

J.M. HOSIERY & CO LIMITED
Regd Office: 39, Kali Krishna Tagore Street, