



Directors' Report

To
The Members of
Lux Industries Limited,

Your Directors are pleased to present the 15th Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2010, together with the notice of Annual General Meeting.

Financial Results

The highlights of your Company's financial performance are:

(Rs. in Lacs)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Gross Income	33,675.25	29,493.37
Gross Expenditure	32,417.26	28,420.89
Profit before Depreciation, Interest and Tax	1,257.99	1,072.48
Depreciation	114.06	106.72
Interest	470.04	566.11
Profit Before Tax, Extraordinary Items & Prior Period Items	673.89	399.65
Provision for Taxes		
(a) Current Tax	230.00	196.00
(b) Deferred Tax	1.93	(11.35)
(c) Fringe Benefit Tax	-	6.25
Profit after Tax and before Extraordinary Items & Prior Period Items	441.96	208.75
Profit from Exceptional Items	-	117.77
Profit After Taxes and before Prior Period Items	441.96	326.52
Prior Period Items	(0.38)	(0.91)
Net Profit	441.58	325.61
Balance brought from Previous year	578.45	394.20
Total	1,020.03	719.81
Appropriations:		
Transfer to General Reserve	45.00	35.00
Proposed Dividend on equity shares	101.01	90.91
Corporate Tax on Proposed Dividend	16.77	15.45
Balance carried over to Balance Sheet	857.25	578.45
Total	1,020.03	719.81
Earnings per share (Basic & Diluted)		
- Before Extraordinary Item (Rs.)	8.74	4.12
- After Extraordinary Item (Rs.)	8.74	6.45

LUX INDUSTRIES LIMITED

Results of Operations

During the year under review, the Company achieved a gross income of Rs. 33,675.25 lacs as against Rs. 29,493.37 lacs for the corresponding period of the previous year thereby achieved a growth of 14%.

The Company's profit before depreciation, interest, tax amounts to Rs. 1,257.99 lacs as compared to Rs.1,072.48 lacs in the previous year, registering a growth of 17%. The Company has achieved Profit Before Tax, Extraordinary & Prior period Items of Rs. 673.89 lacs as against Rs. 399.65 lacs higher by 69%. The Net Profit was Rs. 441.58 lacs as against Rs.325.61 lacs for the previous year.

The financial year 2009-10 was a significant year for the Company in terms of growth in profitability, The net profit during the year has grown by 36% over the previous financial year.

Dividend

The Board of Directors at the meeting held on May 15, 2010, recommended a dividend of 20% (Rs. 2.00) per Equity Share (last year 18% per Equity Share) on 50,50,600 equity shares of Rs.10 each for the year ended March 31, 2010, subject to approval of the shareholders in the ensuing Annual General Meeting. Distribution Tax on the dividend is being borne by the Company.

Transfer to Reserves

In accordance with the provisions of the Companies Act, 1956 read with Companies (Transfer to reserves)

Rules, 1975, your directors propose to transfer a sum of Rs. 45.00 lacs to the general reserve out of profits earned by the Company. A sum of Rs. 857.25 lacs is proposed to be retained in the profit and loss account.

Finance

The Company's additional requirement of working capital has been financed by Allahabad Bank. The said Bank has sanctioned the enhanced working capital of Rs. 7150.00 lacs as against working capital of Rs.5500.00 lacs in previous year. The bank has also sanctioned term loan of Rs.235.00 lacs.

Fixed Deposits

The Company has not accepted any deposits from the public in terms of Section 58A of the Companies Act, 1956 and rules made there under, during the year 2009-10 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

Management Discussion and Analysis Report

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

Corporate Governance

Your Company is committed to maintain the good Corporate Governance practices. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance

together with a certificate from the Company's Auditor confirming compliance is set out in annexure C and D forming part of this report. Further a declaration on the Code of Conduct is given as annexure E.

CEO and CFO Certification

As required under clause 49(v) of the listing agreement, the CEO/CFO certification on the accounts of the Company as given by Sri Pradip Kumar Todi, Managing Director and Sri Ajay Kumar Patodia, Chief Financial Officer is set out in annexure E forming part of this report.

Director's Responsibility Statement

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

- In the preparation of the annual accounts for the year ended March 31, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at March 31, 2010 and of the profit of the Company for the year ended on that date;



- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

Directors

In accordance with the provisions of section 256(1) of the Companies Act, 1956 and Article 115 of the Article of Association of the Company, Sri Snehasish Ganguly liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

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

Auditors and Auditor's Report

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

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

The Auditors in their Report has referred that there has been slight delay in deposit of these statutory dues in some case.

There are delays in payment of statutory dues in some cases as the Company's business locations are situated in various geographical areas and collection of information in relation to payment statutory dues to the head office of the company takes some time.

Listing with the Stock Exchanges

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

Industrial Relation

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

Particulars of Employees

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

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

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

Donation

During the year under review, the Company has made donation of Rs. 6.86 lacs for charitable and other purposes.

Acknowledgement

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

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

For and on behalf of the Board of Directors

Kolkata
July 08, 2010

Ashok Kumar Todi
Chairman

LUX INDUSTRIES LIMITED

ANNEXURE A

Information under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) rules, 1988 and forming part of Director's Report for the year ended March 31, 2010

CONSERVATION OF ENERGY

a. Energy Conservation measures taken :

The operations of your company are not energy intensive, nonetheless, the energy optimization measures continue to be pursued by the management during the year, viz, reduction of non – essential loads to save the power.

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

c. Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: The impact of measures taken under (a) are under observation.

d. Total energy consumption and energy consumption per unit of production as per Form A of the annexure in respect of industries specified in the Schedule thereto as per Form A : Not Applicable

RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

a. Research & Development (R & D):

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

b. Technology absorption, adaptation and innovation:

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

Sl. No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)
i)	Earning	239,029,051.00	223,486,675.54
ii)	Outgo	12,854,716.00	11,359,715.00

For on behalf of the Board of Directors

Kolkata
July 08, 2010

Ashok Kumar Todi
Chairman



ANNEXURE B

Management Discussion and Analysis Report

Industry structure and development

Global Economy after the unprecedented global economic downfall, World GDP dropped by 0.5 percent (IMF) in 2009. However, the revival has been better than expected, moderate in many developed economies but strong in most emerging economies. In most countries, Government initiatives and support have been key to kick start the recovery. For the year 2010-11, IMF has predicted an increase of about 4.2 percent in World GDP. However, the United Nations expects the world economy to bounce back with a mild 2.4 per cent growth in 2010.

As per Reserve Bank of India (RBI), real GDP growth for 2009-10 was at 7.5 percent, however, baseline projection of real GDP growth for 2010-11 is placed at 8 percent with an upside bias. Further, the Economic Survey and RBI point out that a strong domestic demand will support the recovery in India. For India, the main challenge will be to ensure durable fiscal consolidation, through implementation of fiscal and other structural reforms. The notable improvement in both domestic and export demand should enhance business prospects, and hence, attract investments. The partial rollback of indirect tax cuts is not expected to significantly affect the economy's growth prospects. Tax concessions offered to the middle class, expected to benefit 60 percent of the tax payers, will boost private consumption and offset the impact of rise in excise duties.

The Indian cotton crop of 2009-10 is estimated at 292 lacs bales, which is a marginal increase from the previous year. However, due to the increase in demand and higher international prices, cotton prices rose sharply in December resulting higher raw material cost. The Textile industry has attracted investment to the tune of Rs. 2 lacs crore under TUF for capacity expansion and modernization, which has started paying yield. We have a firm faith in the bright future of the industry in India. Your Company is planning expansion in knitting capacities to build on economies of scales and develop capabilities to serve the domestic and global market.

Opportunities and threats

Micro-economic as well as industry specific indications point to enduring buoyancy in the domestic and international market. Changing demographics (young, higher disposable income, experimental, urbanization, willingness to spend) further fuelled by trend like greater awareness of brand and fashion is rapidly enlarging the opportunity.

One of the main features of India's growth story is that the demand in India is self replicating, rising from within the country, largely independent from any global turbulence. While this acts as a safety net, at least to an extent, in so far as the vagaries of international fluctuation in demand is concerned, this is also prompting all industries, both domestic and international, to make the most of the opportunity.

Your Company has the inherent strengths, in the form of strong domain expertise, powerful brand positioning, strength and resilience of the brands, combined with the deep retail market penetration, provide a highly potent platform to seize the opportunities that are bound to arise during cyclical downturns in the form of newer markets, new segments of customers, new channels of distribution, etc.

Segment-wise or product-wise performance

The Company's operating operation comprises of only one primary segment viz. manufacturing and sale of Hosiery Goods. Company's sales are affected in the domestic and export market, there are two secondary segments as geographical segments viz. domestic and export.

LUX INDUSTRIES LIMITED

Future Outlook

Lux the reputed innerwear company has the largest section of Indian innerwear market. The brand has nationwide network of 600 distributors, 10,000 wholesalers and 3,00,000 retailers. With a distribution network focusing on rural and semi-rural market, placement of products at leading hosiery and fashion outlets throughout the country at moderate pricing, your Company continues to rule the market with Lux Cozi, Lux Cozi ONN and GenX NV as the most popular brands with brand ambassadors like Shahrukh Khan, Neil Nitin Mukesh and Sunny Deol. The Company take the innovative mediums like publications, city supplements, some specific youth centric magazines, lots of in-store displays, hoardings, advertisements through TV Channels etc to bring up the brand visibility.

Future market potential for Company's products looks encouraging and is continuously making special efforts to tap new markets, apart from traditional markets by launching new products.

Risks and Concerns

The Company is exposed to risks from market fluctuations of foreign exchange, interest rates and commodity prices and business risk.

Foreign exchange risk

The Company's policy is to systematically hedge its foreign exchange risk considering prevalent conditions.

Interest rate risk

Given the interest rate fluctuations, the Company has adopted a prudent and conservative risk mitigating strategy to minimise the interest costs.

Commodity price risk

The increasing cost of input may affect the margins, since increasing competition will not allow the Company to fully pass the increasing cost burden on to the customers. Looking at the future scenario of the product prices may remain moderate with little scope to effect any increases. Adequate availability of raw material at the right prices is crucial as any disruption in the supply could affect the profitability of the Company. The Company's strong reputation for quality, product differentiation and service the existence of a strong brand image and a strong marketing network mitigates the impact of price risk on finished goods.

Risk element in individual businesses

Apart from the risks on account of interest rate, foreign exchange and regulatory changes, various businesses of the Company are exposed to certain operating business risks, which are managed by regular monitoring and corrective actions.

Internal control systems and their adequacy

The Company has a proper and adequate systems of internal control which ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.

The Company has engaged a competent firm of Chartered Accountants to conduct internal audit, examine and evaluate the adequacy and effectiveness of the Internal Control System. The internal audit ensures that the systems designed and implemented, provides adequate internal control commensurate with the size and operations of the Company.

The emphasis on internal control prevails across functions and processes, covering the entire gamut of activities including finance, supply chain, sales & distribution, marketing etc. A strong system of internal audit and effective and comprehensive reviews by the Audit Committee of the Board have strengthened the internal control within the organization.



ANNUAL REPORT 2009-10



Financial Performance and Analysis

Lux Industries has delivered superior financial performance during the year with improvement across all major parameters.

(Rupees in Lacs)

Particulars	2009-10	2008-09	Change	Percentage
Turnover	33,394.04	29,194.47	4,199.57	14% +
Other Income	281.21	298.90	(17.69)	(6)%+
Gross Expenditure	32,417.26	28,420.29	3,996.97	14% +
Profit before Depreciation, Interest, Tax, Exceptional Item & Prior Period Adjustment	1,257.99	1,072.48	185.51	17% +
Less: Depreciation	114.06	106.72	7.34	7% +
Profit before Interest, Tax, Exceptional Item & Prior Period Adjustment	1,143.93	965.76	178.17	18% +
Less: Interest	470.04	566.11	(96.07)	(17)% +
Profit before tax, Exceptional Item and Prior Period Adjustment	673.89	399.65	274.24	69% +
Less: Provision for Taxes	231.93	190.90	41.03	21% +
Profit after Tax and before Exceptional Item and Prior Period Adjustment	441.96	208.75	233.21	112% +
Add: Exceptional Items	-	117.77	(117.77)	(100)%+
Profit after tax and before Prior Period Adjustment	441.96	326.52	115.44	35% +
Less: Prior Period Adjustment	(0.38)	(0.91)	(0.53)	(58)% +
Profit After Prior Period Adjustment	441.58	325.61	115.97	(36)% +

Human Resources Development

Beyond the Balance Sheet lies Company's singly biggest Assets- Human Resource. The human resource assets of the Company comprise of people of diverse educational and technical backgrounds. The Company has a strong process to evaluate and recruit employees from all over India. The Company considers training and development of its employees as crucial, to enable to develop their skills and to meet its dynamic business needs. The Company has inbuilt systems to ensure that employees are continuously updated with the needs of the changing technology.

The industrial relations continued to remain cordial during the year.

The total number of employees on the Company's payroll as on March 31, 2010 was 148.

Cautionary Statement

Statement in this Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could differ materially to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, change in Government policies and regulations, tax regimes, economic development within India and the countries in which the Company conducts business and other incidental factors. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

LUX INDUSTRIES LIMITED

ANNEXURE C

Report on Corporate Governance

Company's philosophy on Corporate Governance

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

Board of Directors

(a) Composition of the Board

As on March 31, 2010, The Company's Board of Directors consisted of six members. The Chairman of the Board is an Executive Promoter Director. In addition, the Board comprises of five other Directors, two of them being Executive Directors and remaining three are Non – Executive Independent Directors. None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees across all companies in which they are Directors.

The composition of the Board of Directors, the number of other Directorship and Committee position held by the Director as a Member/ Chairman as on March 31, 2010 are as under:

Name of the Director	Category of Directorship	No. of other Directorships	No. of Committee Memberships*	
			Chairman	Member
Sri Ashok Kumar Todi	Promoter Whole-time-Director Executive Chairman	12	-	-
Sri Pradip Kumar Todi	Promoter Managing Director Executive	14	-	-
Sri Navin Kumar Todi	Non-Independent Executive	1	-	-
Sri Nandanandan Mishra	Independent Non-Executive	4	1	3
Sri Snehasish Ganguly	Independent Non-Executive	3	-	-
Sri Kamal Kishore Agrawal	Independent Non-Executive	1	-	-

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



(b) Board Procedure

The Board of Directors meets from time to time to transact the business in respect of which the Board's attention is considered necessary. There is a well-laid procedure to send detailed agenda papers to the Directors before such Meetings. The Directors express their views freely and seek clarifications on various items of business taken up in such meetings. The discussions are held in a transparent manner. Various decisions emanating from such meetings are implemented to streamline the systems and procedures followed by the Company.

The information as specified in Annexure 1A to Clause 49 of the Listing Agreement is regularly made available to the Board.

(c) Attendance of each Director at the Board Meetings and the Last Annual General Meeting

Name of the Director	No. of Board Meeting attended	Attendance at last AGM held on September 30, 2009
Sri Ashok Kumar Todi	5	No
Sri Pradip Kumar Todi	6	No
Sri Navin Kumar Todi	6	No
Sri Nandanandan Mishra	4	Yes
Sri Snehasish Ganguly	4	No
Sri Kamal Kishore Agrawal	6	Yes

(d) Details of Board Meeting held during the Year

Date of Board Meeting	15.04.09	30.06.09	30.07.09	11.09.09	27.10.09	31.12.09	29.01.10
Board Strength	6	6	6	6	6	6	6
No. of Directors Present	5	5	4	5	5	3	4

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

(e) Relationship inter-se

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

(f) Details of Shareholding of directors as on March 31, 2010

SL No.	Name	No. of share held
1	Sri Ashok Kumar Todi	656000
2	Sri Pradip Kumar Todi	731000

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

LUX INDUSTRIES LIMITED

Audit Committee

(a) Composition of Audit Committee

Your Company has an Audit Committee at the Board Level, with the powers and role that are in accordance with Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The composition of the Audit Committee as on March 31, 2010 is as follows:

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

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

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

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

Name of the Committee Member	No. of Meetings	
	Held	Attended
Sri Nandanandan Mishra	5	3
Sri Snehashish Ganguly	5	2
Sri Kamal Kishore Agrawal	5	5

(c) Powers of Audit Committee

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

(d) Function of Audit Committee

The key functions of the Audit Committee include the following:

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



- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in the draft audit report.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department.
- Discussion with internal auditors with respect to the coverage and frequency of internal audits as per the annual audit plan, nature of significant findings and follow up thereof.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Obtaining an update on the Risks Management Framework and the manner in which risks are being addressed.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Review the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors, if any.
- To review the functioning of the Whistle Blower mechanism and the nature of complaints received by the Ombudsman.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Remuneration Committee

Your Company has a Remuneration Committee at the Board Level, to look into the matters of recommendation of remuneration of Executive Directors. The Committee met once during the year and approves the Annual Remuneration Plan of the Company and also such other matters as the Board may from time to time request the Remuneration Committee to examined and recommend / approve.

Details of the composition of the Committee as on March 31, 2010 is as follows:

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

The Committee met once January 29, 2010 and Sri Nandanandan Mishra, Sri Snehasish Ganguly had attended the meetings.

LUX INDUSTRIES LIMITED

Remuneration Policy

(a) Remuneration to Non-Executive Directors

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

(b) Remuneration to Directors

The appointment of Chairman (Wholetime Director) and Managing Director is governed by resolutions passed by the Board of Directors and shareholders of the Company, which covers the terms of such appointment and remuneration. Payment of remuneration to Chairman and Managing Director is governed by the respective agreements executed between them and the Company. Remuneration paid to Chairman and Managing Director is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the Annual General Meetings.

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

Details of Remuneration to all the Directors for the year ended March 31, 2010

Name of Director	Remuneration	Sitting Fees		Total
		Board Meetings	Audit Committee	
Sri Ashok Kumar Todi	15,00,000.00	-	-	15,00,000.00
Sri Pradeep Kumar Todi	15,00,000.00	-	-	15,00,000.00
Sri Nandanandan Mishra	-	8,000.00	6,000.00	14,000.00
Sri Snehasish Ganguly	-	8,000.00	4,000.00	12,000.00
Sri Navin Kumar Todi	-	-	-	-
Sri Kamal Kishore Agrawal	-	12,000.00	10,000.00	22,000.00

Shareholders Grievance Committee

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

Details of the composition of the Committee as on March 31, 2010 is as follows:

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

The Committee met once on January 29, 2010 and Sri Nandanandan Mishra, Sri Snehasish Ganguly had attended the meetings.



During the year the Company has received 54 complaints which were attended to. No investors' complaint is pending as on March 31, 2010.

Sri Deoki Nandan Soni, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges.

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 2009-10.

(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 participate in the discussion, nor do they vote on such matters.

Disclosure regarding appointment or reappointment of Directors

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

Compliance certificate of the Auditors

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

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.

CEO / CFO Certification:

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

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
12th	September 25, 2007 10.00 a.m	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata – 700 017	a) Payment of enhanced remuneration to Sri Pradip Kumar Todi, Managing Director of the Company. b) For appointment of Sri Ashok Kumar Todi as Wholetime Director of the Company for a period of five years. c) For changing the name of the Company from Lux Hosiery Industries Limited To Lux Industries Limited. d) For approval u/s 81, 81(1A) to issue securities and instruments to persons, other than existing shareholders, not exceeding 300 crores in face value.
13th	September 27, 2008 10.00 a.m	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata – 700 017	Nil
14th	September 30, 2009 10.00 a.m	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata – 700 017	For Re- appointment of Sri Pradip Kumar Todi as Managing Director of the Company for a period of five years.

LUX INDUSTRIES LIMITED

(b) Passing of Resolutions by Postal Ballot

No resolutions were passed by postal ballot in the year under review. At the forthcoming AGM also, there is no items on the Agenda that needs approval by Postal Ballot.

(c) Extra-ordinary General Meeting:

No Extra-ordinary general meeting was held by the Company during the financial year ended March 31, 2010.

Disclosures

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

Transactions with related parties as per Accounting Standard (AS-18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Note No.6 in Schedule 15 (B) to the Accounts in the Annual Report.

During the year the Company has obtained approval of the Regional Director, Ministry of Corporate Affairs (MCA) Eastern Region, Kolkata for having transaction with M/s Jaytee exports, wherein Sri Ashok Kumar Todi, Sri Pradip Kumar Todi and Sri Navin Kumar Todi are partners. The Company also placed before the board the details of all transactions with related parties / companies promoted by the Todi family for its approval / ratification.

(b) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 211 (3)(c) of the Companies Act, 1956. The significant accounting policies which are consistently applied are set out in the Annexure to Notes on Accounts.

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

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

(d) Risk Management

The Company has periodic review and reporting to the Board of Directors of risk assessment by senior executives with a view to minimize risk.

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

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

(f) Disclosure of Non Mandatory Requirement

Chairman's Office

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

Remuneration Committee

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

Shareholders Rights

The financial are normally published in Business Standard (English) and Kalantar (Bengali) newspapers and therefore, have not been separately circulated to the shareholders.

Audit Qualification

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

Training of Board Members

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



ANNUAL REPORT 2009 - 10



Mechanism for evaluating Non-Executive Board Members

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

Whistle Blower Policy

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

Means of Communication

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

General Shareholder Information:

Annual General Meeting

Date and Time	Wednesday, September 22, 2010 at 11.30 am
Venue	DPSC Auditorium, Plot no X – 1, 2 & 3, Block – EP Sector – V, Saltlake City, Kolkata – 700 091
Book closure dates	September 19, 2010 to September 22, 2010 (both days inclusive)
Proposed dividend	Rs. 2.00(20%) per equity share of Rs. 10/- each
Dividend payment date	On or after September 22, 2010 (within the statutory time limit of 30 days), subject to shareholders' approval

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

Financial Calendar

First Quarterly Results	2nd week of Aug, 2010
Second Quarterly Results	2nd week of Nov, 2010
Third Quarterly Results	2nd week of Feb, 2011
Fourth Quarterly Results	2nd week of May, 2011
Annual General Meeting	September, 2011

LUX INDUSTRIES LIMITED

Listing on Stock Exchange & Stock Code:

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

Annual Listing fees for the year 2010-11 have been duly paid to the above Stock Exchanges.

Dematerialisation of Shares

The Company has arrangements with both NSDL and CDSL to establish electronic connectivity for scrip less trading and as on March 31, 2010, 29.69% of the paid up share capital is held in dematerialised form. The Annual Custodial Charges to NSDL and CDSL has also been paid. The ISIN Number allotted to Company's Shares is INE150G01012.

Shares held in demat and physical mode as at March 31, 2010

Category	Number of		% to total equity
	Shareholders	Shares	
A. Demat mode			
No. of Shares held by NSDL	741	1392148	27.57
No. of Shares held by CDSL	239	107157	2.12
Total	980	1499305	29.69
Physical mode	104	3551295	70.31
Grand total (A+B)	1084	5050600	100.00

Unclaimed Dividend

Section 205A of the Companies Act, 1956, mandates that companies transfer dividend that has been Unpaid / Unclaimed for a period of seven years from the unpaid account to the Investor's Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned below, if unclaimed within a period of seven years, will be transferred to IEPF.

Year	Dividend type	Dividend per share (Rs.)	Date of declaration	Due date for transfer
2003-2004	final	1.00	September 28, 2004	November 05, 2011
2004-2005	final	1.20	September 27, 2005	November 04, 2012
2005-2006	final	1.50	September 27, 2006	November 04, 2013
2006-2007	final	2.00	September 25, 2007	November 02, 2014
2007-2008	final	2.20	September 27, 2008	November 04, 2015
2008-2009	final	1.80	September 30, 2009	November 07, 2016



ANNUAL REPORT 2009 - 10



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

Stock Price data

There was no transaction of the Equity Shares of the Company at the Calcutta Stock Exchange and Ahmedabad Stock Exchange during the year ended March 31, 2010.

Registrar and share Transfer Agents

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

Secretarial Audit

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

National – Electronic Clearing Service (NECS) Facility

As per RBI notification, with effect from 1st October, 2009 the remittance of dividend through Electronic Credit Service (ECS) is replaced by National Electronic Clearing Service (NECS). Shareholders were requested by the Company vide Circular dated 5th March, 2010 to intimate their Folio No(s), Name and Branch of the Bank in which they wish to receive the dividend, the Bank account type, Bank Account Number allotted by their banks after implementation of Core Banking Solutions (CBS) and the 9 digit MCR Code Number.

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

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

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

Share Transfer System:

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

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

LUX INDUSTRIES LIMITED

Distribution of Shareholding as on March 31, 2010

Range of Shares held	No. of Shareholders	%	No. of Shares	%
1-5000	793	73.15	168161	3.33
5001 - 10000	185	17.07	158757	3.14
10001- 20000	40	3.69	62600	1.24
20001-30000	14	1.29	37082	0.73
30001-40000	2	0.18	7200	0.14
40001-50000	6	0.55	28000	0.55
50001-100000	13	1.20	89600	1.77
100001and above	31	2.87	4499200	89.10
Total	1084	100.00	5050600	100.00

Shareholding pattern as at March 31, 2010

Category	Number of		% to total equity
	Shareholders	Shares	
A. Promoters			
- Indian Promoters	7	3547500	70.24
B. Non- Promoters			
- Corporate Bodies	38	935922	18.53
- Indian Public	1039	567178	11.23
Total	1084	5050600	100.00

Location of Plant:

1. S. F. 473/1B1, Avinashi Lingam Palayam, Palangarai Village, Avinashi (T.K.) Coimbatore – 641 654
2. 57/D, B. T. Road Kolkata – 700 002
3. Sankrail Industrial Park vill & Post -Kandwa P.S.- Sankrail, Howrah-711 302

Address for Correspondence:

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



ANNEXURE D

Auditors' Certificate on Corporate Governance

To

The Members of
Lux Industries Limited,

- a. We have examined the compliance of conditions of Corporate Governance by Lux Industries Limited, for the year ended on March 31, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.
- b. The Compliance of conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
- c. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.
- d. We state that no investor's grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.
- e. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Modi Sunil & Associates

Chartered Accountants

Sunil Modi

Proprietor

Membership No. 056515

Kolkata

May 15 , 2010

ANNEXURE E

Certification by Managing Director and Chief Financial Officer of the Company

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

1. We have reviewed the Balance Sheet of the Company as at March 31, 2010 and Profit and Loss Account for the year ending on such date together with all its schedule and notes on Accounts, as well as the Cash Flow Statement.
2. To the best of our knowledge and information:
 - a. these statements do not contain any materially untrue statement or omit to state a material fact or contains statements that might be misleading.
 - b. these statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
3. We also certify that based on our knowledge and information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal or violate the Company's code of conduct.
4. We and the Company's other Certifying Officers are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedure.
5. We and the Company's other Certifying Officers have disclosed, based on our most recent evaluation, whichever applicable, to the Company's auditors and through them to the Audit Committee of the company, the following:
 - a. all significant deficiencies in the design or operation of internal controls , which we are aware of and have taken steps to rectify these deficiencies;
 - b. significant changes in internal control during the year;
 - c. any fraud, which we have become aware of and that involves the management or other employees who have a significant role in the Company's internal control systems;
 - d. significant changes in accounting policies during the year.

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

Kolkata

May 15 , 2010

Pradip Kumar Todi

Managing Director

Ajay Kumar Patodia

Chief Financial Officer

LUX INDUSTRIES LIMITED

Auditors' Report

To
The Members of
Lux Industries Limited,

We have audited the attached Balance Sheet of M/s. LUX INDUSTRIES LIMITED, Kolkata, as at March 31, 2010, the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

1. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
3. The Balance sheet and the Profit and Loss account and Cash Flow Statement dealt with by the report are in agreement with the books of account;
4. In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards (AS) referred to in section 211(3C) of the Companies Act, 1956;
5. On the basis of written representation received from the Directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Clause (g) of sub-section(1) of Section 274 of the Companies Act, 1956;
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010 and
 - ii) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.
 - iii) In the case of the Cash Flow Statement, of the cash flow of the company for the year ended on that date.

For Modi Sunil & Associates
Chartered Accountants
Firm Registration No.: 322564E

CA Sunil Modi
Proprietor
Membership No. 056515



ANNEXURE TO THE AUDITOR'S REPORT

ANNEXURE IN TERMS OF PARA 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF LUX INDUSTRIES LTD. ON THE ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2010.

