Profit for the year	-	-	-	5,964.95	-	5,964.95
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	(3.94)	(3.94)
Less: Appropriations						-
- Final equity dividend	-	-	-	50.53	-	50.53
Less: Dividend tax	-	-	-	13.13	-	13.13
Less: Transfer to general reserve	-	-	-	100.00	-	100.00
Balance as at 31.03.2017	**-**	**653.58**	**1,477.70**	**21,927.43**	**1.61**	**24,060.32**
Add: Profit for the year	-	-	-	7,923.47	-	7,923.47
Add/(Less): Transferred to Capital Redemption Reserve on redemption of preference shares	5,600.00	-	-	(5,600.00)	-	-
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	(20.31)	(20.31)
Less: Appropriations						
- Interim equity dividend	-	-	-	-	-	-
- Final equity dividend	-	-	-	353.54	-	353.54
Less: Dividend tax	-	-	-	77.55	-	77.55
Balance as at 31.03.2018	**5,600.00**	**653.58**	**1,477.70**	**23,819.81**	**(18.69)**	**31,532.40**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.K. Agrawal & Co.
Chartered Accountants
ICAI Firm Registration No. 306033E

For and on behalf of Board of Directors

Sandeep Agrawal
Partner
Membership no. 058553

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Ajay Kumar Patodia
Chief Financial Officer
(PAN - AFVPP9103P)

Smita Mishra
Company Secretary
(Mem No - A26489)

Place : Kolkata
Date : May 17, 2018

Standalone Statement of Cash Flows for the year ended March 31, 2018

₹ in Lakhs

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Cash flows from operating activities		
Profit / (Loss) before tax	12,237.60	9,213.45
Adjustment to reconcile profit / (loss) before tax to net cash flows:		
Depreciation and amortisation of property, plant and equipments and intangible assets	974.75	708.35
Finance costs	2,542.44	2,199.98
Profit on sale of property, plant and equipment	(0.73)	(0.01)
Loss on sale of property, plant and equipment	10.30	0.55
Provision for gratuity	61.39	40.23
Finance income	(24.63)	(50.81)
Provision for doubtful debts and advances	(4.20)	4.40
Government Grants	(147.75)	(64.59)
Operating profit before working capital changes	**15,649.18**	**12,051.55**
Movements in working capital:		
(Increase) / decrease in trade and other receivables	(11,429.41)	(2,016.12)
(Increase) / decrease in inventories	(6,642.30)	(3,260.43)
(Increase) / decrease in other assets	(211.68)	(1,944.58)
Increase / (decrease) in trade and other payables	6,829.21	766.41
Increase / (decrease) in other liabilities	(184.52)	(434.68)
Cash generated from / (used in) operations	**4,010.48**	**5,162.14**
Direct taxes paid (Net of refunds)	(4,243.00)	(3,110.00)
Net cash flow from / (used in) operating activities	**(232.52)**	**2,052.14**
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets and capital advance	(1,758.39)	(2,100.21)
Proceeds from sale of property, plant and equipment and intangible assets	20.86	5.27
Investment in shares	(10.40)	-
Decrease/(Increase) in term deposit	(161.19)	91.49
Finance income	32.77	36.75
Net cash flow from / (used in) investing activities	**(1,876.35)**	**(1,966.71)**
Cash flows from financing activities		
Proceeds/ (repayment) of non-current borrowings	(6,376.14)	(664.00)
Proceeds/ (repayment) from current borrowings	10,442.23	2,365.46
Interest paid	(2,013.07)	(1,742.52)
Dividend Paid	(353.54)	(50.53)
Dividend tax paid	(77.55)	(13.13)
Net cash flow from / (used in) in financing activities	**1,621.92**	**(104.72)**
Net increase / (decrease) in cash and cash equivalents	**(486.96)**	**(19.28)**
Cash and cash equivalents at the beginning of the year	697.64	716.92
Cash and cash equivalents at the end of the year	**210.68**	**697.64**
Components of Cash and cash equivalents		
Cash on hand (Refer Note - 10)	69.60	449.82
Balances with banks - on current account (Refer Note - 10)	141.08	247.82
Total Cash and cash equivalents	**210.68**	**697.64**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.K. Agrawal & Co.
Chartered Accountants
ICAI Firm Registration No. 306033E

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : May 17, 2018

For and on behalf of Board of Directors

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Ajay Kumar Patodia
Chief Financial Officer
(PAN - AFVPP9103P)

Smita Mishra
Company Secretary
(Mem No - A26489)

Notes to Standalone Financial Statements for the year ended March 31, 2018

1. REPORTING ENTITY

Lux Industries Limited ('the Company') is a public company domiciled and headquartered in India, having its registered office situated at 39, Kali Krishna Tagore Street, Kolkata. The Company has its shares listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is primarily engaged in the manufacturing and sales of knitwears. The Company has operations in India and caters to both domestic and international markets. The Company also has a wholly-owned subsidiary in India in the name of Artimas Fashions Private Limited. The Manufacturing units of the Company are located in Kolkata (West Bengal), Tirupur, in the state of Tamil Nadu and Ludhiana in the state of Punjab.

2. BASIS OF PREPARATION OF STANDALONE FINANCIAL STATEMENTS

(a) Statement of compliance

These Standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable.

The Standalone financial statements for the year ended March 31, 2016 were prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first Standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101 first-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 45. The Standalone financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on May 17, 2018. The details of the Company's accounting policies are included in Note 3.

(b) Functional and presentation currency

These Standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

(c) Basis of measurement

The Standalone financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

(i) Certain financial assets and financial liabilities measured at fair value;

(ii) Assets held for sale-measured at the lower of its carrying amount and fair value less costs to sell; and

(iii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(d) Use of estimates and judgments

The preparation of the Company's Standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Standalone financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the Standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone financial statements.

CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY: KEY ASSUMPTIONS

(i) Useful lives of Property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets. See note 3(d) and 4 for details.

(ii) Fair value measurement of financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss. See note 3(r) and 41 for details.

(iii) Defined benefit plan

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using Projected unit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 3(g) and 36 for details.

(iv) Recognition of current tax and deferred tax

Current taxes are recognized at tax rates (and tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. See note 3(k) and 30 for details.

(v) Recognition and measurement of provisions and contingencies

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for. See note 3(h) and 32 for details.

(e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 42.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realised within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) t is due to be settled within 12 months after the reporting date; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Operating cycle

For the purpose of current/ non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

(b) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

(c) Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(i) Derecognition

Financial assets

The Company derecognizes a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

(ii) Off setting

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

- **Tangible assets and Capital Work in Progress**

  Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the Statement of Profit and Loss in the period in which they arise.

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

- **Financial instruments**

(a) Recognition and initial measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

(b) Classification and subsequent measurement

Financial assets

(I) Financial assets at amortised cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(II) Financial assets at FVOCI

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

Property, plant and equipment under construction and not yet ready for their intended use are disclosed as Capital working- progress.

- **Intangible assets & amortization:**

  Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly. The Intangible assets include Computer Software. Amortization of Intangible Assets is made based on management's evaluation of duration of life cycle of intangible assets. The amortization rate used are:

Asset	%
Computer Software	40.00

(ii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. See note 4 for details.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iv) Depreciation

Depreciation and amortization for the year is recognized in the Statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method in the manner specified in Part C of Schedule II to the Companies Act, 2013. Depreciation for the assets purchased/ sold during a period is proportionately charged.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

(e) Inventories

Inventories which comprise raw materials, work-in progress, finished goods and packing materials are measured at the lower of cost and net realizable value.

The cost of inventories is based on the Weighted Average Cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. The Company has valued inventory net of input tax benefits. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

Assessment of net realizable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

(f) Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including subsequent information.

(ii) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

The Company makes specified monthly contributions to employee provident fund to Government administered provident fund scheme, which is a defined contribution plan. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

(h) Provision, Contingent Liabilities And Contingent Assets

A provision is recognized if, as a result of past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provisions in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

During the financial year the company has made provision for doubtful debts and doubtful advances to the extent of 100% of the total amount identified as doubtful debts and advances.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(i) Revenue recognition

(a) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and quantity discounts and exclusive of Sales tax, Value added tax (VAT), Goods and Service Tax (GST). Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards varies depending on the individual terms of sale.

(b) Revenue from services

Revenue from services is recognized as the service performed based on agreements/ arrangements with the concerned parties.

(c) Other income

Dividend income is recognised in Statement of Profit and Loss on the date on which the Company's right to receive payment is established. Interest income is recognised using the effective interest method.

All other income are recognised on accrual basis.

(j) Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of profit & loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the statement of profit & loss.

(k) Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(l) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(m) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

(n) Cash and cash equivalents

Cash and cash equivalents include cash and cash-on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(o) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(p) Earnings per share

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

(q) Operating segment

Based on the synergies, risks and returns associated with business operations and in terms of Ind AS-108, the Company's operating operation comprises of only one primary segment viz. manufacturing and sale of Knitwear's. The Company also believes that even geographically, the product of the Company faces similar risk and returns and there is no separate segment that can be identified for the purpose of reporting under Ind AS 108 on "Segment Reporting".

(r) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(s) Business combinations

Business combinations are accounted for using the acquisition method, except for common control business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

(t) Recent Accounting pronouncements

Ind AS 115 – Revenue from Contracts with Customers

The Company is currently evaluating the impact of implementation of Ind AS 115 "Revenue from Contracts with Customers" which is applicable to it w.e.f 01.04.2018. However, based on the evaluation done so far and based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

Notes to Standalone Financial Statements for the year ended March 31, 2018

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Gross Block				Depreciation/ Amortization				Net Block	
	As at April 1, 2017	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2018	As at April 1, 2017	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Tangible Assets										
Land	894.64	-	-	894.64	-	-	-	-	894.64	894.64
Building	6,305.11	648.00	-	6,953.11	163.74	202.56	-	366.30	6,586.80	6,141.37
Plant & Equipments	3,746.04	1,197.05	4.13	4,938.97	393.85	540.39	3.08	931.15	4,007.81	3,352.19
Office Equipments	107.88	30.70	-	138.58	19.85	26.25	-	46.10	92.48	88.03
Furniture & Fixture	353.06	186.92	-	539.98	37.22	51.31	-	88.53	451.45	315.84
Vehicle	547.87	395.87	33.50	910.25	47.21	93.78	4.12	136.87	773.38	500.66
	11,954.60	**2,458.55**	**37.63**	**14,375.52**	**661.87**	**914.29**	**7.20**	**1,568.96**	**12,806.56**	**11,292.73**
Capital Work in Progress	-	-	-	-	-	-	-	-	530.53	1,138.33
Sub Total (A)	**11,954.60**	**2,458.55**	**37.63**	**14,375.52**	**661.87**	**914.29**	**7.20**	**1,568.96**	**13,337.09**	**12,431.06**
Intangible Assets										
Computer software	129.08	52.86	-	181.94	15.19	60.46	-	75.65	106.30	113.90
Sub Total (B)	**129.08**	**52.86**	**-**	**181.94**	**15.19**	**60.46**	**-**	**75.65**	**106.30**	**113.90**
Total (A+B)	**12,083.69**	**2,511.41**	**37.63**	**14,557.47**	**677.06**	**974.75**	**7.20**	**1,644.60**	**13,443.39**	**12,544.96**

₹ in Lakhs

Particulars	Gross Block				Depreciation/ Amortization				Net Block	
	As at April 1, 2016	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2017	As at April 1, 2016	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Tangible Assets										
Land	882.14	12.50	-	894.64	-	-	-	-	894.64	882.14
Building	572.37	5,732.74	-	6,305.11	-	163.74	-	163.74	6,141.37	572.37
Plant & Equipments	1,791.77	1,991.39	37.12	3,746.04	-	425.40	31.55	393.85	3,352.19	1,791.77
Office Equipments	58.22	49.39	(0.27)	107.88	-	19.56	(0.29)	19.85	88.04	58.22
Furniture & Fixture	187.89	164.41	(0.76)	353.06	-	36.59	(0.63)	37.22	315.84	187.89
Vehicle	210.47	338.42	1.02	547.87	-	47.88	0.67	47.21	500.66	210.47
	3,702.86	**8,288.85**	**37.11**	**11,954.60**	**-**	**693.17**	**31.30**	**661.87**	**11,292.74**	**3,702.86**
Capital Work in Progress	7,197.20	-	7,197.20	-	-	-	-	-	1,138.32	7,197.20
Sub Total (A)	**10,900.06**	**8,288.85**	**7,234.31**	**11,954.60**	**-**	**693.17**	**31.30**	**661.87**	**12,431.06**	**10,900.06**
Intangible Assets										
Computer software	27.20	101.88	-	129.08	-	15.19	-	15.19	113.90	27.20
Intangible assets under development	40.08	-	40.08	-	-	-	-	-	-	40.08
Sub Total (B)	**67.28**	**101.88**	**40.08**	**129.08**	**-**	**15.19**	**-**	**15.19**	**113.90**	**67.28**
Total (A+B)	**10,967.34**	**8,390.73**	**7,274.39**	**12,083.69**	**-**	**708.36**	**31.30**	**677.06**	**12,544.96**	**10,967.34**

Notes to Standalone Financial Statements for the year ended March 31, 2018

NOTE 5: INVESTMENTS

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
A. Non-Current Investments			
Equity instruments carried at fair value through profit or loss (FVTPL)			
Unquoted			
J.M. Hosiery & Co. Limited	74.46	74.46	74.46
84,000 equity shares (FV - ₹ 10 each)			
West Bengal Hosiery Park Infrastructure Limited	0.05	0.05	0.05
500 equity shares (FV - ₹ 10 each)			
Investment carried at Cost (Unquoted)			
Investment in Equity Instrument in Subsidiary			
Artimas Fashions Private Limited	10.40	-	-
19,800 (March 31, 2017 : NIL, March 31, 2016: NIL) equity shares (FV - ₹ 10 each)			
Total	**84.91**	**74.51**	**74.51**

NOTE 6A: LOANS

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
(Unsecured considered good unless otherwise stated)			
Loans to Body Corporates	84.55	76.71	26.92
Total	**84.55**	**76.71**	**26.92**

NOTE 6B: OTHER FINANCIAL ASSETS

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
(Carried at amortised cost)			
Non-current			
Other bank balance			
Bank deposit more than 12 months maturity from Balance Sheet date	243.95	82.76	174.25
Interest accrued on fixed deposit	18.49	27.87	14.94
Security deposit	31.46	19.46	18.34
	293.90	**130.09**	**207.53**
Current			
Security deposit	44.14	61.71	159.98
Loans and advances to employees	139.42	133.59	145.71
Other advances	57.35	530.86	31.75
	240.91	**726.16**	**337.44**
Total	**534.81**	**856.25**	**544.97**

NOTE 7: OTHER NON-CURRENT ASSETS

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Capital advances	48.15	48.15	107.82
Prepaid expenses	1.34	1.36	17.35
Total	**49.49**	**49.51**	**125.17**

Notes to Standalone Financial Statements for the year ended March 31, 2018

NOTE 8: INVENTORIES

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
(Valued at lower of cost and net realisable value)			
Raw Materials	3,248.33	2,114.77	1,081.31
Work-in-progress	10,614.13	5,434.13	8,123.16
Finished goods (Manufactured)	12,537.79	12,479.49	9,143.36
Stock-in-trade (Goods purchased for resale)	-	-	0.72
Packing materials	3,517.38	3,246.94	1,666.35
Total	**29,917.63**	**23,275.33**	**20,014.90**

NOTE 9: TRADE RECEIVABLES

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
(Carried at amortised cost)			
Unsecured			
- Considered good	38,909.47	27,475.86	25,464.13
- Considered doubtful	183.99	188.18	183.79
Less: Loss for allowances			
- Provision for doubtful debt	(183.99)	(188.18)	(183.79)
Total	**38,909.47**	**27,475.86**	**25,464.13**

NOTE 10: CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Balances with banks			
Current accounts	141.08	247.82	589.93
Cash on hand	69.60	449.82	114.84
Total	**210.68**	**697.64**	**704.77**

NOTE 11: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Balances with banks			
Unpaid dividend - earmarked balances with Bank	11.22	12.26	12.15
Total	**11.22**	**12.26**	**12.15**

NOTE 12: CURRENT TAX ASSETS

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Advance income tax	-	61.88	17.13
Total	**-**	**61.88**	**17.13**

Notes to Standalone Financial Statements for the year ended March 31, 2018

NOTE 13: OTHER CURRENT ASSETS

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
(Unsecured considered good unless otherwise stated)			
Advances to supplier			
- Unsecured, considered good	1,327.41	1,794.66	1,178.27
- Unsecured, considered doubtful	6.24	6.24	6.24
	1,333.65	1,800.90	1,184.51
Less: Provision for doubtful advances	(6.24)	(6.24)	(6.24)
	1,327.41	1,794.66	1,178.27
Others			
Prepaid expenses	134.21	595.85	56.49
Balance with government authorities	2,090.18	379.80	209.99
Incentive / duty drawback receivable	686.11	727.36	515.93
Total	**4,237.91**	**3,497.67**	**1,960.68**

NOTE 14: EQUITY SHARE CAPITAL

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Authorised:			
45,000,000 Equity shares of ₹ 2/- each	900.00	900.00	900.00
(31.03.2017: 45,000,000 Equity shares of ₹ 2/- each)			
(31.03.2016: 9,000,000 Equity shares of ₹ 10/- each)			
Issued and subscribed equity share capital			
27,737,500 Equity shares of ₹ 2/- each	554.75	554.75	554.75
(31.03.2017: 27,737,500 Equity shares of ₹ 2/- each)			
(31.03.2016: 5,547,500 Equity shares of ₹ 10/- each)			
Paid up equity share capital			
25,253,000 Equity shares of ₹ 2/- each	505.06	505.06	505.06
(31.03.2017: 25,253,000 Equity shares of ₹ 2/- each)			
(31.03.2016: 5,050,600 Equity shares of ₹ 10/- each)			
Forfeited equity share capital			
Add: 2,484,500 equity shares (Paid-up)	24.92	24.92	24.92
(31.03.2017: 2,484,500 Equity shares (Paid-up))			
(31.03.2016: 496,900 Equity shares (Paid-up))			
Total	**529.98**	**529.98**	**529.98**

	Equity share capital	
	No. of shares	₹ in Lakhs
Reconciliation of number of equity shares outstanding:		
As at April 1, 2016	50,50,600	529.98
Increase during the year due to share split	2,02,02,400	-
As at March 31, 2017	**2,52,53,000**	**529.98**
Increase during the year	-	-
As at March 31, 2018	**2,52,53,000**	**529.98**

Notes to Standalone Financial Statements for the year ended March 31, 2018

(i) Terms / rights attached to Equity shares:

The Company has equity shares with a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the Company, after meeting all liabilities and distribution of all preferential amounts, in proportion to their shareholding.

(ii) Details of shares held by each shareholder holding more than 5% shares:

₹ in Lakhs

Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Prabha Devi Todi	37,23,000	14.74%	37,23,000	14.74%	8,29,000	16.41%
Pradip Kumar Todi	44,82,500	17.75%	44,82,500	17.75%	8,96,500	17.75%
Ashok Kumar Todi	37,30,000	14.77%	37,30,000	14.77%	7,46,000	14.77%
Bimla Devi Todi	35,05,000	13.88%	35,05,000	13.88%	7,01,000	13.88%
Shobha Devi Todi	27,52,500	10.90%	27,52,500	10.90%	5,50,500	10.90%

NOTE 15: OTHER EQUITY

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Capital Redemption Reserve	5,600.00	-	-
Securities premium	653.58	653.58	653.58
General reserve	1,477.70	1,477.70	1,377.70
Retained earnings	23,819.81	21,927.43	16,126.14
Other Comprehensive Income Reserves	(18.69)	1.61	5.55
Total	**31,532.40**	**24,060.32**	**18,162.97**

NOTE 16: FINANCIAL LIABILITIES - BORROWINGS

(a) Non-current borrowings

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
(Carried at amortised cost)			
Secured			
Term Loans from Banks	1,266.17	2,786.47	3,691.28
Less: Current maturity of long term debts (refer note 19)	773.31	1,525.67	1,764.36
	492.86	**1,260.80**	**1,926.92**
Preference Shares			
Non-cumulative redeemable Preference Shares	-	5,079.87	4,608.06
NIL Preference shares			
(31.03.2017: 5,600,000 Preference shares of ₹ 100/- each)			
(31.03.2016: 5,600,000 Preference shares of ₹ 100/- each)			
Total non-current borrowings	**492.86**	**6,340.67**	**6,534.98**

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

₹ in Lakhs

Name of the Bank / instrument	31-Mar-18	31-Mar-17	01-Apr-16	Nature of security	Repayment terms
Secured					
Allahabad Bank	315.60	123.11	411.75	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the company, both present & future and also secured by personal guarantee of the directors.	Repayable in 20 equal quarterly instalment of ₹ 34.25 lacs each commencing from June, 2018. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	189.53	199.36	-	Exclusive Hypothecation charge over the machinery/ equipments acquired underfacilities out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the company, both present & future and also secured by personal guarantee of the directors.	Repayable in 20 equal quarterly instalment of ₹ 10.00 lacs each commencing from December, 2017. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	105.26	-	-	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan. It is charge over the entire current assets of the company, both present & future and also secured by personal guarantee of the directors.	Repayable in 20 equal quarterly instalment of ₹ 5.50 lacs each commencing from December, 2018. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	62.97	-	-	Exclusive hypothecation charge over the machinery/ equipments acquired underfacilities out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the company, both present & future and also secured by personal guarantee of the directors.	Repayable in 20 equal quarterly instalment of ₹3.35 lacs each commencing from June, 2019. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	-	76.67	-	Exclusive Hypothecation charge over the machinery/ equipments acquired underfacilities out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the company, both present & future and also secured by personal guarantee of the directors.	Repayable in 12 equal quarterly instalment of ₹ 83.34 lacs each commencing from December, 2015. Interest @ MCLR is serviced on monthly basis as and when due.
State Bank of India	592.81	2,387.34	3,279.53	Exclusive Hypothecation charge over the factory land & building constructed at Mouza-Chirkand & Mollarbar JL No.81 &82. P.S. Chanditala & Sreerampore measuring 4 acres 43 sataks and building constructed thereon, and hypothecation charge on 1st charge basis on Plant & Machinery and other fixed assets installed upon the premises through this Term Loan on exclusive basis. It is additionally secured by extension of charge over the stocks, book debts and the other current assets of the company, both present and future by the WC Lenders. It is additionally secured by personal guarantee of the Directors.	Repayable in 8 equal quarterly instalment of ₹ 357.00 lacs each commencing from December, 2016. Interest @ MCLR + 1.50% is serviced on monthly basis as and when due.

(ii) Preference shareholders were entitled to a dividend of 0.25%. The same has been redeemed fully at par during the year.

Notes to Standalone Financial Statements for the year ended March 31, 2018

(b) Current borrowings

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
(Carried at amortised cost)			
Loan repayable on demand			
From Banks (Secured)			
Cash Credit Facilities	26,442.99	18,652.79	11,565.11
From Others (Unsecured)			
From related parties (refer note 33)	5,205.08	2,553.06	7,275.28
Total current borrowings	**31,648.08**	**21,205.85**	**18,840.39**

a) Cash Credit loan is secured against hypothecation of entire stocks, book debts and other current assets, both present and future of Company. It is additionally secured by personal guarantee of the Directors.
Allahabad bank - Interest @ 1 month MCLR
Corporation bank - Interest @ 2 month MCLR
HDFC bank - Interest @ 1 year MCLR

NOTE 17: PROVISIONS

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Provision for employee benefits (Refer note 36)	228.88	168.94	123.66
Total	**228.88**	**168.94**	**123.66**

NOTE 18: TRADE PAYABLES

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
(Carried at amortised cost)			
Due to Micro, Small and Medium Enterprises (Refer note 39)	122.12	27.01	91.05
Others	18,736.95	12,002.86	11,172.40
Total	**18,859.07**	**12,029.87**	**11,263.45**

NOTE 19: CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
(Carried at amortised cost)			
Current maturities of long-term borrowings (Refer note 16)	773.31	1,525.67	1,764.36
Deposits from Dealers/ agents	1,216.49	911.75	733.01
Unclaimed dividend	11.22	12.26	12.15
Advance from customers	413.77	320.41	204.88
Total	**2,414.79**	**2,770.09**	**2,714.40**

NOTE 20: PROVISIONS

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Provision for employee benefits (Refer note 36)	47.03	14.53	13.55
Total	**47.03**	**14.53**	**13.55**

NOTE 21: OTHER CURRENT LIABILITIES

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Statutory dues	201.06	472.89	714.47
Other payables	785.64	343.03	591.82
Deferred Government grant	78.01	126.99	-
Total	**1,064.71**	**942.91**	**1,306.29**

NOTE 22: CURRENT TAX LIABILITIES

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Income tax liabilities	46.43	-	-
Total	**46.43**	**-**	**-**

NOTE 23: REVENUE FROM OPERATIONS

₹ in Lakhs

	Year ended 31-Mar-2018		Year ended 31-Mar-2017	
Sale of products		1,12,521.75		94,209.07
Sale of Services				
Job Work		234.50		365.53
Other Operating Revenue				
i) Assist Under WBIP Scheme	52.97		179.37	
ii) Export Incentive	771.15		1,037.40	
iii) Incentive received on yarn purchase	1.57		5.35	
iv) Others	193.22	1,018.91	0.13	1,222.25
Total Revenue from Operations		**1,13,775.16**		**95,796.85**

NOTE 24: OTHER INCOME

₹ in Lakhs

	Year ended 31-Mar-2018		Year ended 31-Mar-2017	
Interest Income				
i) From Fixed Deposit	8.17		28.73	
ii) From Loans & Advances / Delayed payments	9.23		8.94	
iii) Miscellaneous income	1.23	18.63	1.14	38.81
Rent received		6.00		7.20
Hire Charges from Plant & Machinery		-		4.80
Other Non Operating Income				
Government grant		147.75		64.59
Insurance Claim Received		-		46.28
Profit on Sale of Property, plant and equipment		0.73		0.01
Total		**173.11**		**161.69**

Notes to Standalone Financial Statements for the year ended March 31, 2018

NOTE 25: COST OF RAW MATERIAL CONSUMED

₹ in Lakhs

	Year ended 31-Mar-2018		Year ended 31-Mar-2017	
Yarn Consumed				
Opening Stock	2,114.77		1,081.31	
Add : Purchases during the year	36,517.87		21,459.34	
	38,632.64		22,540.65	
Less: Yarn Sale	219.38		49.97	
Less: Closing Stock	3,248.33	35,164.93	2,114.77	20,375.91
Packing Materials Consumed				
Opening Stock	3,246.93		1,666.35	
Add: Purchases during the year	12,722.53		11,435.27	
	15,969.46		13,101.62	
Less: Closing Stock	3,517.38	12,452.08	3,246.94	9,854.68
Consumption of Fabrics		2,834.80		11,365.58
Total		**50,451.81**		**41,596.16**
Purchase of Stock-in-Trade (Knitwear)		3,333.97		1,093.81
Total		**3,333.97**		**1,093.81**
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE				
Finished Goods				
Opening Stock	12,479.49		9,143.36	
Closing Stock	12,537.79	(58.30)	12,479.49	(3,336.13)
Work-in-progress				
Opening Stock	5,434.13		8,123.16	
Closing Stock	10,614.13	(5,180.00)	5,434.13	2,689.03
Stock in trade				
Opening Stock	-		0.72	
Closing Stock	-	-	-	0.72
Total		**(5,238.30)**		**(646.38)**

NOTE 26: EMPLOYEE BENEFIT EXPENSE

₹ in Lakhs

	Year ended 31-Mar-2018		Year ended 31-Mar-2017	
Salaries, Wages & Bonus	3,376.34		2,286.68	
Provision for Employment benefit	72.53	3,448.87	50.28	2,336.96
Contribution to Provident & Other Funds		149.54		83.50
Staff Welfare Expenses		148.64		87.15
Total		**3,747.05**		**2,507.61**

NOTE 27: FINANCE COST

₹ in Lakhs

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Interest Expense	1,871.74	1,504.47
Interest on preference shares	506.11	471.82
Interest expense on financial liabilities measured at amortised cost	22.21	(2.12)
Dividend on preference shares	27.40	14.00
Bank Charges	114.98	211.81
Total	**2,542.44**	**2,199.98**

NOTE 28: DEPRECIATION & AMORTIZATION EXPENSE

₹ in Lakhs

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Depreciation on Tangible Assets	914.29	693.17
Amortization on Intangible Assets	60.46	15.18
Total	**974.75**	**708.35**

NOTE 29: OTHER EXPENSES

₹ in Lakhs

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Consumption of stores & spare parts	167.71	141.45
Power & Fuel	7.58	5.93
Rent	176.67	211.36
Repairs	-	
Repairs to buildings	27.36	32.55
Repairs to machinery	8.09	6.65
Repairs to other	103.99	69.40
Insurance	62.90	46.23
Rates & Taxes	150.04	121.84
Selling Expenses	7,099.84	5,193.54
Royalty	5.00	5.00
Advertisement & Publicity	10,868.59	7,551.09
Commission	980.37	1,005.97
Freight & Other Handling Charges	2,008.65	1,676.52
Bad Debts	72.41	2.04
Processing expense	22,156.18	20,716.21
Prior Period Items	3.85	2.92
Loss on Sale of Property, plant and equipment	10.30	0.55
Foreign currency translation loss (net)	(160.08)	388.87
Miscellaneous Expenses	2,143.70	2,079.37
Payment to auditors	-	
: As Auditors (Audit Fees)	10.00	23.68
Provision for Doubtful Debts/ Advance	(4.20)	4.40
Total	**45,898.95**	**39,285.57**

NOTE: 29.1

Prior Period Items Includes		
Debit relating to earlier years	3.85	3.24
Credit relating to earlier years	-	0.32
Total	**3.85**	**2.92**

NOTE 30: INCOME TAX

₹ in Lakhs

	March 31, 2018	March 31, 2017
A. Amount recognized in profit or loss		
Current Tax		
Current period	4,243.00	3,110.00
Changes in respect of current income tax of previous years	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2018

	March 31, 2018	March 31, 2017
(a)	4,243.00	3,110.00
Deferred Tax		
Attributable to -		
Origination and reversal of temporary differences	71.13	138.50
(b)	71.13	138.50
Tax expenses reported in the Standalone Statement of Profit and Loss (a+b)	**4,314.13**	**3,248.50**
B. Income tax recognized in Other Comprehensive Income		
Deferred tax relating to items recognized in other comprehensive income during the year	10.75	2.09
Income tax expense charged to OCI	**10.75**	**2.09**

C. Reconciliation of tax expense and the accounting profit for March 31, 2018 and March 31, 2017:

₹ in Lakhs

	March 31, 2018	March 31, 2017
Accounting profit before income tax	12,237.60	9,213.45
Tax at the applicable India tax rate of 34.61%	4,235.19	3,188.59
Tax impact on amounts that are adjusted in determining taxable profit:		
Non deductible expenses for tax purposes	625.60	469.27
Tax exempt income	(617.79)	(547.86)
	4,243.00	**3,110.00**

D. Reconciliation of applicable tax rate and effective tax rate:

₹ in Lakhs

	March 31, 2018	March 31, 2017
Applicable tax rate	34.61%	34.61%
Tax effect of income that are not taxable in determining taxable profit	5.11%	5.09%
Tax effect of income that are not deductible in determining taxable profit	-5.05%	-5.95%
Effective tax rate	**34.67%**	**33.76%**

E. Recognized deferred tax assets and liabilities:

₹ in Lakhs

	Balance as on April 1, 2017	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2018
Property, plant and equipment	(521.52)	(90.79)	-	(612.31)
Trade receivables	65.13	(1.45)	-	63.67
Other assets	18.48	3.66	-	22.13
Borrowings	(5.02)	7.19	-	2.18
Other financial liabilities	(180.01)	180.01	-	-
Provisions	63.49	(169.74)	10.75	(95.50)
Total	**(559.44)**	**(71.13)**	**10.75**	**(619.83)**

₹ in Lakhs

	Balance as on April 1, 2016	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2017
Property, plant and equipment	(205.55)	(315.97)	-	(521.52)
Trade receivables	63.61	1.52	-	65.13
Other assets	19.02	(0.54)	-	18.48
Borrowings	(4.28)	(0.73)	-	(5.02)
Other financial liabilities	(343.29)	163.29	-	(180.01)
Provisions	47.48	13.93	2.09	63.49
Total	**(423.02)**	**(138.51)**	**2.09**	**(559.44)**

F. Deferred tax reflected in the Balance Sheet as follows:

₹ in Lakhs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Deferred tax assets	87.98	147.10	130.10
Deferred tax liabilities	(707.81)	(706.54)	(553.12)
Deferred tax assets / (liabilities) (net)	**(619.83)**	**(559.44)**	**(423.02)**

NOTE 31: EARNINGS PER SHARE (EPS) (IND AS 33)

₹ in Lakhs

Sl. No	Particulars	Year ended 31-Mar-2018	Year ended 31-Mar-2017
1	Profit for the year	7,923.47	5,964.95
2	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS	252.53	252.53
3	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	252.53	252.53
4	Nominal Value per share (₹)	2/-	2/-
5	Earning per shares		
	Basic	31.38	23.62
	Diluted	31.38	23.62

NOTE 32: PARTICULARS OF CONTINGENT LIABILITIES AND COMMITMENTS

I. Contingent Liabilities

₹ in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	As At April 1, 2016
Claims against the Company not acknowledged as liabilities in respect of:			
Sales Tax Matters	61.72	61.72	210.72
Customs and Excise matters	346.27	346.27	346.27
Service tax matters	136.22	136.22	136.22
Provident Fund matters	-	1,110.67	-
Guarantee Given	101.05	11.77	11.77

Notes to Standalone Financial Statements for the year ended March 31, 2018

The Company is contesting the demand and the management including its legal advisors believes that its position will likely be upheld in the appellate process. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

II. Commitments:

a. Estimated amount of contracts to be executed on capital account (Net of Advances) ₹ NIL (Previous year ₹ 0.95 lacs). The company has other commitments, for purchase/ sales orders which are issued after considering requirements per operating cycle for purchase/ sale of goods and services, in normal course of business.

b. The company did not have any long term commitments/ contracts including derivative contracts for which there will be any material foreseeable losses.

NOTE 33: RELATED PARTY DISCLOSURE (IND AS 24)

A. List of related parties where control exists:

Artimas Fashions Private Limited - Wholly owned subsidiary

B. List of entities controlled by the Directors/ their relatives:

Biswanath Hosiery Mills Ltd.

J M Hosiery & Co. Ltd.

Rotex Intertrade Pvt. Ltd.

Chitragupta Sale & Services Pvt. Ltd.

Hollyfield Traders Pvt. Ltd.

Ebell Fashions Pvt. Ltd.

Jaytee Exports

P.G.Infometic Pvt. Ltd

C. Other related parties with whom transactions have taken place during the year

Name of the related parties	Relationship
Shri Ashok Kumar Todi, Executive Chairman (Whole Time Director)	Key Management Personnel (KMP)
Shri Pradip Kumar Todi, Managing Director	Key Management Personnel (KMP)
Ajay Kumar Patodia, Chief Financial Officer	Key Management Personnel (KMP)
Smita Mishra, Company Secretary	Key Management Personnel (KMP)
Shri Saket Todi	Relative of KMP's
Shri Udit Todi	Relative of KMP's
Ms Priyanka Todi	Relative of KMP's

D. The following transactions were carried out with the related parties in the ordinary course of business:

₹ in Lakhs

Sl. No	Name of Related party	Year ended 31-Mar-2018	Year ended 31-Mar-2017
1	**Sale of goods**		
	Ebell Fashions Pvt. Ltd.	255.62	597.51
	J.M.Hosiery & Co Ltd	363.33	2,072.57
	Biswanath Hosiery Mills Ltd.	-	13.96
	Jaytee Exports	-	17.75
2	**Sale of Focus License**		
	Ebell Fashions Pvt. Ltd.	16.72	55.80
3	**Purchase of goods**		
	J.M.Hosiery & Co Ltd	2,992.71	789.65
	Jaytee Exports	1,041.22	386.62
	Ebell Fashions Pvt. Ltd.	109.25	105.92
4	**Payment for assets**		
	Biswanath Hosiery Mills Ltd	-	2.36
5	**Rent payment**		
	Hollyfield Traders Pvt. Ltd.	1.80	1.80
	P.G.Infometic Pvt. Ltd.	20.52	22.06
6	**Other services payment**		
	P.G. Infometic Pvt. Ltd. - Data processing charges	25.65	27.58
	Biswanath Hosiery Mills Ltd - Royalty	5.40	5.00
	J.M.Hosiery & Co Ltd - Commission payment	5.70	5.14
7	**Received towards services**		
	Ebell Fashions Pvt.Ltd. - Knitting services	164.99	135.73
8	**Reimbursement of taxes (Payment by Lux Industries Ltd)**		
	Biswanath Real Estate Pvt.Ltd.	0.19	-
	Ebell Fashions Pvt. Ltd.	-	250.66
9	**Reimbursement of taxes (Payment by Ebell Fashions Pvt Ltd)**		
	Ebell Fashions Pvt. Ltd.	-	21.02
10	**Reimbursement of taxes (Receipt)**		
	Biswanath Real Estate Pvt.Ltd.	0.19	-
	Ebell Fashions Pvt. Ltd.	-	250.66
11	**Reimbursement of taxes (Payment)**		
	Ebell Fashions Pvt. Ltd.	-	21.02
12	**Preference dividend payment**		
	Rotex Intertrade Private Limited	7.34	3.75
	Chitragupta Sales & Services Pvt.Ltd.	7.34	3.75
	Hollyfield Traders Pvt.Ltd.	5.38	2.75
	Biswanath Hosiery Mills Ltd	7.34	3.75
13	**Remuneration**		
	Ashok Kumar Todi	300.00	240.00
	Pradip Kumar Todi	300.00	240.00

Notes to Standalone Financial Statements for the year ended March 31, 2018

₹ in Lakhs

Sl. No	Name of Related party	Year ended 31-Mar-2018	Year ended 31-Mar-2017
14	**Salary**		
	Saket Todi	30.00	12.00
	Udit Todi	30.00	12.00
	Priyanka Todi	30.00	12.00
	Ajay Patodia	35.00	15.00
	Smita Mishra	8.50	1.00
	Pankaj Kumar Kedia	-	8.20
15	**Interest paid**		
	Chitragupta Sales & Services Pvt. Ltd.	53.23	17.70
	Rotex Intertrade Pvt. Ltd.	35.56	13.05
	Hollyfield Traders Pvt. Ltd.	28.62	19.80
	Biswanath Hosiery Mills Ltd	1.27	12.63
16	**Redemption of preference shares**		
	Chitragupta Sales & Services Pvt. Ltd.	1,500.00	-
	Rotex Intertrade Pvt. Ltd.	1,500.00	-
	Hollyfield Traders Pvt. Ltd.	1,100.00	-
	Biswanath Hosiery Mills Ltd	1,500.00	-
17	**Loan received**		
	Chitragupta Sales & Services Pvt. Ltd.	6,420.00	1,158.00
	Rotex Intertrade Pvt. Ltd.	8,334.72	1,015.00
	Hollyfield Traders Pvt. Ltd.	3,665.00	1,214.00
	Ashok Kumar Todi	4,459.63	1,932.00
	Pradip Kumar Todi	513.63	1,155.00
	Prabha Devi Todi	52.00	-
18	**Loan repayment**		
	Chitragupta Sales & Services Pvt. Ltd.	8,549.66	796.74
	Rotex Intertrade Pvt. Ltd.	7,829.38	1,237.84
	Hollyfield Traders Pvt. Ltd.	2,772.67	902.06
	Biswanath Hosiery Mills Ltd	1,528.46	134.80
	Ashok Kumar Todi	5,318.26	3,019.75
	Pradip Kumar Todi	540.58	5,211.64

E. Outstanding balances:

₹ in Lakhs

Sl. No	Name of Related party	Year ended 31-Mar-2018	Year ended 31-Mar-2017	Year ended April 1, 2016
1	**Sundry creditors**			
	J.M.Hosiery & Co Ltd	7,925.45	156.96	230.12
	Jaytee Exports	651.33	-	-
	Ebell Fashions Pvt.Ltd.	288.78	187.53	84.14
	Biswanath Hosiery Mills Ltd	43.33	24.66	45.70
	Hollyfield Traders Pvt. Ltd.	2.70	0.90	1.40

₹ in Lakhs

Sl. No	Name of Related party	Year ended 31-Mar-2018	Year ended 31-Mar-2017	Year ended April 1, 2016
2	**Unsecured Loans**			
	Chitragupta Sales & Services Pvt. Ltd.	7.29	576.38	199.19
	Rotex Intertrade Pvt. Ltd.	2,061.46	13.23	224.33
	Hollyfield Traders Pvt. Ltd.	2,670.13	643.80	314.04
	Biswanath Hosiery Mills Ltd	17.17	37.03	160.47
	Ashok Kumar Todi	342.34	1,200.97	2,288.72
	Pradip Kumar Todi	4.93	31.89	4,088.53
	Prabha Devi Todi	101.75	49.75	-
3	**Advances recoverable in cash or value**			
	J.M.Hosiery & Co Ltd	4,785.84	383.64	853.40
	Ebell Fashions Pvt.Ltd.	802.06	442.64	517.27
	P.G.Infometic Pvt. Ltd.	112.45	81.75	34.68
	Jaytee Exports	146.88	271.41	9.70
	Biswanath Hosiery Mills Ltd	-	-	31.47
4	**Security deposit**			
	P.G.Infometic Pvt.Ltd.	25.00	25.00	25.00
5	**Investment in shares**			
	J.M.Hosiery & Co Ltd	8.40	8.40	8.40
	Artimas Fashions Private Limited	10.40	-	-

NOTE 34: SEGMENT REPORTING

In accordance with Ind AS 108 "Operating Segments", segment information has been given in the Consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these financial statements.

NOTE 35: CORPORATE SOCIAL RESPONSIBILITY

The details relating to Corporate Social Responsibility (CSR) expenditure are as follows:

As per Section 135 of the Companies Act, 2013, a CSR committee had been formed by the Company. The funds are utilized on the activities which are specified in Schedule VII of the Act. The utilization is done by way of contribution towards various activities.

a. Amount spent during the year on:

₹ in Lakhs

Sl. No	Particulars	2017-18	2016-17
1	Construction/ acquisition of any assets		
2	On purpose other than(1) above		
	- Education and Skill development	58.25	43.02
	- Health Care	18.13	31.11
	- Others	82.51	61.86
	TOTAL	**158.89**	**135.99**

Notes to Standalone Financial Statements for the year ended March 31, 2018

NOTE 36: EMPLOYEE BENEFITS

1. Defined Contribution Plan:

a. Provident fund:

In accordance with Indian law, eligible employees of Lux Industries Limited are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).

₹ in Lakhs

Sl. No	Particulars	2017-18	2016-17
1	Contribution to Provident/ Pension funds	81.64	54.21
	TOTAL	**81.64**	**54.21**

2. Defined benefits plan:

a. Gratuity:

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 summarizes the components of the net benefit expenses recognized in the profit and loss account and amounts recognized in the balance sheet for respective plans

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Present Value of Obligation at the beginning of the year	**183.46**	**137.21**
Current Service Cost	58.73	39.01
Interest Cost	13.79	10.98
Actuarial Losses / (Gain) recognized in other comprehensive income	31.06	6.02
Benefit Paid	(11.11)	(9.76)
Present Value of Obligation at the end of the year	**275.93**	**183.46**

The Provision for Gratuity is charged to the Statement of Profit and Loss and same is shown in Note No. 26 of the Notes to Accounts.

(b) Expense recognized in Statement of Profit or Loss

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Current service cost	58.73	39.01
Interest cost	13.79	10.98
Total	**72.52**	**49.99**

(c) Remeasurements recognized in Standalone Other Comprehensive Income:

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Actuarial loss/ (gain) arising on defined benefit obligation from		
- financial assumptions	5.37	11.07
- experience adjustments	25.69	(5.05)
Total	**31.06**	**6.02**

(d) Principle assumptions used in the determining gratuity obligation for the Company's are shown below:

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Discount Rate	7.75 %	7.50 %
Rate of increase in Salaries	6%	6%
Expected average remaining working lives of employees (years)	25.08	24.51
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees	

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

(e) Sensitivity analysis – Revised defined benefit obligation due to change in assumptions

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Under Base scenario	275.93	183.46
Salary Escalation (Up by 1%)	301.34	207.32
Salary Escalation (Down by 1%)	253.93	162.73
Withdrawal Rates (Up by 1%)	279.11	185.49
Withdrawal Rates (Down by 1%)	272.05	181.82
Discount Rates (Up by 1%)	253.03	162.20
Discount Rates (Down by 1%)	302.89	208.64

NOTE 37

Particulars of unhedged foreign currency exposure as at the balance sheet date

₹ in Lakhs

Particulars		As at March 31, 2018	As at March 31, 2017	Year ended April 1, 2016
Amount receivable in Foreign currency on account of	US$	16.18	16.78	23.91
Trade receivables	INR	1,053.91	1,090.99	1,582.25
Amount payables in Foreign currency on account of	US$	6.07	5.31	NIL
Trade payables	INR	395.38	344.55	NIL

Notes to Standalone Financial Statements for the year ended March 31, 2018

NOTE 38

Disclosures pursuant to Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Loans and advances in the nature of loan to others			
i) Loan to Frontiers Warehousing Pvt. Ltd			
Balance at the year end	-	-	-
Maximum amount outstanding at any time during the year	-	-	100.00
It is repayable over a period of one year and carries rate of interest of 15%.			
ii) Loan/ advance to Jalan and Sons			
Balance at the year end	32.37	29.22	26.52
Maximum amount outstanding at any time during the year	32.37	29.22	26.52
It is repayable over a period of one year and carries rate of interest of 12%.			
iii) Loan to West Bengal Hosiery Park Infrastructure Ltd			
Balance at the year end	-	0.40	0.40
Maximum amount outstanding at any time during the year	0.40	0.40	1,800.00
It is repayable over a period of one year and carries rate of interest of 9%.			-
iv) Loan to Mana Maa Garments			
Balance at the year end	52.18	47.09	-
Maximum amount outstanding at any time during the year	52.74	100.00	-
It is repayable over a period of one year and carries rate of interest of 12%.			

Note: Such loan was utilized for working capital requirements.

₹ in Lakhs

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
b) Investment by the Company in the shares of another Company			
i) Artimas Fashions Private Limited - wholly owned subsidiary			
Balance at the year end	10.40	-	-
Maximum amount outstanding at any time during the year	10.40	-	-

NOTE 39

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 in the current year is ₹ 122.12 lakhs (2016-17: ₹ 27.01 lakhs; 2015-16: ₹ 91.05 lakhs) and no interest during the year has been paid or is payable under the terms of MSMED Act, 2006.

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

NOTE 40

Event Occurring After the Balance Sheet Date

The Board of Directors has recommended equity dividend of ₹ 2 per share (P.Y ₹1.40 per Share) for the financial year 2017-18. The company has declared dividend to the shareholders after the balance sheet date but before the financial statements approved for issue, therefore dividend has not been recognized as a liability at the balance sheet date.

NOTE 41

Accounting classification and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet as at March 31, 2018 are as follows:

₹ in Lakhs

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Investment in equity instruments (Unquoted)	-	74.46	74.46	74.46
Trade Receivables	38,909.47	-	38,909.47	38,909.47
Cash and cash equivalents	210.68	-	210.68	210.68
Other bank balances	11.22	-	11.22	11.22
Other financial assets	619.36	-	619.36	619.36
Financial liabilities:				
Preference share capital	-	-	-	-
Term loans	492.86	-	492.86	492.86
Short term borrowings	31,648.08	-	31,648.08	31,648.08
Trade payables	18,859.07	-	18,859.07	18,859.07

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet as at March 31, 2017 are as follows:

₹ in Lakhs

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Investment in equity instruments (Unquoted)	-	74.46	74.46	74.46
Trade Receivables	27,475.86	-	27,475.86	27,475.86
Cash and cash equivalents	697.64	-	697.64	697.64
Other bank balances	12.26	-	12.26	12.26
Other financial assets	932.96	-	932.96	932.96

₹ in Lakhs

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial liabilities:				
Preference share capital	5,079.87	-	5,079.87	5,079.87
Term loans	1,260.80	-	1,260.80	1,260.80
Short term borrowings	21,205.85	-	21,205.85	21,205.85
Trade payables	12,029.87	-	12,029.87	12,029.87

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet as at April 1, 2016 are as follows:

₹ in Lakhs

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Investment in equity instruments (Unquoted)	-	74.46	74.46	74.46
Trade Receivables	25,464.14	-	25,464.14	25,464.14
Cash and cash equivalents	704.77	-	704.77	704.77
Other bank balances	12.16	-	12.16	12.16
Other financial assets	571.89	-	571.89	571.89
Financial liabilities:				
Preference share capital	4,608.06	-	4,608.06	4,608.06
Term loans	1,926.92	-	1,926.92	1,926.92
Short term borrowings	18,840.39	-	18,840.39	18,840.39
Trade payables	11,263.45	-	11,263.45	11,263.45

NOTE 42

Fair value measurement

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

₹ in Lakhs

As at March 31, 2018	Level 1	Level 2	Level 3
Financial Assets:			
Investment in equity instruments (Unquoted)	-	-	74.46
Total	**-**	**-**	**74.46**

₹ in Lakhs

As at March 31, 2017	Level 1	Level 2	Level 3
Financial Assets:			
Investment in equity instruments (Unquoted)	-	-	74.46
Total	**-**	**-**	**74.46**

₹ in Lakhs

As at April 1, 2016	Level 1	Level 2	Level 3
Financial Assets:			
Investment in equity instruments (Unquoted)	-	-	74.46
Total	**-**	**-**	**74.46**

Notes:

i. The management assesses that carrying amount of trade receivables, cash and cash equivalents, other bank balances, short term borrowings, trade payables, other financial assets and liabilities approximate their fair value largely due to short term maturities of these instruments.

ii. Certain financial assets, term loans and preference share capital are stated at amortized cost which is approximately equal to their fair value.

iii. Investments are stated at fair value using observable inputs for Level 3.

NOTE 43

Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as credit risk, liquidity risk and market risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

1. Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwardinglooking information such as:

i. Actual or expected significant adverse changes in business,

ii. Actual or expected significant changes in the operating results of the counterparty,

iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv. Significant increase in credit risk on other financial instruments of the same counterparty,

v. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 38,909.47 Lakhs (2017 –₹ 27,475.86 Lakhs, 2016 – ₹ 25,464.14 Lakhs).

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Company are as under:

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	188.18	188.18
Add: Provisions made	-	-
Less: Provisions reversed	4.19	-
Closing provisions	**183.99**	**188.18**

2. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The management continuously monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

₹ in Lakhs

March 31, 2018	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)	31,648.08	492.86	-	32,140.94
Redeemable preference shares	-	-	-	-
Trade payables	18,859.07	-	-	18,859.07
Other financial liabilities	2,414.79	-	-	2,414.79

₹ in Lakhs

March 31, 2017	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)	21,205.85	1,260.80	-	22,466.65
Redeemable preference shares	-	5,079.87	-	5,079.87
Trade payables	12,029.87	-	-	12,029.87
Other financial liabilities	2,770.09	-	-	2,770.09

₹ in Lakhs

April 1, 2016	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)	18,840.39	1,926.92	-	20,767.31
Redeemable preference shares	-	4,608.06	-	4,608.06
Trade payables	11,263.45	-	-	11,263.45
Other financial liabilities	2,714.40	-	-	2,714.40

3. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

a. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to import of raw materials and spare parts, capital expenditure, export of finished goods. The currency in which these transactions are primarily denominated is USD. Refer Note 37 for details of exposure to foreign currency as on the reporting date.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all currencies other than US Dollars is not material.

₹ in Lakhs

Particulars	Change in USD rate	Effect on profit before tax	Effect on post tax equity
31-Mar-18	+ 10%	65.85	43.06
	- 10%	(65.85)	(43.06)
31-Mar-17	+ 10%	74.64	48.81
	- 10%	(74.64)	(48.81)
31-Mar-16	+ 10%	158.23	103.47
	- 10%	(158.23)	(103.47)

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are limited as the borrowings by the Company carry fixed interest rates. However, the Company still constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

c. Equity price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The Company is holding investments in unquoted equity instruments, which may be susceptible to market price risk arising from uncertainties about future values of the securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity instrument decisions.

Notes to Standalone Financial Statements for the year ended March 31, 2018

NOTE 44

Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings.

The Company's policy is aimed at combination of short-term and long-term borrowings so as to maintain an optimum capital structure to reduce the cost of capital and maximize shareholders value and provide benefits to other stakeholders.

₹ in Lakhs

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Total debt (bank and other borrowings)	32,914.24	29,072.20	27,139.73
Equity	32,062.38	24,590.30	18,692.95

NOTE 45

Explanation to transition to Ind AS

A. Mandatory exceptions

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".

(a) Estimates

On assessment of estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

(b) Classification and measurement of financial assets

The classification of financial assets to be measured at amortized cost or fair value is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

B. Optional exemptions

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions:

(a) Property, plant and equipment

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. There is no decommissioning liabilities to be incurred by the Company relating to property, plant and equipment.

(b) Designation of previously recognized financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL).

The Company has opted to avail this exemption to designate certain equity investments as FVTPL on the date of transition i.e. April 1, 2016 on the basis of facts and circumstances existed at the date of transition to Ind AS.

(c) Fair value measurement of financial assets or liabilities at initial recognition

The Company has applied the requirements of Ind AS 109, "Financial Instruments: Recognition and Measurement", wherever applicable."

C. Transition to Ind AS – Reconciliations

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards".

i) Reconciliation of total equity as at April 1, 2016 and March 31, 2017.

ii) Reconciliation of total comprehensive income for the year ended March 31, 2017.

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

*Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with the financial statements prepared under Ind AS.

1. Reconciliation of equity

₹ in Lakhs

Particulars	Note	March 31, 2017			April 1, 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I. ASSETS							
Non-Current Assets							
(a) Property, Plant and Equipment	a	11,101.15	191.59	11,292.74	3,702.86	-	3,702.86
(b) Capital work- in- progress		1,138.32	-	1,138.32	7,197.20	-	7,197.20
(c) Intangible Assets		113.90	-	113.90	27.20	-	27.20
(d) Intangible assets under development		-	-	-	40.08	-	40.08
(e) Financial Assets							
(i) Investment	b	8.45	66.06	74.51	8.45	66.06	74.51
(ii) Other Financial Assets	c	145.64	(15.55)	130.09	224.20	(16.67)	207.53
(f) Other non- current assets		49.51	-	49.51	125.17	-	125.17
Total Non- current assets		**12,556.97**	**242.10**	**12,799.07**	**11,325.16**	**49.39**	**11,374.55**
Current Assets							
(a) Inventories		23,275.34	-	23,275.34	20,014.90	-	20,014.90
(b) Financial assets							
(i) Trade Receivables		27,475.86	-	27,475.86	25,464.14	-	25,464.14
(ii) Cash and Cash equivalents		697.64	-	697.64	704.77	-	704.77
(iii) Other Bank Balances		12.26	-	12.26	12.16	-	12.16
(iv) Other financial assets	c	809.98	(7.11)	802.87	371.47	(7.11)	364.36
(c) Current tax assets		61.88	-	61.88	17.13	-	17.13
(d) Other current assets	c	3,484.87	12.80	3,497.67	1,946.35	14.33	1,960.68
Total Current assets		**55,817.83**	**5.69**	**55,823.52**	**48,530.92**	**7.22**	**48,538.14**
TOTAL ASSETS		**68,374.80**	**247.79**	**68,622.59**	**59,856.08**	**56.61**	**59,912.69**

Notes to Standalone Financial Statements for the year ended March 31, 2018

₹ in Lakhs

Particulars	Note	March 31, 2017			April 1, 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I. EQUITY AND LIABILITIES							
Shareholders' Funds							
(a) Share capital	d	6,129.98	(5,600.00)	529.98	6,129.98	(5,600.00)	529.98
(b) Other equity	j	23,639.89	420.43	24,060.32	17,355.13	807.84	18,162.97
TOTAL EQUITY		**29,769.87**	**(5,179.57)**	**24,590.30**	**23,485.11**	**(4,792.16)**	**18,692.95**
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	d, e	1,275.30	5,065.37	6,340.67	1,939.29	4,595.69	6,534.98
(b) Deferred tax liabilities (Net)	f	324.44	235.00	559.44	92.30	330.72	423.02
(c) Provisions		168.94	-	168.94	123.66	-	123.66
Total Non-current Liabilities		**1,768.68**	**5,300.37**	**7,069.05**	**2,155.25**	**4,926.41**	**7,081.66**
Current Liabilities							
(a) Financial liabilities							
(i) Borrowings		21,205.85	-	21,205.85	18,840.39	-	18,840.39
(ii) Trade payables		12,029.87	-	12,029.87	11,263.45	-	11,263.45
(iii) Other financial liabilities		2,770.09	-	2,770.09	2,714.40	-	2,714.40
(b) Provisions		14.52	-	14.52	13.55	-	13.55
(c) Other current liabilities	a, g	815.92	126.99	942.91	1,383.93	(77.64)	1,306.29
Total Current Liabilities		**36,836.25**	**126.99**	**36,963.24**	**34,215.72**	**(77.64)**	**34,138.08**
TOTAL EQUITY AND LIABILITY		**68,374.80**	**247.79**	**68,622.59**	**59,856.08**	**56.61**	**59,912.69**

2. Reconciliation of total comprehensive income

₹ in Lakhs

	Particulars	Note	Year ended March 31, 2017		
			Previous GAAP	Adjustment on transition to Ind AS	Ind AS
I	Revenue from operations	h	97,156.21	(1,359.36)	95,796.85
II	Other Income	a, c	95.96	65.73	161.69
III	**Total income (I+II)**		**97,252.17**	**(1,293.64)**	**95,958.54**
IV	**Expenses**				
	Cost of raw materials consumed		41,596.16	-	41,596.16
	Purchases of traded goods		1,093.81	-	1,093.81
	(Increase) / decrease in inventories of finished goods, work-in-progress & traded goods		(646.38)	-	(646.38)
	Employee benefit expense	i	2,513.64	(6.03)	2,507.61
	Finance costs	d, e	1,716.28	483.70	2,199.98
	Depreciation and amortization expense		708.35	-	708.35
	Other expenses	c, h	40,643.39	(1,357.83)	39,285.56
	Total expenses (IV)		**87,625.25**	**(880.16)**	**86,745.09**
V	**Profit / (Loss) Before Tax (III - IV)**		**9,626.92**	**(413.47)**	**9,213.45**

2. Reconciliation of total comprehensive income

₹ in Lakhs

	Particulars	Note	Year ended March 31, 2017		
			Previous GAAP	Adjustment on transition to Ind AS	Ind AS
VI	**Tax expense**				
	Current tax		3,110.00	-	3,110.00
	Deferred tax	f	232.14	(93.64)	138.50
	Income tax expense (i+ii)		**3,342.14**	**(93.64)**	**3,248.50**
VII	**Profit / (Loss) for the Year (V-VI)**		**6,284.78**	**(319.83)**	**5,964.95**
VIII	**Other comprehensive income**				
	A. Items that will not be reclassified subsequently to profit and loss				
	(a) Remeasurements of the defined benefit liabilities / (asset)	i	-	(6.03)	(6.03)
	Income tax relating to items that will not be reclassified to profit or loss		-	2.09	2.09
	Other comprehensive income for the year (net of tax)		**-**	**(3.94)**	**(3.94)**
IX	**Total comprehensive income for the period, net of income tax (VII + VIII)**		**6,284.78**	**(323.77)**	**5,961.01**

Notes to reconciliation of equity and total comprehensive income

(a) Capitalization of government grants

Unlike in previous GAAP, EPCG benefits received in the form of savings in customs duty payable on import of capital goods has been treated as government grants and accordingly capitalized as required under Ind AS 20 in 2016-17. This increased the Property, Plant and Equipment by ₹ 191.59 lacs in 2016-17.

A deferred income to that extent was created and classified under Other Current Liabilities. The same is deferred and recognized in the statement of profit and loss over a period being linked to fulfilment of associated export obligation. Accordingly, deferred revenue impact in other non-operating income in 2016-17 was to the extent of ₹ 64.59 lacs.

However, for transitional impact on April 1, 2016, optional exemption permitted by Ind AS 101 has been availed and accordingly, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. Refer Note 45B(a).

(b) Fair valuation of investments

In accordance with Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries have been fair valued. The Company has designated certain investments classified as fair value through other comprehensive income as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in all these investments being carried at cost.

The resulting fair value changes of these investments designated as at FVOCI have been adjusted in retained earnings as on the date of transition. This increased the retained earnings by ₹ 66.06 lakhs as at April 1, 2016. However, there has been no change in the fair value of the investments as at March 31, 2017.

(c) Amortization of security deposits & corresponding prepaid expenses

Unlike in previous GAAP, Ind AS requires the financial asset to be measured at amortized costs if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Pursuant to the above, security deposits has been measured at amortized cost. The impact arising from the change is summarized as follows:

- Decrease in value of security deposit on transition, being the impact of discounting, ₹ 23.78 lacs as at April 1, 2016.
- Corresponding impact on retained earnings resulting in decrease by ₹ 2.34 lacs as at April 1, 2016, transferring to prepaid expenses ₹ 14.33 lacs.
- Notional interest income due to unwinding of discount on security deposit for the year ended March 31, 2017 – ₹ 1.14 lakhs.
- Notional rental expense due to amortization of prepaid expenses for the year ended March 31, 2017 – ₹ 1.54 lacs.

(d) Redeemable preference shares

Under previous GAAP, redeemable preference share were classified as part of share capital. Dividend paid on these preference shares were adjusted against retained earnings and not recognized as finance costs in profit and loss account. However under Ind AS, financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form. These preference share do not contain any equity component and hence, have been classified in their entirety as financial liability under Ind AS. The resultant dividend have been recognized as finance cost in profit and loss.

- Preference share capital as per previous GAAP included in share capital – ₹ 5,600 lakhs, now treated as long term borrowings under Ind AS.
- Increase in borrowings on transition, being the amortized value of the preference share capital – ₹ 4,608.06 lakhs.
- Increase in retained earnings on transition, being impact of discounting – ₹ 991.94 lakhs.
- Notional interest cost due to amortization of preference share capital treated as borrowings – ₹ 471.81 lacs.
- Dividend payable on preference shares, recognized as finance cost in profit or loss – ₹ 14 lakhs.

(e) Borrowings at amortized cost

Based on Ind AS 109, financial liabilities in the form of borrowings including transaction costs have been accounted at amortized cost using the effective interest rate method.

The impact arising from the change is summarized as follows:

₹ in Lakhs

Particulars	Year ended March 31, 2017
Standalone statement of Profit and Loss	
Finance cost – interest accrued and transaction costs of term loans amortized	(2.12)
Total	**(2.12)**

₹ in Lakhs

Particulars	March 31, 2017	April 1, 2016
Standalone Balance Sheet		
Long term borrowings – impact of amortization	-	(12.37)
Long term borrowings – finance cost	(2.12)	-
Total	**(2.12)**	**(12.37)**

(f) Represents deferred tax impact of Ind AS adjustments. Also refer note 29.

(g) Proposed dividend

Under previous GAAP, proposed dividends including DDT are recognized as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognized as a liability when approved by shareholders in a general meeting. In case of the Company, the liability relating to proposed dividend (including dividend distribution tax) has been derecognized against retained earnings as at April 1, 2016 with a corresponding impact on short term provisions, amounting to ₹ 77.64 lakhs.

Subsequently, during the year ended March 31, 2017, the dividend of the previous year has been paid. Hence the same has been adjusted with retained earnings.

(h) Cash discounts

Under the previous GAAP, the cash discount offered to customers by the Company on early payment, forms part of other expenses. Under Ind AS, revenue has to be shown net of cash discount. Accordingly, ₹ 1,359.36 Lakh is reduced from revenue and other expenses for the year ended March 31, 2017. There is no impact on total equity due to the corresponding adjustment.

(i) Actuarial gains and loss

Under Ind AS, all actuarial gains and losses are recognized in Other Comprehensive Income. Under the previous GAAP the Company recognized actuarial gains and losses in profit or loss. However, this has no impact on the total equity as on March 31, 2017.

(j) Retained earnings

Changes in retained earnings have been on account of the following:

₹ in Lakhs

Particulars	Note	March 31, 2017	April 1, 2016
Proposed dividend	g	(63.64)	77.64
Amortization of security deposits	c	-	(9.45)
Amortization of redeemable preference shares	d	-	991.94
Fair valuation of investments	b	-	66.06
Borrowings at amortized cost	e	-	12.37
Interest on preference share capital including dividend	d	(485.81)	-
Interest on long term borrowings	e	2.12	-
Interest income unwinding of discount on security deposits	c	1.14	-
Rental expense on amortization of prepaid expenses	c	(1.54)	-
Deferred revenue recognized in statement of profit or loss	a	64.59	-
Tax impact due to Ind AS	f	95.73	(330.72)
Increase / (decrease) in total equity		**(387.41)**	**807.84**

Notes to Standalone Financial Statements for the year ended March 31, 2018

NOTE 46

Balances of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/ confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year.

NOTE 47

Previous year figures have been recast/ regrouped whenever necessary to conform to the current Year's presentation.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For S.K. Agrawal & Co.
Chartered Accountants
ICAI Firm Registration No. 306033E

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : May 17, 2018

For and on behalf of Board of Directors

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Ajay Kumar Patodia
Chief Financial Officer
(PAN - AFVPP9103P)

Smita Mishra
Company Secretary
(Mem No - A26489)

Independent Auditor's Report

To the Members of
LUX INDUSTRIES LIMITED

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Financial Statements of LUX INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its Subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income) , the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued there under. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year then ended.

OTHER MATTERS

We did not audit the financial statements/financial information of one subsidiary, whose financial statements/financial information reflect total assets of ₹ 11 Lakhs as at March 31, 2018, total revenue of ₹0,45 Lakhs and net cash outflows amounting to ₹174 for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

I. As required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the and the operating effectiveness of such controls , refer to our separate report in' Annexure A 'to this report, and,

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note No 32.).

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For, **S. K. AGRAWAL & CO.**
Chartered Accountants
Firm's Registration Number- 306033E

Sandeep Agrawal
Partner
Membership No: 058553

Place: Kolkata
Dated: May 17, 2018

Annexure -A to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Manaksia Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For, **S. K. AGRAWAL & CO.**
Chartered Accountants
Firm's Registration Number- 306033E

Sandeep Agrawal
Partner
Membership No: 058553

Place: Kolkata
Dated: May 17, 2018

Consolidated Balance Sheet as at March 31, 2018

₹ in Lakhs

	Notes	As at 31-Mar-2018
ASSETS		
A Non-current assets		
Property, plant and equipment	4	12,806.56
Capital work-in-progress	4	530.53
Other intangible assets	4	106.30
Financial assets		
Investments	5	84.51
Other financial assets	6B	293.90
Other non-current assets	7	49.49
Total Non-current assets		**13,871.29**
B Current assets		
Inventories	8	29,917.63
Financial assets		
Trade receivables	9	38,909.92
Cash and cash equivalents	10	211.24
Bank balance other than above	11	11.22
Loans	6A	84.55
Other financial assets	6B	240.91
Other current assets	12	4,237.91
Total Current assets		**73,613.38**
TOTAL ASSETS		**87,484.67**
EQUITY AND LIABILITIES		
C Equity		
Equity share capital	13	529.98
Other equity	14	31,532.61
Total Equity		**32,062.59**
D Non-current liabilities		
Financial liabilities		
Borrowings	15	492.86
Deferred tax liabilities (Net)	29	619.83
Provisions	16	228.88
Total Non-current liabilities		**1,341.57**
E Current liabilities		
Financial liabilities		
Borrowings	15	31,648.38
Trade payables	17	18,859.09
Other financial liabilities	18	2,414.83
Provisions	19	47.03
Other current liabilities	20	1,064.71
Current tax liabilities	21	46.47
Total Current liabilities		**54,080.51**
TOTAL EQUITY AND LIABILITIES		**87,484.67**
Summary of significant accounting policies	**3**	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.K. Agrawal & Co.
Chartered Accountants
ICAI Firm Registration No. 306033E

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : May 17, 2018

For and on behalf of Board of Directors

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Ajay Kumar Patodia
Chief Financial Officer
(PAN - AFVPP9103P)

Smita Mishra
Company Secretary
(Mem No - A26489)

Consolidated Statement of Profit & Loss for the year ended March 31, 2018

₹ in Lakhs

		Notes	Year ended 31-Mar-2018
I	Revenue from operations	22	1,13,775.16
II	Other Income	23	173.56
III	**Total income (I+II)**		**1,13,948.72**
IV	**Expenses**		
	Cost of raw materials consumed	24	50,451.81
	Purchases of traded goods	24	3,333.97
	(Increase) / decrease in inventories of finished goods, work-in-progress & traded goods	24	(5,238.30)
	Employee benefit expense	25	3,747.05
	Finance costs	26	2,542.44
	Depreciation and amortisation expense	27	974.75
	Other expenses	28	45,899.27
	Total expenses (IV)		**1,01,710.99**
V	**Profit Before Tax (III - IV)**		**12,237.73**
VI	**Tax expense**		
	(i) Current tax	29	4,243.04
	(ii) Deferred tax	29	71.12
	Income tax expense (i+ii)		**4,314.16**
VII	**Profit for the Year (V-VI)**		**7,923.56**
VIII	**Other comprehensive income**		
A	(i) Items that will not be reclassified subsequently to profit and loss		
	(a) Remeasurements of the defined benefit liabilities / (asset)		(31.06)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		10.75
Other comprehensive income for the year (net of tax) (i-ii)			**(20.31)**
Total comprehensive income for the period, net of income tax (VII + VIII)			**7,903.25**
Earnings per equity share [nominal value of share ₹ 2]			
Basic in ₹ per share		30	31.38
Diluted in ₹ per share			31.38
Summary of significant accounting policies		**3**	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.K. Agrawal & Co.
Chartered Accountants
ICAI Firm Registration No. 306033E

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : May 17, 2018

For and on behalf of Board of Directors

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Ajay Kumar Patodia
Chief Financial Officer
(PAN - AFVPP9103P)

Smita Mishra
Company Secretary
(Mem No - A26489)

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

a. Equity share capital

	No. of shares	₹ in Lakhs
Equity shares of ₹ 2 each issued, subscribed and fully paid		
As at April 1, 2017	**2,52,53,000.00**	**529.98**
Changes in equity share capital during the year	-	-
As at March 31, 2018	**2,52,53,000.00**	**529.98**

b. Other Equity

₹ in Lakhs

	Capital Redemption Reserve	Securities premium	Capital Reserve	General reserve	Retained earnings	Other Comprehensive Income	Total
As at 01.04.2017	-	653.58	-	1,477.70	21,927.43	1.61	24,060.32
Add: Profit for the year	-	-	-	-	7,923.56	-	7,923.56
Add/(Less): Transferred to Capital Redemption Reserve on redemption of preference shares	5,600.00	-	-	-	(5,600.00)	-	-
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	(20.31)	(20.31)
Add: Capital reserve created on consolidation	-	-	0.12	-	-	-	0.12
Less: Appropriations							
- Final equity dividend	-	-	-	-	353.54	-	353.54
Less: Dividend tax	-	-	-	-	77.55	-	77.55
Balance as at 31.03.2018	**5,600.00**	**653.58**	**0.12**	**1,477.70**	**23,819.90**	**(18.69)**	**31,532.61**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.K. Agrawal & Co.
Chartered Accountants
ICAI Firm Registration No. 306033E

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : May 17, 2018

For and on behalf of Board of Directors

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Ajay Kumar Patodia
Chief Financial Officer
(PAN - AFVPP9103P)

Smita Mishra
Company Secretary
(Mem No - A26489)

Consolidated Statement of Cash Flows for the year ended March 31, 2018

₹ in Lakhs

	Year ended 31-Mar-2018
Cash flows from operating activities	**12,237.73**
Profit / (Loss) before tax	
Adjustment to reconcile profit / (loss) before tax to net cash flows:	974.75
Depreciation and amortisation of property, plant and equipments and intangible assets	2,542.44
Finance costs	(0.73)
Profit on sale of property, plant and equipment	10.30
Loss on sale of property, plant and equipment	61.39
Provision for gratuity	(24.63)
Finance income	(4.20)
Provision for doubtful debts and advances	(147.75)
Government Grants	**15,649.31**
Operating profit before working capital changes	
Movements in working capital:	
(Increase) / decrease in trade and other receivables	(11,429.86)
(Increase) / decrease in inventories	(6,642.30)
(Increase) / decrease in other assets	(211.68)
Increase / (decrease) in trade and other payables	6,829.22
Increase / (decrease) in other liabilities	(184.52)
Cash generated from / (used in) operations	**4,010.17**
Direct taxes paid (Net of refunds)	(4,243.00)
Net cash flow from / (used in) operating activities	**(232.83)**
Cash flows from investing activities	
Purchase of property, plant and equipment, intangible assets and capital advance	(1,758.39)
Proceeds from sale of property, plant and equipment and intangible assets	20.86
Investment in shares	(10.40)
Decrease/(Increase) in term deposit	(161.19)
Finance income	32.77
Net cash flow from / (used in) investing activities	**(1,876.35)**
Cash flows from financing activities	
Proceeds/ (repayment) of non-current borrowings	(6,376.14)
Proceeds/ (repayment) from current borrowings	10,442.52
Interest paid	(2,013.07)
Dividend Paid	(353.55)
Dividend tax paid	(77.55)
Net cash flow from / (used in) in financing activities	**1,622.22**
Net increase / (decrease) in cash and cash equivalents	**(486.96)**
Cash and cash equivalents at the beginning of the year	697.64
Cash and cash equivalents on acquisition of subsidiary	0.56
Cash and cash equivalents at the end of the year	**211.24**
Components of Cash and cash equivalents	
Cash on hand (Refer Note - 10)	69.69
Balances with banks - on current account (Refer Note - 10)	141.55
Total Cash and cash equivalents	**211.24**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.K. Agrawal & Co.
Chartered Accountants
ICAI Firm Registration No. 306033E

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : May 17, 2018

For and on behalf of Board of Directors

Ashok Kumar Todi
Chairman
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Managing Director
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Chief Financial Officer
(PAN - AFVPP9103P)

Smita Mishra
Company Secretary
(Mem No - A26489)

Notes to Consolidated Financial Statements for the year ended March 31, 2018

1. REPORTING ENTITY

Lux Industries Limited ('the Holding Company' or 'the Company') is a public company domiciled and headquartered in India, having its registered office situated at 39, Kali Krishna Tagore Street, Kolkata. The Company has its shares listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is primarily engaged in the manufacturing and sales of knitwears. The Company has operations in India and caters to both domestic and international markets. The Company also has a wholly-owned subsidiary in India in the name of Artimas Fashions Private Limited. The Manufacturing units of the Company are located in Kolkata (West Bengal), Tirupur, in the state of Tamil Nadu and Ludhiana in the state of Punjab.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Statement of compliance

These Consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable.

As these are the Group's first Consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101 first-time Adoption of Indian Accounting Standards has been applied. The Consolidated financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on May 17, 2018. The details of the Group's accounting policies are included in Note 3.

(b) Functional and presentation currency

These Consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

(c) Basis of measurement

The Consolidated financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

(i) Certain financial assets and financial liabilities measured at fair value;

(ii) Assets held for sale-measured at the lower of its carrying amount and fair value less costs to sell; and

(iii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(d) Use of estimates and judgments

The preparation of the Group's Consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Consolidated financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the Consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated financial statements.

Critical accounting estimates and key sources of estimation uncertainty: Key assumptions

(i) Useful lives of Property, plant and equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets. See note 3(d) and 4 for details.

(ii) Fair value measurement of financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss. See note 3(r) and 38 for details.

(iii) Defined benefit plan

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using Projected unit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 3(g) and 34 for details.

(iv) Recognition of current tax and deferred tax

Current taxes are recognized at tax rates (and tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. See note 3(k) and 29 for details.

(v) Recognition and measurement of provisions and contingencies

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for. See note 3(h) for details.

(e) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 39.

(f) Basis of consolidation

(i) Subsidiaries

These Consolidated financial statements are prepared on the following basis in accordance with Ind AS on Consolidated Financial Statements" (Ind AS – 110), specified under Section 133 of the Companies Act, 2013.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated financial statements from the date on which control commences until the date on which control ceases. Artimas Fashions Private Limited is the only subsidiary (being a wholly owned subsidiary) considered in the Consolidated financial statements.

(ii) Non-controlling interest (NCI)

There is no NCI in the Group since Artimas Fashions Private Limited is a wholly owned subsidiary of Lux Industries Limited.

(iii) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedures are drawn upto the same reporting date i.e. March 31, 2018.

The financial statements of the Holding Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated. Unrealised gains arising from transactions with subsidiary are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realised within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Group's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within 12 months after the reporting date; or

(iv) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Operating cycle

For the purpose of current/ non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

(b) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group companies at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the Statement of Profit and Loss in the period in which they arise.

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

(c) Financial instruments

(i) Recognition and initial measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

(ii) Classification and subsequent measurement

Financial assets

(a) Financial assets at amortised cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at FVOCI

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(c) Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derecognition

Financial assets

The Group derecognizes a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

(iv) Off setting

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

- **Tangible assets and Capital Work in Progress**

  Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

  Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

  If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

  A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Consolidated Statement of Profit and Loss.

  Property, plant and equipment under construction and not yet ready for their intended use are disclosed as Capital working- progress.

- **Intangible assets & amortization:**

  Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly. The Intangible assets include Computer Software. Amortization of Intangible Assets is made based on management's evaluation of duration of life cycle of intangible assets. The amortization rate used are:

Asset	%
Computer Software	40.00

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Depreciation and amortization for the year is recognized in the Consolidated Statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method in the manner specified in Part C of Schedule II to the Companies Act, 2013. Depreciation for the assets purchased/ sold during a period is proportionately charged.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

(e) Inventories

Inventories which comprise raw materials, work-in progress, finished goods and packing materials are measured at the lower of cost and net realizable value.

The cost of inventories is based on the Weighted Average Cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. The Group has valued inventory net of input tax benefits. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

Assessment of net realizable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

(f) Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Consolidated Statement of Profit and Loss.

In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including subsequent information.

(ii) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

The Group makes specified monthly contributions to employee provident fund to Government administered provident fund scheme, which is a defined contribution plan. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

(h) Provision, Contingent Liabilities And Contingent Assets

A provision is recognized if, as a result of past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provisions in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

During the financial year the Group has made provision for doubtful debts and doubtful advances to the extent of 100% of the total amount identified as doubtful debts and advances.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(i) Revenue recognition

(a) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and quantity discounts and exclusive of Sales tax, Value added tax (VAT), Goods and Service Tax (GST). Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards varies depending on the individual terms of sale.

(b) Revenue from services

Revenue from services is recognized as the service performed based on agreements/ arrangements with the concerned parties.

(c) Other income

Dividend income is recognised in Consolidated Statement of Profit and Loss on the date on which the Group's right to receive payment is established. Interest income is recognised using the effective interest method.

All other income are recognised on accrual basis.

(j) Government Grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Consolidated Statement of profit & loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the Consolidated Statement of profit & loss.

(k) Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(l) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(m) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Group.

(n) Cash and cash equivalents

Cash and cash equivalents include cash and cash-on deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(o) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(p) Earnings per share

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

(q) Operating segment

Based on the synergies, risks and returns associated with business operations and in terms of Ind AS-108, the Group's operating operation comprises of only one primary segment viz. manufacturing and sale of Knitwear's. The Group also believes that even geographically, the product of the Group faces similar risk and returns and there is no separate segment that can be identified for the purpose of reporting under Ind AS 108 on "Segment Reporting".

However, due to greater transparency and providing complete information to the stake holder / financial statements user in analyzing and understanding the Group's financial statements, the management of the Group has provided additional information in respect of geographical segment. Such details have been given in Note no. 33.

(r) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(s) Business combinations

Business combinations are accounted for using the acquisition method, except for common control business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

(t) Recent Accounting pronouncements

Ind AS 115 – Revenue from Contracts with Customers

The Company is currently evaluating the impact of implementation of Ind AS 115 "Revenue from Contracts with Customers" which is applicable to it w.e.f 01.04.2018. However, based on the evaluation done so far and based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Gross Block				Depreciation/ Amortization				Net Block	
	As at April 1, 2017	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2018	As at April 1, 2017	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Tangible Assets										
Land	894.64	-	-	894.64	-	-	-	-	894.64	894.64
Building	6,305.11	648.00	-	6,953.11	163.74	202.56	-	366.30	6,586.80	6,141.37
Plant & Equipments	3,746.04	1,197.05	4.13	4,938.97	393.85	540.39	3.08	931.15	4,007.81	3,352.19
Office Equipments	107.88	30.70	-	138.58	19.85	26.25	-	46.10	92.48	88.03
Furniture & Fixture	353.06	186.92	-	539.98	37.22	51.31	-	88.53	451.45	315.84
Vehicle	547.87	395.87	33.50	910.25	47.21	93.78	4.12	136.87	773.38	500.66
	11,954.60	**2,458.55**	**37.63**	**14,375.52**	**661.87**	**914.29**	**7.20**	**1,568.96**	**12,806.56**	**11,292.73**
Capital Work-in-Progress	-	-	-	-	-	-	-	-	530.53	1,138.33
Sub Total (A)	**11,954.60**	**2,458.55**	**37.63**	**14,375.52**	**661.87**	**914.29**	**7.20**	**1,568.96**	**13,337.09**	**12,431.06**
Intangible Assets										
Computer software	129.08	52.86	-	181.94	15.19	60.46	-	75.65	106.30	113.90
Sub Total (B)	**129.08**	**52.86**	**-**	**181.94**	**15.19**	**60.46**	**-**	**75.65**	**106.30**	**113.90**
Total (A+B)	**12,083.69**	**2,511.41**	**37.63**	**14,557.47**	**677.06**	**974.75**	**7.20**	**1,644.60**	**13,443.39**	**12,544.96**

NOTE 5: INVESTMENTS

₹ in Lakhs

	As at 31-Mar-2018
A. Non-Current Investments	
Equity instruments carried at fair value through profit or loss (FVTPL)	
Unquoted	
J.M. Hosiery & Company Limited	74.46
84,000 equity shares (FV - ₹ 10 each)	
West Bengal Hosiery Park Infrastructure Limited	0.05
500 equity shares (FV - ₹ 10 each)	
Hollyfield Traders Private Limited	10.00
12,500 shares (FV - ₹ 10 each)	
Total	**84.51**

NOTE 6A: LOANS

₹ in Lakhs

	As at 31-Mar-2018
(Unsecured considered good unless otherwise stated)	
Loans to Body Corporates	84.55
Total	**84.55**

NOTE 6B: OTHER FINANCIAL ASSETS

₹ in Lakhs

	As at 31-Mar-2018
(Carried at amortised cost)	
Non-current	
Other bank balance	
Bank deposit more than 12 months maturity from Balance Sheet date	243.95
Interest accrued on fixed deposit	18.49
Security deposit	31.46
	293.90
Current	
Security deposit	44.14
Loans and advances to employees	139.42
Other advances	57.35
	240.91
Total	**534.81**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 7: OTHER NON-CURRENT ASSETS

₹ in Lakhs

	As at 31-Mar-2018
Capital advances	48.15
Prepaid expenses	1.34
Total	**49.49**

NOTE 8: INVENTORIES

₹ in Lakhs

	As at 31-Mar-2018
(Valued at lower of cost and net realisable value)	
Raw Materials	3,248.33
Work-in-progress	10,614.13
Finished goods (Manufactured)	12,537.79
Stock-in-trade (Goods purchased for resale)	-
Packing materials	3,517.38
Total	**29,917.63**

NOTE 9: TRADE RECEIVABLES

₹ in Lakhs

	As at 31-Mar-2018
(Carried at amortised cost)	
Unsecured	
- Considered good	38,909.92
- Considered doubtful	183.99
Less: Loss for allowances	
- Provision for doubtful debt	(183.99)
Total	**38,909.92**

NOTE 10: CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at 31-Mar-2018
Balances with banks	
Current accounts	141.55
Cash on hand	69.69
Total	**211.24**

NOTE 11: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at 31-Mar-2018
Balances with banks	
Unpaid dividend - earmarked balances with Bank	11.22
Total	**11.22**

NOTE 12: OTHER CURRENT ASSETS

₹ in Lakhs

	As at 31-Mar-2018
(Unsecured considered good unless otherwise stated)	
Advances to supplier	
- Unsecured, considered good	1,327.41
- Unsecured, considered doubtful	6.24
	1,333.65
Less: Provision for doubtful advances	(6.24)
	1,327.41
Others	
Prepaid expenses	134.21
Balance with government authorities	2,090.18
Incentive / duty drawback receivable	686.11
Total	**4,237.91**

NOTE 13: EQUITY SHARE CAPITAL

₹ in Lakhs

	As at 31-Mar-2018
Authorised:	
45,000,000 Equity shares of ₹ 2/- each	900.00
	-
Issued and subscribed equity share capital	
27,737,500 Equity shares of ₹ 2/- each	554.75
Paid up equity share capital	
25,253,000 Equity shares of ₹ 2/- each	505.06
Forfeited equity share capital	
Add: 2,484,500 equity shares (Paid-up)	24.92
Total	**529.98**

	Equity share capital	
	No. of shares	₹ in Lakhs
Reconciliation of number of equity shares outstanding:		
As at March 31, 2017	**2,52,53,000**	**529.98**
Increase during the year	-	-
As at March 31, 2018	**2,52,53,000**	**529.98**

(i) Terms / rights attached to Equity shares & Preference shares:

The Company has equity shares with a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the Company, after meeting all liabilities and distribution of all preferential amounts, in proportion to their shareholding.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(ii) Details of shares held by each shareholder holding more than 5% shares:

	As at March 31, 2018	
	No. of shares held	% holding in that class of shares
Prabha Devi Todi	37,23,000	14.74%
Pradip Kumar Todi	44,82,500	17.75%
Ashok Kumar Todi	37,30,000	14.77%
Bimla Devi Todi	35,05,000	13.88%
Shobha Devi Todi	27,52,500	10.90%

NOTE 14: OTHER EQUITY

₹ in Lakhs

	As at 31-Mar-2018
Capital Redemption Reserve	5,600.00
Securities premium	653.58
Capital reserve	0.12
General reserve	1,477.70
Retained earnings	23,819.90
Other Comprehensive Income Reserves	(18.69)
Total	**31,532.61**

NOTE 15: FINANCIAL LIABILITIES - BORROWINGS

(a) Non-current borrowings

₹ in Lakhs

	As at 31-Mar-2018
(Carried at amortised cost)	
Secured	
Term Loans from Banks	1,266.16
Less: Current maturity of long term debts (refer note 19)	773.31
Total non-current borrowings	**492.86**

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

₹ in Lakhs

Name of the Bank / instrument	31-Mar-18	Nature of security	Repayment terms
Secured			
Allahabad Bank	315.60	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the company, both present & future and also secured by personal guarantee of the directors.	Repayable in 20 equal quarterly instalment of ₹ 34.25 lacs each commencing from June, 2018. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	189.53	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the company, both present & future and also secured by personal guarantee of the directors.	Repayable in 20 equal quarterly instalment of ₹ 10.00 lacs each commencing from December,2017. Interest @ MCLR is serviced on monthly basis as and when due.

(i) **Repayment terms and nature of securities given for term loan as follows :**

₹ in Lakhs

Name of the Bank / instrument	31-Mar-18	Nature of security	Repayment terms
Allahabad Bank	105.26	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan. It is charge over the entire current assets of the company, both present & future and also secured by personal guarantee of the directors.	Repayable in 20 equal quarterly instalment of ₹ 5.50 lacs each commencing from December,2018. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	62.97	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the company, both present & future and also secured by personal guarantee of the directors.	Repayable in 20 equal quarterly instalment of ₹ 3.35 lacs each commencing from June, 2019. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	-	Exclusive Hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan. It is additionally secured by 2nd pari-passu charge over the entire current assets of the company, both present & future and also secured by personal guarantee of the directors.	Repayable in 12 equal quarterly instalment of ₹ 83.34 lacs each commencing from December, 2015. Interest @ MCLR is serviced on monthly basis as and when due.
State Bank of India	592.81	Exclusive hypothecation charge over the factory land & building constructed at Mouza-Chirkand & Mollarbar JL No.81 &82. P.S. Chanditala & Sreerampore measuring 4 acres 43 sataks and building constructed thereon, and hypothecation charge on 1st charge basis on Plant & Machinery and other fixed assets installed upon the premises through this Term Loan on exclusive basis. It is additionally secured by extension of charge over the stocks, book debts and the other current assets of the company, both present and future by the WC Lenders. It is additionally secured by personal guarantee of the Directors.	Repayable in 8 equal quarterly instalment of ₹ 357.00 lacs each commencing from December, 2016. Interest @ MCLR + 1.50% is serviced on monthly basis as and when due.

(b) Current borrowings

₹ in Lakhs

	As at 31-Mar-2018
(Carried at amortised cost)	
Loan repayable on demand	
From Banks (Secured)	
Cash Credit Facilities	26,442.99
From Others (Unsecured)	
From related parties (refer note 32)	5,205.38
Total current borrowings	**31,648.38**

a) Cash Credit loan is secured against hypothecation of entire stocks, book debts and other current assets, both present and future of Company. It is additionally secured by personal guarantee of the Directors.

Allahabad bank - Interest @ 1 month MCLR

Corporation bank - Interest @ 2 month MCLR

HDFC bank - Interest @ 1 year MCLR

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 16: PROVISIONS

₹ in Lakhs

	As at 31-Mar-2018
Provision for employee benefits (Refer note 34)	228.88
Total	**228.88**

NOTE 17: TRADE PAYABLES PROVISIONS

₹ in Lakhs

	As at 31-Mar-2018
(Carried at amortised cost)	
Due to Micro, Small and Medium Enterprises	122.12
Others	18,736.97
Total	**18,859.09**

NOTE 18: CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Lakhs

	As at 31-Mar-2018
(Carried at amortised cost)	
Current maturities of long-term borrowings (Refer note 15)	773.31
Deposits from Dealers/ agents	1,216.49
Unclaimed dividend	11.22
Advance from customers	413.77
Others	0.04
Total	**2,414.83**

NOTE 19: PROVISIONS

₹ in Lakhs

	As at 31-Mar-2018
Provision for employee benefits (Refer note 34)	47.03
Total	**47.03**

NOTE 20: OTHER CURRENT LIABILITIES

₹ in Lakhs

	As at 31-Mar-2018
Statutory dues	201.06
Other payables	785.64
Deferred Government grant	78.01
Total	**1,064.71**

NOTE 21: CURRENT TAX LIABILITIES

₹ in Lakhs

	As at 31-Mar-2018
Income tax liabilities	46.47
Total	**46.47**

NOTE 22: REVENUE FROM OPERATIONS

₹ in Lakhs

	Year ended 31-Mar-2018	
Sale of Products		**1,12,521.75**
Sale of Services		
Job Work		234.50
Other Operating Revenue		
i) Assist Under WBIP Scheme	52.97	
ii) Export Incentive	771.15	
iii) Incentive received on yarn purchase	1.57	
iv) Others	193.22	1,018.91
Total Revenue from Operations		**1,13,775.16**

NOTE 23: OTHER INCOME

₹ in Lakhs

	Year ended 31-Mar-2018	
Interest Income		
i) From Fixed Deposit	8.17	
ii) From Loans & Advances / Delayed payments	9.23	
iii) Miscellaneous income	1.23	18.63
Rent received		6.00
Hire Charges from Plant & Machinery		-
Other Non Operating Income		
Government grants		147.75
Insurance Claim Received		-
Profit on Sale of Property, plant and equipment		0.73
Others		0.45
Total		**173.56**

NOTE 24: COST OF RAW MATERIAL CONSUMED

₹ in Lakhs

	Year ended 31-Mar-2018	
Yarn Consumed		
Opening Stock	2,114.77	
Add : Purchases during the year	36,517.87	
	38,632.64	
Less: Yarn Sale	219.38	
Less: Closing Stock	3,248.33	35,164.93
Packing Materials Consumed		
Opening Stock	3,246.93	
Add: Purchases during the year	12,722.53	
	15,969.46	
Less: Closing Stock	3,517.38	12,452.08
Consumption of Fabrics		2,834.80
Total		**50,451.81**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

₹ in Lakhs

	Year ended 31-Mar-2018	
Purchase of Stock-in-Trade (Knitwear)		3,333.97
Total		**3,333.97**

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Finished Goods		
Opening Stock	12,479.49	
Closing Stock	12,537.79	(58.30)
Work-in-progress		
Opening Stock	5,434.13	
Closing Stock	10,614.13	(5,180.00)
Stock in trade		
Opening Stock	-	
Closing Stock	-	-
Total		**(5,238.30)**

NOTE 25: EMPLOYEE BENEFIT EXPENSE

₹ in Lakhs

	Year ended 31-Mar-2018	
Salaries, Wages & Bonus	3,376.34	
Provision for Employment benefit	72.53	3,448.87
Contribution to Provident & Other Funds		149.54
Staff Welfare Expenses		148.64
Total		**3,747.05**

NOTE 26: FINANCE COST

₹ in Lakhs

	Year ended 31-Mar-2018
Interest Expense	1,871.74
Interest on preference shares	506.11
Interest expense on financial liabilities measured at amortised cost	22.21
Dividend on preference shares	27.40
Bank Charges	114.98
Total	**2,542.44**

NOTE 27: DEPRECIATION & AMORTIZATION EXPENSE

₹ in Lakhs

	Year ended 31-Mar-2018
Depreciation on Tangible Assets	914.29
Amortization on Intangible Assets	60.46
Total	**974.75**

NOTE 28: OTHER EXPENSES

₹ in Lakhs

	Year ended 31-Mar-2018
Consumption of stores & spare parts	167.71
Power & Fuel	7.58
Rent	176.67
Repairs	-
Repairs to buildings	27.36
Repairs to machinery	8.09
Repairs to other	103.99
Insurance	62.91
Rates & Taxes	150.19
Selling Expenses	7,099.84
Royalty	5.00
Advertisement & Publicity	10,868.59
Commission	980.37
Freight & Other Handling Charges	2,008.65
Bad Debts	72.41
Processing expense	22,156.18
Prior Period Items	3.85
Loss on Sale of Property, plant and equipment	10.30
Foreign currency translation loss (net)	(160.08)
Miscellaneous Expenses	2,143.82
Payment to auditors	-
: As Auditors	10.04
Provision for Doubtful Debts/ Advance	(4.20)
Total	**45,899.27**

NOTE: 28.1

Prior Period Items Includes	
Debit relating to earlier years	3.85
Credit relating to earlier years	-
Total	**3.85**

NOTE 29: INCOME TAX

₹ in Lakhs

		31-Mar-2018
A. Amount recognized in profit or loss		
Current Tax		
Current period		4,243.04
Changes in respect of current income tax of previous years		-
	(a)	**4,243.04**
Deferred Tax		
Attributable to -		
Origination and reversal of temporary differences		71.12
	(b)	**71.12**
Tax expenses reported in the Consolidated Statement of Profit and Loss (a+b)		**4,314.16**
B. Income tax recognized in Other Comprehensive Income		
Deferred tax relating to items recognized in other comprehensive income during the year		10.75
Income tax expense charged to OCI		**10.75**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

C. Reconciliation of tax expense and the accounting profit for March 31, 2018:

₹ in Lakhs

	31-Mar-2018
Accounting profit before income tax	12,237.73
Tax at the applicable India tax rate of 34.61%	4,235.23
Tax impact on amounts that are adjusted in determining taxable profit:	
Non deductible expenses for tax purposes	625.60
Tax exempt income	(617.79)
	4,243.04

D. Reconciliation of applicable tax rate and effective tax rate:

	31-Mar-2018
Applicable tax rate	34.61%
Tax effect of income that are not taxable in determining taxable profit	5.11%
Tax effect of income that are not deductible in determining taxable profit	-5.05%
Effective tax rate	**34.67%**

E. Recognized deferred tax assets and liabilities:

₹ in Lakhs

	Balance as on April 1, 2017	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2018
Property, plant and equipment	(521.52)	(90.79)	-	(612.31)
Trade receivables	65.13	(1.45)	-	63.67
Other assets	18.48	3.66	-	22.13
Borrowings	(5.02)	7.19	-	2.18
Other financial liabilities	(180.01)	180.01	-	-
Provisions	63.49	(169.73)	10.75	(95.49)
Total	**(559.44)**	**(71.12)**	**10.75**	**(619.83)**

F. Deferred tax reflected in the Balance Sheet as follows:

₹ in Lakhs

	As at 31-Mar-2018
Deferred tax assets	87.98
Deferred tax liabilities	(707.81)
Deferred tax assets / (liabilities) (net)	**(619.83)**

NOTE 30: EARNINGS / (LOSS) PER SHARE (EPS) (IND AS 33)

₹ in Lakhs

Sl. No.	Particulars	Year ended 31-Mar-2018
1	Profit for the year	7,923.56
2	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS	252.53
3	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	252.53
4	Nominal Value per share (₹)	2/-
5	Earning per shares	
	Basic	31.38
	Diluted	31.38

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 31: PARTICULARS OF CONTINGENT LIABILITIES AND COMMITMENTS

I. Contingent Liabilities

₹ in Lakhs

Particulars	Year ended 31-Mar-2018
Claims against the Company not acknowledged as liabilities in respect of:	
Sales Tax Matters	61.72
Customs and Excise matters	346.27
Service tax matters	136.22
Guarantee Given	**101.05**

The Company is contesting the demand and the management including its legal advisors believes that its position will likely be upheld in the appellate process. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

II. Commitments:

a. Estimated amount of contracts to be executed on capital account (Net of Advances) ₹ NIL. The company has other commitments, for purchase/ sales orders which are issued after considering requirements per operating cycle for purchase/ sale of goods and services, in normal course of business.

b. The company did not have any long term commitments/ contracts including derivative contracts for which there will be any material foreseeable losses.

NOTE 32: RELATED PARTY DISCLOSURE (IND AS 24)

A. List of entities controlled by the Directors/ their relatives:

Biswanath Hosiery Mills Ltd.

J M Hosiery & Co. Ltd.

Rotex Intertrade Pvt. Ltd.

Chitragupta Sale & Services Pvt. Ltd.

Hollyfield Traders Pvt. Ltd.

Ebell Fashions Pvt. Ltd.

