



June 27, 2018.

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

Sub: Investor Release on Merger .

Enclosed please find the Investor Release.

This is for your information and record.

Thanking You

Yours faithfully,
for LUX INDUSTRIES LIMITED

Smita Mishra

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

LUX INDUSTRIES LTD

Press Release

Promoter Group Companies to merge in Lux Industries

- **J.M. Hosiery and Ebell Fashions will merge with Lux Industries**
- **Strengthens product portfolio with higher value products**
- **Unifies management focus and combines the talent pool**
- **EPS accretive for Lux Industries**

June 27, 2018, Kolkata : The Board of Directors of Lux Industries Limited (LIL) have approved the scheme of merger of J. M. Hosiery & Co. Limited (JMHL) and Ebell Fashions Private Limited (EFPL) with Lux Industries Limited.

Transaction Overview

- **JMHL** is engaged in the business of manufacturing, marketing, selling and distribution of knitted apparel including hosiery.
 - Total Asset Rs. 262.96 crores
 - Net Worth Rs. 91.49 crores
 - Turnover Rs. 292.85 crores
- **EFPL** is engaged in the business of manufacturing, marketing, selling and distribution of knitted apparel for women's.
 - Total Asset Rs. 106.22 crores
 - Net Worth Rs. 51.78 crores
 - Turnover Rs. 198.05 crores
- There is no cash consideration exchange ratio in the proposed scheme.
- In terms of share entitlement ratio enshrined in the Scheme, the Consideration is in the form of issue of shares, and the exchange ratio is as follows:
 - **1142** Equity Shares of Rs. 2 each fully paid up of LIL to be issued for every **100** Equity Shares of Rs. 10 each fully paid up of EFPL
 - **29** Equity Shares of Rs. 2 each fully paid up of LIL to be issued for every **100** Equity Shares of Rs. 10 each fully paid up of JMHL
- The valuation was undertaken by independent chartered accountants S.R. Batliboi & Co LLP

- Currently, Promoter shareholding in LIL is 73.71% whereas Public Shareholding is 26.29%. Pursuant to merger, additional shares shall be issued to the shareholders of EFPL and JMHL, who are also the promoter of LIL. The transferee company and the promoter group of transferee company shall ensure compliance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 such that the percentage of shareholding of public shareholders of LIL, in the post scheme shareholding pattern shall not be less than 25%.
- Based on the proposed merger, Lux Industries Limited will issue approximately 48 Lakh new shares as consideration of the merger.
- Based on FY18 numbers, EPS on post-merger basis will grow by ~24%

Rationale for Merger

- Proposed merger will lead to the presence of the merged entity across various market segment leading to risk mitigation and higher growth
- Increase in the long-term value appreciation for the existing shareholders of Lux Industries Limited
- Creation of a single market strategy and single company brand image leading to stronger market presence and higher confidence levels with all stakeholders
- Greater financial strength and flexibility
- More focused operational efforts, realizing operational synergies in terms of compliance and governance costs

Commenting on the Merger, Mr. Ashok Kumar Todi, Chairman said, “I am very pleased to announce that the Board of Directors have given their approval to merge the two group companies with Lux Industries Limited thus initiating a crucial step towards unifying businesses which are synergetic in nature. We strongly believe that this merger will increase long term value appreciation for all stakeholders and will be EPS accretive for the existing shareholders of Lux Industries Limited. The combined entity would strengthen our product portfolio with higher value-added products.”

About Lux Industries Limited (LIL)

Lux Industries Limited, incorporated in 1995 is one of the largest players in the hosiery business having a market share of ~20% of the organised industry. Products include Men's, Women's & Kids Innerwear, Winterwear, Socks & Slacks for Women in varied colours and designs. The company has ~5,000 SKU's under various Brands and Sub Brands of LUX. With focus on growing exclusive retail outlets and in providing customers with a seamless buying experience, the company's products are available in ~4,50,000 retail points spread across India. LUX has a presence across the globe with exports to 47 countries.

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors

For further information, please contact

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