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) According to the information and explanation given to us all the Fixed Assets have been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable having regard to the size of the Company and the nature of the assets. As informed to us, no material discrepancies were noticed on such verification.
c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- 2) a) The Inventory of the Company has been physically verified by the management during the year except material lying with third parties (which have substantially been confirmed by such third parties as at the year end. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable. In case of materials lying with third parties, certificates confirming stocks have been received for stocks held.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management found reasonable and adequate in relation to the size of the Company and the nature of its business.
c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the Company.
- 3) a) As informed to us, the Company has not granted any loans ,secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act,1956. As the Company has not granted any loans, secured or unsecured, to parties listed in the register maintained under section 301 of the Companies Act, 1956, paragraphs 3(b),(c) and (d) of the order , are not applicable.
b) The Company has taken unsecured loan from five parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 299,595,740.22 (Previous year Rs.251, 044,297.22) and the year-end balance of loans taken from such parties was Rs.165,123,273.63 (Previous year 144,786,859.22).
c) In our opinion and according to the information & explanation given to us, the rate of interest and other terms and conditions on which such loans have been taken from Companies, firm or other parties listed in the register maintained under section 301 of Companies act, 1956 are prima facie not prejudicial to the interest of the Company.
d) In respect to loans taken, the terms of payment of principal amount are not stipulated. The payment of interest has been regular.

LUX INDUSTRIES LIMITED

- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of the business for purchases of inventories, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal controls in respect of these areas.
- 5) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public as defined under Section 58A and 58AA of the Companies Act and any other relevant provisions of the Act and rules made there under.
- 7) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- 8) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Companies Act, 1956, for any of the products of the company.
- 9) a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues applicable to ***it though there has been slight delay in deposit of these statutory dues in some cases.***
- b) According to the Information and explanation given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, sales tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.
- c) According to the records of the Company, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty or cess which has not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act	Sales Tax	2,086,586	2003-04	Commissioner, Commercial Taxes, kolkata
West Bengal Sales Tax act	Penalty	3,083,684	2003-04	Commissioner, Commercial Taxes, kolkata
West Bengal Sales Tax act	Penalty	1,917,202	2004-05	Commissioner, Commercial Taxes, kolkata
Tamil Nadu Sales Tax Act, 1959	Penalty	12,295,937	2004-05	Assistant Commissioner of Commercial Taxes, Pollachi



ANNUAL REPORT 2009 - 10



- 10) The Company does not have accumulated losses as at March 31, 2010 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
- 11) Based on our audit procedures and as per the information and explanations given by the management, we are of opinion that the Company has not defaulted in repayment of dues to financial institution, bank or debenture holders as at the Balance Sheet date.
- 12) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The provision of any special statute as specified under paragraph (xii) of the order are not applicable to the Company.
- 14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- 16) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- 17) We have been informed by the management that the funds raised on short term basis have not been used for long term investment and vice-versa, through surplus funds which were not required for immediate utilization have been invested / given as loans payable on demand. The maximum amount of surplus fund invested during the year was Rs. 20,000,000.00 and the year end balance of such loan was Rs. 20,474,904.00
- 18) The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- 19) As the Company has no debenture outstanding at any time during the year, paragraph (xix) of the order is not applicable to the Company.
- 20) The Company has not raised any money by public issue during the year.
- 21) On the basis of the information and explanation given to us, no fraud on or by the Company were noticed or reported during the year.

For Modi Sunil & Associates

Chartered Accountants

Firm Registration No.: 322564E

Kolkata
May 15 , 2010

CA Sunil Modi
Proprietor
Membership No. 056515

LUX INDUSTRIES LIMITED

BALANCE SHEET

(Rupees)

As at March 31,	Schedule	2010		2009	
SOURCES OF FUNDS					
SHAREHOLDER'S FUND					
Share capital	1	52,998,000.00		52,998,000.00	
Reserves and surplus	2	169,210,336.45	222,208,336.45	136,831,067.86	189,829,067.86
LOAN FUNDS					
Secured loans	3	675,271,343.23		417,905,586.34	
Unsecured loans	4	165,123,273.63	840,394,616.86	144,786,859.22	562,692,445.56
			1,062,602,953.31		752,521,513.42
APPLICATION OF FUNDS					
FIXED ASSETS					
	5				
Gross block		129,678,435.70		113,755,615.70	
Less : Provision for depreciation		45,526,503.56		35,822,794.19	
Net block		84,151,932.14		77,932,821.51	
Add : Capital work-in-progress		67,286,720.88	151,438,653.02	6,600,002.00	84,532,823.51
INVESTMENTS	6		2,476,151.00		2,001,926.00
DEFERRED TAX ASSET (NET)			3,115,795.00		3,308,666.00
CURRENT ASSETS, LOANS AND ADVANCES					
	7				
Accrued interest		518,581.59		237,253.59	
Inventories		547,083,153.00		207,337,933.49	
Sundry debtors		591,628,631.90		655,921,281.78	
Cash and bank balances		81,571,695.09		198,417,714.79	
Loans and advances		101,377,618.00		46,735,483.50	
	(A)	1,322,179,679.58		1,108,649,667.15	
LESS : CURRENT LIABILITIES AND PROVISION					
	8				
Liabilities		402,414,778.29		433,358,294.04	
Provisions		14,382,547.00		12,993,275.20	
	(B)	416,797,325.29		446,351,569.24	
NET CURRENT ASSETS	(A-B)		905,382,354.29		662,298,097.91
MISCELLANEOUS EXPENDITURE					
(to the extent not written off or adjusted)	9		190,000.00		380,000.00
			1,062,602,953.31		752,521,513.42
Significant accounting policies and notes on accounts	15				

Schedules 1 to 9 and 15 referred to above form an integral part of the Balance Sheet.

As per our report of even date attached

For **Modi Sunil and Associates**

Chartered Accountants

Firm Registration No.: 322564E

Sunil Modi

Proprietor

Membership no.056515

Ashok Kumar Todi

Chairman

Ajay Kumar Patodia

Chief Financial Officer

For and on behalf of the Board

Pradip Kumar Todi

Managing Director

Deoki Nandan Soni

Company Secretary



PROFIT AND LOSS ACCOUNT

(Rupees)

For the year ended March 31,	Schedule	2010	2009
INCOME	10		
Sales		3,339,404,027.16	2,919,446,779.73
Other income		28,121,437.49	29,890,196.01
		3,367,525,464.65	2,949,336,975.74
EXPENDITURE			
Raw materials etc.	11	1,979,453,036.06	1,740,830,829.92
Personnel expenses	12	27,224,539.00	22,595,055.00
Operative and other expenses	13	1,234,858,443.95	1,078,472,584.24
Interest and finance charges	14	47,004,550.15	56,611,233.50
Depreciation		11,406,049.90	10,672,564.22
Share issue expenses written off		190,000.00	190,000.00
		3,300,136,619.06	2,909,372,266.88
PROFIT BEFORE TAXES EXTRAORDINARY & PRIOR PERIOD ITEMS		67,388,845.59	39,964,708.86
Less : Provision for taxes			
Current tax		23,000,000.00	19,600,000.00
Deferred tax (refer to notes 14)		192,871.00	(1,135,252.00)
Fringe benefit tax		-	625,000.00
PROFIT AFTER TAXES AND BEFORE EXTRAORDINARY & PRIOR PERIOD ITEMS		44,195,974.59	20,874,960.86
Profit from extraordinary items (refer to note 13)		-	11,777,623.00
PROFIT AFTER TAXES AND BEFORE PRIOR PERIOD ITEMS		44,195,974.59	32,652,583.86
Less : Income tax for earlier years		64,440.00	71,921.00
Less : Previous year adjustments		(26,617.00)	18,722.00
NET PROFIT		44,158,151.59	32,561,940.86
Add : Balance brought forward from previous year		57,845,343.86	39,419,512.00
PROFIT AVAILABLE FOR APPROPRIATION		102,003,495.45	71,981,452.86
APPROPRIATIONS			
Transferred to general reserve		4,500,000.00	3,500,000.00
Proposed dividend on equity shares		10,101,200.00	9,091,080.00
Tax on proposed dividend		1,677,683.00	1,545,029.00
Surplus carried to Balance Sheet		85,724,612.45	57,845,343.86
		102,003,495.45	71,981,452.86
EARNING PER SHARE (Nominal value per share Rs 10)			
BEFORE EXTRAORDINARY ITEMS			
Basic		8.74	4.12
Diluted		8.74	4.12
AFTER EXTRAORDINARY ITEMS			
Basic		8.74	6.45
Diluted		8.74	6.45
Number of shares used in computing earnings per share			
Basic		5,050,600	5,050,600
Diluted		5,050,600	5,050,600
Significant accounting policies and notes on accounts	15		

Schedules 10 to 15 referred to above form an integral part of the Profit and Loss account.

As per our report of even date attached

For **Modi Sunil and Associates**

Chartered Accountants

Firm Registration No.: 322564E

Sunil Modi

Proprietor

Membership no.056515

Kolkata

May 15, 2010

Ashok Kumar Todi

Chairman

Ajay Kumar Patodia

Chief Financial Officer

For and on behalf of the Board

Pradip Kumar Todi

Managing Director

Deoki Nandan Soni

Company Secretary



Schedules Forming Part of Accounts

(Rupees)

As at March 31,	2010	2009
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
25,000,000 (25,000,000) equity shares of Rs. 10/- each	250,000,000.00	250,000,000.00
	250,000,000.00	250,000,000.00
Issued and subscribed		
5,547,500 (5,547,500) equity shares of Rs. 10/- each	55,475,000.00	55,475,000.00
Paid up		
5,050,600 (5,050,600) equity shares of Rs. 10/- each	50,506,000.00	50,506,000.00
Add: Forfeited shares	2,492,000.00	2,492,000.00
	52,998,000.00	52,998,000.00
Note:		
1. of the above 2,838,000 equity shares (2,838,000) have been allotted as fully paid up bonus shares by capitalisation of free Reserves of Rs. 28,380,000 on December 02, 2002.		
2. The Company has forfeited 496,900 partly paid shares on June 24, 2006.		
SCHEDULE 2		
RESERVES AND SURPLUS		
Securities Premium	65,357,500.00	65,357,500.00
General Reserve		
Opening balance	13,628,224.00	10,128,224.00
Add: Transferred from Profit and Loss account	4,500,000.00	3,500,000.00
	18,128,224.00	13,628,224.00
Profit and Loss Account	85,724,612.45	57,845,343.86
	169,210,336.45	136,831,067.86
SCHEDULE 3		
SECURED LOANS		
Loan from banks		
Cash credit [refer to note no. 2(a)]	664,123,907.23	417,905,586.34
Term Loan [refer to note no. 2(b)]	11,147,436.00	-
	675,271,343.23	417,905,586.34
SCHEDULE 4		
UNSECURED LOANS		
From Body corporates and others [refer to note 2(C)]		
	62,647,389.41	142,531,004.00
From Directors	102,475,884.22	2,255,855.22
	165,123,273.63	144,786,859.22

LUX INDUSTRIES LIMITED

Schedules Forming Part of Accounts

**Schedule 5
Fixed Assets**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2009	Additions for the year	Deletions/Retirement during the yr	As at March 31, 2010	As at April 1, 2009	For the year	Deletions/Retirement during the yr	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Tangible Assets										
Freehold Land	33,530,188.00	-	-	33,530,188.00	-	-	-	33,530,188.00	33,530,188.00	
Factory Buildings	19,743,997.00	-	-	19,743,997.00	6,793,150.68	1,295,085.00	-	11,655,761.32	12,950,846.32	
Buildings	5,445,189.50	195,959.00	-	5,641,148.50	353,627.80	270,669.00	-	5,016,851.70	5,091,561.70	
Plant and machinery	44,253,778.20	9,284,972.00	208,551.00	53,330,199.20	21,741,847.07	6,987,524.00	198,123.42	24,798,951.55	22,511,931.13	
Furniture and fitting	1,840,911.00	230,043.00	-	2,070,954.00	877,005.60	179,348.00	-	1,056,353.60	1,014,600.40	963,905.40
Vehicles	8,941,552.00	2,231,309.00	2,210,914.00	8,961,947.00	6,057,163.04	751,669.90	1,504,217.11	3,657,331.17	2,884,388.97	
Intangible Assets										
Computer Software	-	6,400,002.00	-	6,400,002.00	-	1,921,754.00	-	4,478,248.00	-	-
Total	113,755,615.70	18,342,285.00	2,419,465.00	129,678,435.70	35,822,794.19	11,406,049.90	1,702,340.53	45,526,503.56	84,151,932.14	77,932,821.52
Capital work in progress								67,286,720.88	6,600,002.00	
Grand Total	113,755,615.70	18,342,285.00	2,419,465.00	129,678,435.70	35,822,794.19	11,406,049.90	1,702,340.53	45,526,503.56	151,438,653.02	84,532,823.52
Previous year	94,468,789.70	20,820,375.00	1,533,549.00	113,755,615.70	25,927,354.82	10,672,564.21	777,124.85	84,532,794.18	84,532,823.52	-



Schedules Forming Part of Accounts

(Rupees)

As at March 31,	2010		2009	
SCHEDULE 6				
INVESTMENTS				
Long Term Investment	No. of shares	Amount	No. of shares	Amount
Non -Trade				
In un quoted equity shares of Rs. 10 each fully paid up		-		-
Todi Hosiery Private Limited	84,000.00	840,000.00	84,000.00	840,000.00
Trade				
In quoted equity shares of Rs. 10 each fully paid up				
Pacific Cotspin Limited	49,120.00	440,150.00	49,120.00	440,150.00
Vardhman Polypac Limited	-	-	3,000.00	335,835.00
Vardhman Acrylics Limited	-	-	30,000.00	217,020.00
Viranchi Technology Limited	4,000	168,921.00	4,000.00	168,921.00
Vardhman Textiles Limited	4,000	1,027,080.00	-	-
	141,120	2,476,151.00	170,120.00	2,001,926.00
Aggregate cost of unquoted investment		840,000.00		840,000.00
Aggregate cost of quoted investment		1,636,151.00		1,161,926.00
Aggregate market value of quoted investment		1,206,280.00		295,846.80
SCHEDULE 7				
CURRENT ASSETS, LOANS AND ADVANCES				
CURRENT ASSETS				
Accrued Interest		518,581.59		237,253.59
Inventories				
(As certified and valued by the management)				
Raw materials	93,616,264.00		42,429,868.90	
Work in process	228,378,296.00		76,522,151.51	
Finished goods	195,636,470.00		67,545,974.42	
Packing materials	29,452,123.00	547,083,153.00	20,839,938.66	207,337,933.49
Sundry Debtors (Unsecured)				
Due outstanding for a period exceeding six months				
Considered good	24,613,904.00		51,419,529.05	
Considered doubtful	3,318,982.00		4,206,816.00	
	27,932,886.00		55,626,345.05	
Other debts (Considered good)	566,091,235.90		601,898,234.73	
	594,024,121.90		657,524,579.78	
Less: Provision for doubtful debts	2,395,490.00	591,628,631.90	1,603,298.00	655,921,281.78
Cash & Bank Balances				
Cash in hand (as certified by the management)	4,829,985.70		3,754,919.68	
Balances with scheduled banks				
On current accounts	73,087,209.10		190,537,520.84	
On deposit accounts	3,320,637.00		3,107,387.00	
On unclaimed dividend accounts	333,863.29	81,571,695.09	1,017,887.27	198,417,714.79
LOANS & ADVANCES (Unsecured)				
Other deposits	2,103,015.00		1,840,653.00	
Advance Recoverable in cash or in kind or for value to be received				
Considered good	97,220,370.00		42,256,223.50	
Considered doubtful	2,739,044.00		3,518,143.00	
	102,062,429.00		47,615,019.50	
Less: Provision for doubtful advances	684,811.00	101,377,618.00	879,536.00	46,735,483.50
		1,322,179,679.58		1,108,649,667.15

LUX INDUSTRIES LIMITED

Schedules Forming Part of Accounts

(Rupees)

As at March 31,	2010		2009	
SCHEDULE 8				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
SUNDRY CREDITORS				
Due to micro, small & medium enterprises	26,578,951.48		7,344,164.18	
Others	302,663,395.05	329,242,346.53	365,378,228.06	372,722,392.24
Advance from customer		25,413,243.03		17,344,802.15
Unclaimed dividend		274,279.00		958,239.00
Other liabilities		47,484,909.73		42,332,860.65
A		402,414,778.29		433,358,294.04
PROVISIONS				
Provision for retirement benefit		2,173,793.00		1,491,087.00
Proposed dividend on equity shares		10,101,200.00		9,091,080.00
Tax on proposed dividend		1,677,683.00		1,545,029.00
Provision for the diminution in value of investment		429,871.00		866,079.20
B		14,382,547.00		12,993,275.20
(A+B)		416,797,325.29		446,351,569.24
SCHEDULE 9				
MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
Share issue expenses	4,369,983.00		4,369,983.00	
Less : Written-off till date	4,179,983.00	190,000.00	3,989,983.00	380,000.00
		190,000.00		380,000.00

For the year ended March 31,	2010		2009	
SCHEDULE 10				
INCOME				
A. SALES				
Domestic sales		3,098,052,229.16		2,690,182,683.73
Export sales		241,351,798.00		229,264,096.00
		3,339,404,027.16		2,919,446,779.73
B. OTHER INCOME				
Interest received from fixed deposits (TDS Rs.31,257; P.Y. Rs. 55,403)		312,897.00		270,462.59
Interest received on delayed / advance payments		663,722.00		158,940.00
Duty drawback		20,939,125.00		21,654,345.00
Income from job charges (T.D.S. Rs.29,353; P.Y. Rs.50,416)		1,316,983.00		2,222,605.00
Assist under WBIP scheme		6,636,493.00		8,902,585.32
Incentive received on yarn purchased		481,459.00		590,209.00
Income from long term trade investment a) Dividend Income		-		6,000.00
b) Loss on sale of share		(5,127.00)		-
Profit on sale of fixed assets		434,866.53		168,476.00
Exchange fluctuation gain/(loss)		(2,658,981.04)		(5,060,076.26)
Insurance claim received		-		976,649.36
		28,121,437.49		29,890,196.01



Schedules Forming Part of Accounts

(Rupees)

For the year ended March 31,	2010		2009	
SCHEDULE 11				
RAW MATERIAL				
a) YARN CONSUMED				
Opening stock	42,429,868.90		66,714,646.70	
Add : Purchases during the year	1,387,751,903.47		809,605,143.17	
	1,430,181,772.37		876,319,789.87	
Less: Yarn sale	-		3,346,443.00	
Less : Closing stock	93,616,264.00	1,336,565,508.37	42,429,868.90	830,543,477.97
b) PURCHASES				
Fabrics	397,524,003.36		182,229,212.00	
Purchase of finished goods	90,643,707.00		20,369,770.00	
Packing material	443,278,641.74	931,446,352.10	359,545,151.77	562,144,133.77
c) (INCREASE) / DECREASE IN STOCK				
OPENING STOCK				
Work in process	76,522,151.51		253,474,410.90	
Finished goods	67,545,974.42		242,904,543.87	
Packing materials	20,839,938.66		16,672,328.00	
	164,908,064.59		513,051,282.77	
CLOSING STOCK				
Work in process	228,378,296.00		76,522,151.51	
Finished goods	195,636,470.00		67,545,974.42	
Packing materials	29,452,123.00		20,839,938.66	
	453,466,889.00	(288,558,824.41)	164,908,064.59	348,143,218.18
		1,979,453,036.06		1,740,830,829.92
SCHEDULE 12				
PAYMENT TO AND PROVISION FOR EMPLOYEES				
Salary		20,661,547.00		16,173,599.00
Director's remuneration		3,000,000.00		3,000,000.00
Contribution to provident Fund and other fund		1,019,319.00		1,035,818.00
Provision for retirement benefits		721,990.00		491,019.00
Staff welfare		1,821,683.00		1,894,619.00
		27,224,539.00		22,595,055.00
SCHEDULE 13				
OPERATING AND OTHER EXPENSES				
Processing expenses		736,203,764.45		570,443,049.70
Power and fuel		878,731.00		4,475,343.00
Store and spare consumed		1,348,274.00		498,189.68
Rent		2,206,727.00		1,778,267.00
Rates and taxes		3,917,440.97		1,902,184.27
Insurance charges		1,291,087.00		1,260,363.00
Selling expenses		196,017,217.27		222,946,974.49
Royalty		500,000.00		500,000.00
Advertisement and publicity		167,938,306.44		150,522,847.78
Commission		35,348,058.00		32,185,089.00
Freight and other handling charges		53,616,897.82		55,224,848.00
Bad debts		-		1,590,057.00
Repairs and maintenance				
Buildings	1,723,888.00		387,856.00	
Plant and machinery	1,162,536.00		245,452.00	
Others	383,893.00	3,270,317.00	2,453,720.50	3,087,028.50
Auditor's remuneration				
Audit fees	137,875.00		126,845.00	
Tax audit fees	27,575.00	165,450.00	11,030.00	137,875.00
Provision for doubtful debts/advances		597,467.00		879,536.00
Provision for diminution in the market value of investment		(436,208.20)		329,504.00
Miscellaneous expenses		31,994,914.20		30,711,427.82
		1,234,858,443.95		1,078,472,584.24
SCHEDULE 14				
INTEREST AND FINANCE CHARGES				
To Bank				
On Term loan	236,831.00		-	
On Cash Credit	36,709,139.00	36,945,970.00	41,484,595.00	41,484,595.00
On other		6,029,108.00		11,149,770.00
Bank Charges		4,029,472.15		3,976,868.50
		47,004,550.15		56,611,233.50

LUX INDUSTRIES LIMITED

SCHEDULE 15

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Nature of Operation

The Company is engaged in the business of manufacturing & sale of knitwear's.

2. Basis of Preparation of Accounts

The financial statements have been prepared to comply in all material aspects with the notified accounting standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accountings policies have been consistently applied by the company except for the change in accounting policy discussed more fully below and are consistent with those used in the previous year.

3. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standard.

4. Revenue Recognition

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

- (a) Sale of Goods: Sales are recognized when goods are supplied and are net of Sales Return.
- (b) Job Charges: Job Charges are recognized as and when the products are ready for dispatch in packed condition.
- (c) Interest: Interests on Investments are recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest of delayed payment recognized as and when received by the Company.
- (d) Dividends: Revenue is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.
- (e) Export Benefits: Export Entitlements in the form of Duty Drawback are recognized in the Profit and Loss account when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

5. Accounting of Claims

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



Schedules Forming Part of Accounts

6. Expenditure

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

7. Government Grant:

The company receives sales tax incentive under the WBIP (A.I. Units) Scheme'1994 and the same is recognized as revenue in the period in which these are accrued and shown as income under the head "Other Income" under Schedule 10. The Company has not received any non-monetary assets at concessional rate or free of cost as Government Grant.

8. Fixed Assets

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

(b) Intangible Assets: Intangible assets are recognized only if acquired and it is possible that the future economic benefits that are attributable to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

(c) Depreciation / amortization: Depreciation on fixed assets is provided on Written down Value method (pro-rata on addition and disposed off during the period) at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Fixed Assets costing below Rs. 5,000 are fully depreciated in the year of acquisition. Computer Software is amortised over a period not exceeding 30 months.

9. Investments

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

10. Valuation of Inventories

Raw materials, packing material, work in progress and finished goods are valued at lower of cost and net realizable value. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

LUX INDUSTRIES LIMITED

Schedules Forming Part of Accounts

11. Employee Benefits

(a) Defined Contribution Plan such as provident fund, pension and employees state insurance is charged to the Profit & Loss Accounts of the year when the contribution to the respective funds are done.

(b) Defined Benefit Plan – the present value of the obligation under such plan is determined based on an actuarial valuation made on May 10, 2010 using the projected unit credit method. Actuarial gain and losses arising on such valuation are recognized immediately in Profit and Loss Account.

Under the PUC method a 'projected accrued benefit' is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan

(c) Liability on account of other long term employees benefit are accounted for as and when such liability arises as per the relevant legislation in force in India.

12. Taxes on Income

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

13. Provision, Contingent Liabilities And Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed by way of notes on accounts. Contingent Assets are neither recognized nor disclosed in the financial statements. It is the policy of the company to make provision for doubtful debts and doubtful advances to the extent of 25% of the total Amount identified as doubtful advances.

14. Deferred Revenue Expenditure

Share issue expenses are amortized over a period of five years.

15. Borrowing Cost

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



Schedules Forming Part of Accounts

16. Foreign Currency Transaction

- (a) Initial Recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (b) Conversion: Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non – monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- (c) Exchange Differences :Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as a income or as expenses in the year in which they arise except those arising from investments in non – integral operations.
- (d) Forward Exchange: Contracts (Derivative Instruments) not intended for trading or speculation purpose: The Company uses derivative financial instruments including forward exchange contracts to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange difference on such contracts is recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expenses for the year.

17. Segment Reporting Policies

(a) Identification of Segments

Primary Segment

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

Secondary Segment

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

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

LUX INDUSTRIES LIMITED

(b) Allocation of Common Costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

(c) Unallocated Items

The Corporate and other segment include general corporate income and expense items, which are not allocated to any segment.

18. Earnings per Share (Basic & Diluted)

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

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

19. Impairment of assets:

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

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

20. Cash Flow Statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated. Cash and cash equivalents in the Balance Sheet comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

21. Proposed Dividend

Dividend proposed by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.



Schedules Forming Part of Accounts

B. NOTES ON ACCOUNTS

Particulars	2009-10	2008-09
1. Contingent Liabilities not provided for in respect of:		
(i) Guarantee given:		
(a) to W.B. Sales Tax Department by the company's banker for which counter guarantees have been given by the company	250,000.00	250,000.00
(b) to Commissioner of Customs, Kolkata	140,000.00	140,000.00
(c) to Commissioner of Customs, Kolkata	485,000.00	485,000.00
(d) to Sales Tax Department, Roorkee	15,000.00	15,000.00
(e) to Sales Tax Department, Ahmedabad	20,000.00	20,000.00
(f) to Sales Tax Department, Indore	15,000.00	15,000.00
(g) to Commissioner of Customs, Kolkata	37,500.00	37,500.00
(h) to Commissioner of Customs, Kolkata	60,750.00	-
(i) to Commissioner of Customs, Kolkata	11,500.00	-
(j) to WBSEB, Kolkata	1,41,000.00	-
(c) Sales Tax Penalty for F.Y. 2004-05 under appeal with Assistant Commissioner, Pollachi*	12,295,937.00	12,295,937.00
(d) Sales Tax demand for F.Y. 2003-04 under appeal with Kolkata High Court*	20,86,586.00	20,86,586.00
(e) Sales Tax Penalty for F.Y. 2003-04 under appeal with Commissioner, Commercial Taxes, Kolkata*	30,83,684.00	30,83,684.00
(f) Sales Tax Penalty for F.Y. 2004-05 under appeal with Commissioner, Commercial Taxes, Kolkata*	19,17,202.00	19,17,202.00
(i) Claim not acknowledge as debt	-	6525.00

*The Company has been advised by competent legal professional that the said demand and penalty is likely to be reversed, accordingly no provision has been made in the accounts.

2. (a) Cash Credit facilities with Allahabad Bank are secured by hypothecation over entire stock, book debts and other Current Assets of the Company, both present and future and by way of collateral security over the entire Movable & Immovable properties of the Company both present & future. It is additionally secured by personal guarantee of the Directors.
- (b) Term loan is secured by hypothecation over the machineries/equipment to be acquired out of the facility and collateral security over the entire movable and immovable properties of the Company both present and future. It is additionally secured by personal guarantee of the directors.
- (c) The Company has received unsecured loan from directors of the Company to fulfill the requirement of the stipulation imposed by the Company's Banker for sanction of working loan facilities. The loan is not covered in the definition of deposit as per sub rule (b) (xi) of rule 2 of the Companies (Acceptance of Deposits) Rules, 1975. The Loan from directors are takes at nil rate of interest.
- (d) Term loan instalments falling due for payment within one year aggregate to Rs. 47 lacs.(previous year Rs. Nil)
3. Fixed Deposit amounting to Rs. 3,320,637 (Previous Year Rs. 3,107,387) is pledged with the bankers of the company.
4. Debtors and creditors, including advances, are subject to confirmation and reconciliation, if any.
5. Segment Reporting:
 - (a) The Company operating operation comprises of only one primary segment viz. manufacturing and sale of Knitwear's. Company's sales are affected in the domestic and export market, there are two secondary segments as geographical segments viz. Domestic and export.