Jaytee Exports

P.G.Infometic Pvt. Ltd

B. Other related parties with whom transactions have taken place during the year

Name of the related parties	Relationship
Shri Ashok Kumar Todi, Executive Chairman (Whole Time Director)	Key Management Personnel (KMP)
Shri Pradip Kumar Todi, Managing Director	Key Management Personnel (KMP)
Ajay Kumar Patodia, Chief Financial Officer	Key Management Personnel (KMP)
Smita Mishra, Company Secretary	Key Management Personnel (KMP)
Shri Saket Todi	Relative of KMP's
Shri Udit Todi	Relative of KMP's
Ms Priyanka Todi	Relative of KMP's

Notes to Consolidated Financial Statements for the year ended March 31, 2018

C. The following transactions were carried out with the related parties in the ordinary course of business:

₹ in Lakhs

Sl. No	Particulars	Year ended 31-Mar-2018
1	**Sale of goods**	
	Ebell Fashions Pvt. Ltd.	255.62
	J.M.Hosiery & Co Ltd	363.33
2	**Sale of Focus License**	
	Ebell Fashions Pvt. Ltd.	16.72
3	**Purchase of goods**	
	J.M.Hosiery & Co Ltd	2,992.71
	Jaytee Exports	1,041.22
	Ebell Fashions Pvt. Ltd.	109.25
4	**Rent payment**	
	Hollyfield Traders Pvt. Ltd.	1.80
	P.G.Infometic Pvt. Ltd.	20.52
5	**Other services payment**	
	P.G. Infometic Pvt. Ltd. - Data processing charges	25.65
	Biswanath Hosiery Mills Ltd - Royalty	5.40
	J.M.Hosiery & Co Ltd - Commission payment	5.70
6	**Received towards services**	
	Ebell Fashions Pvt.Ltd. - Knitting services	164.99
7	**Reimbursement of taxes (Payment by Lux Industries Ltd)**	
	Biswanath Real Estate Pvt.Ltd.	0.19
8	**Reimbursement of taxes (Receipt)**	
	Biswanath Real Estate Pvt.Ltd.	0.19
9	**Preference dividend payment**	
	Rotex Intertrade Private Limited	7.34
	Chitragupta Sales & Services Pvt.Ltd.	7.34
	Hollyfield Traders Pvt.Ltd.	5.38
	Biswanath Hosiery Mills Ltd	7.34
10	**Remuneration**	
	Ashok Kumar Todi	300.00
	Pradip Kumar Todi	300.00
11	**Salary**	
	Saket Todi	30.00
	Udit Todi	30.00
	Priyanka Todi	30.00
	Ajay Patodia	35.00
	Smita Mishra	8.50
12	**Interest paid**	
	Chitragupta Sales & Services Pvt. Ltd.	53.23
	Rotex Intertrade Pvt. Ltd.	35.56
	Hollyfield Traders Pvt. Ltd.	28.62
	Biswanath Hosiery Mills Ltd	1.27

C. The following transactions were carried out with the related parties in the ordinary course of business:

₹ in Lakhs

Sl. No	Particulars	Year ended 31-Mar-2018
13	**Redemption of preference shares**	
	Chitragupta Sales & Services Pvt. Ltd.	1,500.00
	Rotex Intertrade Pvt. Ltd.	1,500.00
	Hollyfield Traders Pvt. Ltd.	1,100.00
	Biswanath Hosiery Mills Ltd	1,500.00
14	**Loan received**	
	Chitragupta Sales & Services Pvt. Ltd.	6,420.00
	Rotex Intertrade Pvt. Ltd.	8,334.72
	Hollyfield Traders Pvt. Ltd.	3,665.00
	Ashok Kumar Todi	4,459.93
	Pradip Kumar Todi	513.63
	Prabha Devi Todi	52.00
15	**Loan repayment**	
	Chitragupta Sales & Services Pvt. Ltd.	7,037.00
	Rotex Intertrade Pvt. Ltd.	6,318.49
	Hollyfield Traders Pvt. Ltd.	1,664.43
	Biswanath Hosiery Mills Ltd	1,528.46
	Ashok Kumar Todi	5,318.26
	Pradip Kumar Todi	540.58

D. Outstanding balances:

₹ in Lakhs

Sl. No	Particulars	Year ended 31-Mar-2018
1	**Sundry creditors**	
	J.M.Hosiery & Co Ltd	7,925.45
	Jaytee Exports	651.33
	Ebell Fashions Pvt.Ltd.	288.78
	Biswanath Hosiery Mills Ltd	43.33
	Hollyfield Traders Pvt. Ltd.	2.70
2	**Unsecured Loans**	
	Chitragupta Sales & Services Pvt. Ltd.	7.29
	Rotex Intertrade Pvt. Ltd.	2,061.46
	Hollyfield Traders Pvt. Ltd.	2,670.13
	Biswanath Hosiery Mills Ltd	17.17
	Ashok Kumar Todi	342.64
	Pradip Kumar Todi	4.93
	Prabha Devi Todi	101.75
3	**Advances recoverable in cash or value**	
	J.M.Hosiery & Co Ltd	4,785.84
	Ebell Fashions Pvt.Ltd.	802.06
	P.G.Infometic Pvt. Ltd.	112.45
	Jaytee Exports	146.88
4	**Security deposit**	
	P.G.Infometic Pvt.Ltd.	25.00
5	**Investment in shares**	
	J.M.Hosiery & Co Ltd	8.40

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 33: SEGMENT REPORTING

The management has considered that the Group has a single reportable segment based on nature of products, production process, regulatory environment, customers and distribution methods. Further the Group is engaged in a single business line, viz., "Manufacturing and sales of knitwear".

The Group primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and overseas operations as under:

a. Amount spent during the year on:

₹ in Lakhs

Sl. No	Particulars	2017-18
1	**Segment Revenue**	
	- Within India	103,207.29
	- Outside India *	10,567.87
	Total	**113,775.16**
2	**Segment Assets**	
	- Within India	84,170.23
	- Outside India *	3,314.44
	Total	**87,484.67**
3	**Capital Expenditure**	
	- Within India	1,903.61
	- Outside India *	-
	Total	**1,903.61**

* Revenue and carrying amount of assets from no individual country is material.
The Group is not reliant on revenues from any single external customer amounting to 10% or more of its revenues.

NOTE 34: EMPLOYEE BENEFITS

1. Defined Contribution Plan:

a. Provident fund:

In accordance with Indian law, eligible employees of Lux Industries Limited are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).

₹ in Lakhs

Sl. No	Particulars	2017-18
1	Contribution to Provident/ Pension funds	81.64
	TOTAL	**81.64**

2. Defined benefits plan:

a. Gratuity:

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 summarizes the components of the net benefit expenses recognized in the profit and loss account and amounts recognized in the balance sheet for respective plans.

₹ in Lakhs

Particulars	As at 31-Mar-2018
Present Value of Obligation at the beginning of the year	**183.46**
Current Service Cost	58.73
Interest Cost	13.79
Actuarial Losses / (Gain) recognized in other comprehensive income	31.06
Benefit Paid	(11.11)
Present Value of Obligation at the end of the year	**275.93**

The Provision for Gratuity is charged to the Statement of Profit and Loss and same is shown in Note No. 26 of the Notes to Accounts.

(b) Expense recognized in Statement of Profit or Loss

₹ in Lakhs

Particulars	As at 31-Mar-2018
Current service cost	58.73
Interest cost	13.79
Total	**72.52**

(c) Remeasurements recognized in Consolidated Other Comprehensive Income:

₹ in Lakhs

Particulars	As at 31-Mar-2018
Actuarial loss/ (gain) arising on defined benefit obligation from	
- financial assumptions	5.37
- experience adjustments	25.69
Total	**31.06**

(d) Principle assumptions used in the determining gratuity obligation for the Company's are shown below:

₹ in Lakhs

Particulars	As at 31-Mar-2018
Discount Rate	7.75 %
Rate of increase in Salaries	6%
Expected average remaining working lives of employees (years)	25.08
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

(e) Sensitivity analysis – Revised defined benefit obligation due to change in assumptions

₹ in Lakhs

Particulars	As at 31-Mar-2018
Under Base scenario	275.93
Salary Escalation (Up by 1%)	301.34
Salary Escalation (Down by 1%)	253.93
Withdrawal Rates (Up by 1%)	279.11
Withdrawal Rates (Down by 1%)	272.05
Discount Rates (Up by 1%)	253.03
Discount Rates (Down by 1%)	302.89

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 35: PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE BALANCE SHEET DATE

₹ in Lakhs

Particulars		As at 31-Mar-2018
Amount receivable in Foreign currency on account of	US$	16.18
Trade receivables	INR	1,053.91
Amount payables in Foreign currency on account of	US$	6.07
Trade payables	INR	395.38

NOTE 36: DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013

₹ in Lakhs

Particulars	As at 31-Mar-2018
a) Loans and advances in the nature of loan to others	
i) Loan to Frontiers Warehousing Pvt. Ltd	
Balance at the year end	-
Maximum amount outstanding at any time during the year	-
It is repayable over a period of one year and carries rate of interest of 15%.	
ii) Loan/ advance to Jalan and Sons	
Balance at the year end	32.37
Maximum amount outstanding at any time during the year	32.37
It is repayable over a period of one year and carries rate of interest of 12%.	
iii) Loan to West Bengal Hosiery Park Infrastructure Ltd	
Balance at the year end	-
Maximum amount outstanding at any time during the year	0.40
It is repayable over a period of one year and carries rate of interest of 9%.	
iv) Loan to Mana Maa Garments	
Balance at the year end	52.18
Maximum amount outstanding at any time during the year	52.74
It is repayable over a period of one year and carries rate of interest of 12%.	

Note: Such loan was utilized for working capital requirements.

NOTE 37: EVENT OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors has recommended equity dividend of ₹ 2 per share (P.Y ₹ 1.40 per Share) for the financial year 2017-18. The company has declared dividend to the shareholders after the balance sheet date but before the financial statements approved for issue, therefore dividend has not been recognized as a liability at the balance sheet date.

NOTE 38: ACCOUNTING CLASSIFICATION AND FAIR VALUES

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Consolidated Balance Sheet as at March 31, 2018 are as follows:

₹ in Lakhs

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Investment in equity instruments (Unquoted)	-	84.46	84.46	84.46
Trade Receivables	38,909.92	-	38,909.92	38,909.92

₹ in Lakhs

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Cash and cash equivalents	211.21	-	211.21	211.21
Other bank balances	11.22	-	11.22	11.22
Other financial assets	619.36	-	619.36	619.36
Financial liabilities:				
Preference share capital	-	-	-	-
Term loans	492.86	-	492.86	492.86
Short term borrowings	31,648.38	-	31,648.38	31,648.38
Trade payables	18,859.09	-	18,859.09	18,859.09

NOTE 39: FAIR VALUE MEASUREMENT

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Group has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

- **Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- **Level 2:** Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3:** No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

₹ in Lakhs

As at March 31, 2018	Level 1	Level 2	Level 3
Financial Assets:			
Investment in equity instruments (Unquoted)	-	-	84.46
Total	**-**	**-**	**84.46**

Notes:

i. The management assesses that carrying amount of trade receivables, cash and cash equivalents, other bank balances, short term borrowings, trade payables, other financial assets and liabilities approximate their fair value largely due to short term maturities of these instruments.

ii. Certain financial assets, term loans and preference share capital are stated at amortized cost which is approximately equal to their fair value.

iii. Investments are stated at fair value using observable inputs for Level 3.

NOTE 40: FINANCIAL RISK MANAGEMENT

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board. The Group has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as credit risk, liquidity risk and market

Notes to Consolidated Financial Statements for the year ended March 31, 2018

risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

1. **Credit Risk**

   Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

   The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

   i. Actual or expected significant adverse changes in business,

   ii. Actual or expected significant changes in the operating results of the counterparty,

   iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

   iv. Significant increase in credit risk on other financial instruments of the same counterparty,

   v. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

   Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 38,909.92 Lakhs.

   The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Company are as under:

₹ in Lakhs

Particulars	As at 31-Mar-2018
Opening balance	188.18
Add: Provisions made	-
Less: Provisions reversed	4.19
Closing provisions	**183.99**

2. **Liquidity Risk**

   Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The management continuously monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

₹ in Lakhs

March 31, 2018	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)	31,648.38	492.86	-	31,141.23
Trade payables	18,859.09	-	-	18,859.09
Other financial liabilities	2,414.83	-	-	2,414.83

3. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

a. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Any weakening of the functional currency may impact the Group's cost of imports and cost of borrowings and consequently may increase the cost of financing the Group's capital expenditures. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to import of raw materials and spare parts, capital expenditure, export of finished goods. The currency in which these transactions are primarily denominated is USD. Refer Note 35 for details of exposure to foreign currency as on the reporting date.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all currencies other than US Dollars is not material.

₹ in Lakhs

Particulars	Change in USD rate	Effect on profit before tax	Effect on post tax equity
31-Mar-18	+ 10%	65.85	43.06
	- 10%	(65.85)	(43.06)

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates are limited as the borrowings by the Company carry fixed interest rates. However, the Group still constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

c. Equity price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Group. The Group is holding investments in unquoted equity instruments, which may be susceptible to market price risk arising from uncertainties about future values of the securities. The reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The senior management reviews and approves all equity instrument decisions.

NOTE 41: CAPITAL MANAGEMENT

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Group.

The Group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings.

The Group's policy is aimed at combination of short-term and long-term borrowings so as to maintain an optimum capital structure to reduce the cost of capital and maximize shareholders value and provide benefits to other stakeholders.

₹ in Lakhs

Particulars	As at 31-Mar-2018
Total debt (bank and other borrowings)	32,914.54
Equity	32,062.59

NOTE 42

On May 27, 2017, the Company has acquired 100% shares in Artimas Fashions Private Limited ("AFPL") for a total consideration of ₹ 10.40 Lacs. The details of financial information on acquisition date are provided below:

₹ in Lakhs

Particulars	Amount
Fair Value of Net Assets Acquired	10.52
Purchase consideration	10.40

NOTE 43

The requirements of Ind AS 110 - Consolidated Financial Statements are applicable for the first time, so previous year figures are not stated.

NOTE 44: ADDITIONAL INFORMATION

₹ in Lakhs

Particulars	Name of the Entity		Total
	Lux Industries Limited	Artimas Fashions Pvt Ltd	
Net Assets, i.e., Total Assets minus Total Liabilities			
As a % of Consolidated Figure	99.97%	0.03%	100.00%
Amount	32,051.98	10.61	32,062.59
Share in Profit			
As a % of Consolidated Figure	100.00%	0.00%	100%
Amount	7,923.47	0.09	7,923.56
Share in Other Comprehensive Income			
As a % of Consolidated Figure	100.00%	0.00%	100%
Amount	(20.31)	-	(20.31)
Share in Total Comprehensive Income			
As a % of Consolidated Figure	100.00%	0.00%	100%
Amount	7,903.16	0.09	7,903.25

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 45

Balances of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/ confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year.

NOTE 46

Previous year figures have been recast/ regrouped whenever necessary to conform to the Current Year's presentation.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.K. Agrawal & Co.
Chartered Accountants
ICAI Firm Registration No. 306033E

Sandeep Agrawal
Partner
Membership no. 058553

Place : Kolkata
Date : May 17, 2018

For and on behalf of Board of Directors

Ashok Kumar Todi
Chairman
(DIN - 00053599)

Pradip Kumar Todi
Managing Director
(DIN - 00246268)

Ajay Kumar Patodia
Chief Financial Officer
(PAN - AFVPP9103P)

Smita Mishra
Company Secretary
(Mem No - A26489)

Notes

Notes

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