LUX INDUSTRIES LIMITED

Schedules Forming Part of Accounts

(a) Information about Secondary Segment

Particulars	Outside India		India		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Sales includes cloth sale	241,351,798.00	229,264,096.00	3,098,052,229.16	2,690,182,683.73	3,339,404,027.16	2,919,446,779.73
Other Income	20,939,125.00	21,654,345.00	1,316,983.00	2,222,605.00	22,256,108.00	23,876,950.00
Total revenue	262,290,923.00	250,918,441.00	3,099,369,212.16	2,692,405,288.73	3,361,660,135.16	2,943,323,729.73
Less :						
Identifiable operating exps.	215,283,188.27	208,239,482.45	2,500,373,612.24	2,103,034,397.16	2,715,656,800.51	2,311,273,879.62
Allocated expenses	28,024,926.50	31,020,880.28	517,634,303.15	533,619,887.76	545,659,229.65	564,640,768.04
Segmental operating income	18,982,808.23	11,658,078.27	81,361,296.77	55,751,003.81	100,344,105.00	67,409,082.07
Unallocable expenses					38,820,588.90	33,951,462.85
Operating Income					61,523,516.10	33,457,619.22
Other income (Exp) net					5,865,329.49	6,013,246.01
Net Profit before taxes and exceptional items					67,388,845.59	39,964,708.86
Profit on sale of office at Kolkata (exceptional items)					-	11,777,623.00
Income Taxes					23,192,871.00	19,089,748.00
Net profit after taxes & before previous year adjustments					44,195,974.59	32,652,583.86
Previous year adjustment					(37,823.00)	(90,643.00)
Net profit after taxes & before previous year adjustments					44,158,151.59	32,561,940.86

(c) All the Assets of the Company except the debtors amounting to Rs.3,45,41,559.00 (Previous year 71,925,590.00) are within India.

(b) All the Liabilities of the Company except the creditors amounting to Rs. 94,89,728.00. (Previous year 7,734,607.00) are within India.

(c) The Company has common fixed assets for producing goods for domestic market and overseas market. Hence, separate figures for fixed assets / additions to fixed assets cannot be furnished.

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

a) Key managerial Personnel

1. Shri Ashok Kumar Todi, Executive Chairman (Whole Time Director)
2. Shri Pradip Kumar Todi, Managing Director

b) Relatives of Key Management Personnel

- Estate of Shakuntala Devi Todi
- Smt. Prabha Devi Todi (mother of Shri Navin Kumar Todi)
- Smt. Bimla Devi Todi (wife of Shri Ashok Kumar Todi)
- Smt. Shobha Devi Todi (wife of Shri Pradip Kumar Todi)

c) Associates controlled by Director/Relatives

- Biswnath Hosiery Mills Ltd.
- Todi Hosiery Pvt. Ltd.
- Rotex Intertrade Pvt. Ltd.
- Chitragupta Sale & Services Pvt. Ltd.
- Holly Field Traders Pvt. Ltd.
- Ebel Polymers Pvt. Ltd.
- Jaytee Exports
- Shakuntala Devi Charitable Trust



Schedules Forming Part of Accounts

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

Sl. No.	Nature of transaction	Key management Personnel		Relatives of Key management Personnel		Associates controlled by Director / Relatives	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
1. Sale of goods							
	Todi Hosiery Pvt. Ltd.	-	-	-	-	2,188,197.00	563,607.00
	Ebel Polymers Pvt. Ltd.	-	-	-	-	20,490,760.00	6,144,200.00
	Total					22,678,957.00	6,707,807.00
2. Purchase of goods							
	Todi Hosiery Pvt. Ltd.	-	-	-	-	32,315,590.00	27,950,071.00
	Jaytee Exports	-	-	-	-	4,524,800.00	-
	Total	-	-	-	-	36,840,390.00	27,950,071.00
3. Payment for services							
	Todi Hosiery Pvt. Ltd. -Agent Commission	-	-	-	-	137,147.00	128,144.00
	Jaytee Exports -Knitting Charges	-	-	-	-	2,078,795.00	1,221,152.00
	Biswanath Hosiery Mills Ltd. -Raising Charges	-	-	-	-	2,348,164.00	1,656,904.00
	Hollyfield traders Pvt. Ltd -Rent Paid	-	-	-	-	100,000.00	-
	Total	-	-	-	-	4,664,106.00	3,006,200.00
4. Donation							
	Shakuntala Devi Charitable Trust	-	-	-	-	21,000.00	-
5. Remuneration							
	Ashok Kumar Todi	1,500,000.00	1,500,000.00	-	-	-	-
	Pradip Kumar Todi	1,500,000.00	1,500,000.00	-	-	-	-
	Total	3,000,000.00	3,000,000.00	-	-	-	-
6. Royalty paid							
	Biswanath Hosiery Mills Ltd.	-	-	-	-	500,000.00	500,000.00
7. Received towards services							
	Todi Hosiery Pvt. Ltd.	-	-	-	-	805,049.00	2,222,605.00
8. Interest paid							
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	1,479,110.00	1,567,198.00
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	1,349,717.00	1,183,177.00
	Holly Field Traders Pvt. Ltd.	-	-	-	-	2,151,001.00	7,256,059.00
	Bimla Devi Todi	-	-	-	70,739.00	-	-
	Prabha Devi Todi	-	-	-	100,036.00	-	-
	Shakuntala Devi Todi	-	-	-	95,757.00	-	-
	Shobha Devi Todi	-	-	-	125,978.00	-	-
	Total	-	-	-	392,510.00	4,979,828.00	10,006,434.00

LUX INDUSTRIES LIMITED

Schedules Forming Part of Accounts

Sl. No.	Nature of transaction	Key management Personnel		Relatives of Key management Personnel		Associates controlled by Director / Relatives	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
9.	Loan received						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	31,950,000.00	25,350,000.00
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	14,600,000.00	11,650,000.00
	Holly Field Traders Pvt. Ltd.	-	-	-	-	104,800,000.00	188,875,000.00
	Prabha Devi Todi	-	-	-	1,212,620.00	-	-
	Ashok Kumar Todi	60,855,000.00	5,762,619.00	-	-	-	-
	Pradip Kumar Todi	62,515,000.00	10,112,619.00	-	-	-	-
	Total	123,370,000.00	15,875,238.00	-	1,212,620.00	151,350,000.00	225,875,000.00
10.	Loan repayment						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	10,972,911.00	47,050,000.00
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	18,725,431.59	13,300,000.00
	Holly Field Traders Pvt. Ltd.	-	-	-	-	206,515,100.00	214,510,000.00
	Bimla Devi Todi	-	-	-	2,902,051.00	-	-
	Prabha Devi Todi	-	-	-	6,006,331.00	-	-
	Shakuntala Devi Todi	-	-	-	3,637,858.00	-	-
	Shobha Devi Todi	-	-	-	4,785,979.00	-	-
	Ashok Kumar Todi	9,874,852.00	8,544,718.04	-	-	-	-
	Pradip Kumar Todi	13,275,119.00	8,974,877.74	-	-	-	-
	Total	23,149,971.00	17,519,595.78	-	17,332,219.00	236,213,442.59	274,860,000.00
11.	Guarantees and collaterals issued	-	-	-	-	-	-
12.	Provision for doubtful debts, amount written off and written back	-	-	-	-	-	-
13.	Outstanding as at 31st March						
(a)	Sundry creditors						
	Jaytee Exports	-	-	-	-	5,041,720.00	360,173.00
	Biswanath Hosiery Mills Ltd.	-	-	-	-	21,419,312.06	138,045,405.06
	Total	-	-	-	-	26,461,032.06	138,405,578.06
(b)	Unsecured loans						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	-	27,604,819.00	5,148,620.00
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	18,841,577.41	21,617,292.00
	Holly Field Traders Pvt. Ltd.	-	-	-	-	16,200,993.00	115,765,092.00
	Ashok Kumar Todi	52,031,388.96	1,051,240.96	-	-	-	-
	Pradip Kumar Todi	50,444,495.26	1,204,614.26	-	-	-	-
	Total	102,475,884.22	2,255,855.22	-	-	62,647,389.41	142,531,004.00
(c)	Advance recoverable in cash or value to be received						
	Todi Hosiery Pvt. Ltd.	-	-	-	-	18,491,384.75	22,878,584.71
	Ebel Polymers Pvt. Ltd.	-	-	-	-	6,009,569.61	-
	Total	-	-	-	-	24,500,954.36	22,878,584.71



Schedules Forming Part of Accounts

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

Sl. No	Particulars	As at 31.03.2010	As at 31.03.2009
1.	Profit after tax as per Profit & Loss Account	44,158,151.59	32,561,940.86
2.	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS	5,050,600	5,050,600
3.	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	5,050,600	5,050,600
4.	Nominal Value per share (Rs.)	10	10
5.	Earning per shares before extraordinary item		
	Basic	8.74	4.12
	Diluted	8.74	4.12
6.	Earning per shares after extraordinary item		
	Basic	8.74	6.45
	Diluted	8.74	6.45

8. Directors' Remuneration*

Particulars	2009-10	2008-09
Managing & Whole time Director:		
Salary	3,000,000.00	3,000,000.00
Sitting Fee to non-executive director	48,000.00	52,000.00
Total	3,048,000.00	3,052,000.00

*As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

Since no commission has been to directors, statement showing the computation of net profit in accordance with Section 349 of the Companies Act, 1956 with relevant details of the calculation of commission payable by way of percentage of such profit to the directors is not applicable to the company.

9. Auditor's Remuneration includes:

Particulars	2009-10	2008-09
Statutory Audit	137,875.00	126,845.00
Tax Audit	27,575.00	11,030.00
Total	165,450.00	137,875.00

11. (a) Selling Expenses includes discounts amounting to Rs. 41,909,033.38 (Previous year Rs. 71,627,752.75)
- (b) Commission paid represents commission paid to selling agents. The companies do not have any sole selling agent.
- (c) In view of the prevailing Income Tax laws no tax deducted at source is required to be deducted on dividend paid / proposed during the year.
12. Salary consists of Bonus amounting to Rs. 1,135,984.00 (Previous Year Rs. 934,599.00)
13. Profit of Rs Nil (Previous year Rs. 11,777,623.00) from extraordinary items represents profit generate from sale of under construction fixed assets situated at kolkata.
14. The Company follows Accounting Standard (AS-22) "Accounting for taxes on Income", issued by the Institute of Chartered Accountants of India". The Company has significant timing differences between accounting and tax records which suggest accounting for deferred tax assets which are as below:

LUX INDUSTRIES LIMITED

Schedules Forming Part of Accounts

Particulars	2009-10	2008-09
Deferred tax assets		
Tax impact of timing differences leading to deferred tax assets		
Provision for doubtful debts/advances	1,046,994.00	843,915.00
Provision for gratuity	738,872.00	506,821.00
Provision for diminution in value of investment		294,380.00
Difference between book value of depreciable assets as per books of account and written down value for tax purpose	1,329,929.00	1,663,550.00
Total deferred tax assets	3,115,795.00	3,308,666.00
Deferred tax liabilities		
Difference between book value of depreciable assets as per books of account and written down value for tax purpose		
Effect allowed for tax purpose on payment basis		
Total deferred tax liabilities		
Net deferred tax assets / (liabilities)	3,115,795.00	3,308,666.00
Deferred tax assets on employee benefit obligations, pursuant to adoption of AS 15 (revised), adjusted against General Reserve		
Deferred tax benefit / (expenses) for the year	(192,871.00)	1,135,252.00

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

Sl. No.	Details of dues to Micro, small and Medium Enterprises as per MSMED Act, 2006	2009-10	2008-09
i	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	Principal Amount Unpaid	26,578,951.48	7,344,164.18
	Interest Due	-	-
ii	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.		
	Payment made beyond the Appointed Date	-	-
	Interest Paid beyond the Appointed Date	-	-
iii	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
iv	The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

The above information has been compiled in respect of parties to the extent to which they should be identified as Micro & small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 on the basis of information available with the company.



Schedules Forming Part of Accounts

16. Gratuity benefit plans:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has not funded the scheme.

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

Particulars	As at March 31, 2010	As at March 31, 2009
Current Service Cost	5.82	4.66
Interest Cost	1.47	1.00
Net Actuarial Losses / (Gain)	(0.31)	(0.75)
Benefit Paid	(0.15)	-
Total expenses recognized in the Statement of Profit & Loss A/c	6.83	4.91

Principle assumptions used in the determining gratuity obligation for the Company's are shown below: *(Rs. in lacs)*

Particulars	As at March 31, 2010	As at March 31, 2009
Discount Rate	8.00%	7.50%
Rate of increase in Salaries	5.00%	5.00%
Expected average remaining working lives of employees (years)	21.80	22.79
Withdrawal rates	Varying between 2% p.a. and 1% p.a. depending on duration and age of the employees	

17. During the year Company has receive insurance Claim of Rs. Nil (Previous Year 976,649.36).

18. Other Income includes duty drawbacks of Rs. 20,939,125.00 (Previous Year Rs. 21,654,345.00)

19. Disclosures required by Accounting Standard (AS -29) – "Provisions, Contingent Liabilities and Contingent Assets" are as below:

Particulars	Opening balance as on April 1, 2009	Paid/adjusted during the year	Provided during the year	Closing balance as on March 31, 2010
Provision for gratuity	1,491,087.00	39,284.00	721,990.00	2,173,793.00
Proposed dividend	9,091,080.00	9,091,080.00	10,101,200.00	10,101,200.00
Tax on proposed dividend	1,545,029.00	1,545,029.00	1,677,683.00	1,677,683.00
Provision for diminution in value of investment	866,079.20	436,208.20	-	429,871.00
Provision for Income Tax	20,225,000 .00	-	23,000,000.00	43,225,000.00
Provision for Doubtful debts	1,603,298.00	-	792,192.00	2,395,490.00
Provision for Doubtful Advance	879,536.00	194,725.00	-	684,811.00
Total	35,701,109.20	11,306,326.20	36,293,065.00	60,687,848.00

20. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuation. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy. Outstanding short-term forward exchange contracts entered into by the Company on account of receivables or payables as on March 31, 2010 is Nil(previous year Rs.81,376,000.00, US \$ 16,00,000).

LUX INDUSTRIES LIMITED

Schedules Forming Part of Accounts

- (b) The year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at March 31, 2010		March 31, 2009	
	US \$	INR(Rs.)	US \$	INR(Rs.)
	Equivalent		Equivalent	
(a) Amount Receivable in Foreign Currency on account of the following : Debtors Outstanding	754,621.30	3,39,35,320	1,507,444.70	71,925,590.00
(b) Amount Payable in Foreign Currency on account of the following : Import of Goods	NIL	NIL	NIL	NIL

21. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of the schedule VI of the Companies Act, 1956, (as complied & certified by the management, not verifiable by auditor in absence of detailed records).

a) Licenced and Installed Capacity and Actual Production

Class of goods	Units of Quantity	Capacity				Actual production	
		Licensed		Installed		2009-10	2008-09
		2009-10	2008-09	2009-10	2008-09		
Knitwear	Pcs.	N.A.	N.A.	N.A.	N.A.	116,882,997	93,685,690

b) Particulars in respect of sales

Class of goods	Units of Quantity	Quantity		Value (Rs.)	
		2009-10	2008-09	2009-10	2008-09
Knitwear	Pcs.	115,933,816	101,379,837	3,337,235,754.16	291,88,83,172.73
Fabrics	Kgs.	11,949.72	3,375.40	2,168,273.00	563,607.00

c) Details of finished stock

Class of goods	Units of Quantity	Quantity		Value (Rs.)	
		2009-10	2008-09	2009-10	2008-09
i) Opening stock Knitwear	Pcs.	4,838,510	11,560,801	67,545,974.42	242,904,543.87
ii) Closing stock Knitwear	Pcs.	6,682,235	4,838,510	106,695,475.39	67,545,974.42

d) Details of Finished Goods Purchased

Class of goods	Units of Quantity	Quantity		Value (Rs.)	
		2009-10	2008-09	2009-10	2008-09
Knitwear	Pcs.	894,544	998,856	90,643,707.00	20,369,770.00



Schedules Forming Part of Accounts

e) Details of raw materials consumed during the year

Class of goods	Units of Quantity	Quantity		Value (Rs.)	
		2009-10	2008-09	2009-10	2008-09
Yarn	Kgs.	9,881,056.41	6,845,634.10	1,336,565,580.37	830,543,477.97
Fabric	Kgs.	2,831,322.22	1,425,219.06	397,524,003.36	182,229,212.00
Packing material & Others				434,666,457.40	355,377,541.11
Total				216,87,56,041.13	1,368,150,231.08

f) Value of imported and indigenous raw materials and spares consumed and percentage of each to total consumption:

Class of goods	Percentage		Value (Rs.)	
	2009-10	2008-09	2009-10	2008-09
(a) Raw materials				
Imported	0.08	0.03	1,808,444.00	410,000.00
Indigenous	99.92	99.97	216,69,47,597.13	1,367,740,230.08
Total	100%	100%	216,87,56,041.13	1,368,150,230.08
(b) Stores and spares				
Imported	-	-	-	-
Indigenous	100.00	100.00	1,348,274.00	498,189.68
Total	100%	100%	1,348,274.00	498,189.68

g) Value of imports during the year on C.I.F. basis

Class of goods	2009-10	2008-09
Raw materials	1,808,444.00	410,000.00
Capital goods	21,320,116.00	-

h) Earning in foreign currency:

Class of goods	2009-10	2008-09
Direct Export of goods at FOB value	239,029,051.00	223,486,675.54

i) Expenditure in foreign currency:

Class of goods	2009-10	2008-09
(a) Travelling expenses	1,927,286.00	-
(b) Agent Commission	10,927,430.00	11,359,715.00
Total	12,854,716.00	11,359,715.00

21. Other information required to be furnished, as per clause 4 of Schedule VI, Part II may be read as NIL.

22. Previous year figures have been re-grouped, re-arranged and re-casted wherever considered necessary.

As per out report of even date attached.

For **Modi Sunil and Associates**

Chartered Accountants

Firm Registration No.: 322564E

Kolkata

May 15, 2010

Sunil Modi

Proprietor

Membership no.056515

Ashok Kumar Todi

Chairman

Ajay Kumar Patodia

Chief Financial Officer

For and on behalf of the Board

Pradip Kumar Todi

Managing Director

Deoki Nandan Soni

Company Secretary

LUX INDUSTRIES LIMITED

Balance Sheet abstract and Company's general business profile as required in Part IV of Schedule VI of the Companies Act, 1956

I REGISTRATION DETAILS

CIN L17309WB1995PLC073053 State code 21

Registration no. 073053

Balance Sheet date 31 03 10
Date Month Year

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public issue NIL Rights issue NIL

Bonus issue NIL Private placement NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total liabilities 1062603 **Total assets** 1062603

Source of funds

Paid-up capital 52998 Reserve and surplus 169210

Secured loan 675272 Unsecured loans 165123

Application of funds

Net fixed assets 151439 Investments 2476

Net current assets 905382 Miscellaneous expenditure 190

Deferred tax assets 3116 Accumulated losses NIL

IV PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turnover and other income 3367526 Total expenditure 3300137

Profit before tax 67389 Profit after tax 44196

Earning per share 8.74 Dividend rate (%) 20
(Basic and diluted) (Rs.)

V GENERIC NAME OF THREE PRINCIPAL PRODUCTS /SERVICES OF COMPANY

(As per monetary terms)

Item code no. (ITC Code) : 6107, 6108, 6109
Product description : Knitwears

For and on behalf of the Board

Ashok Kumar Todi
Chairman

Pradip Kumar Todi
Managing Director

Ajay Kumar Patodia
Chief Financial Officer

Deoki Nandan Soni
Company Secretary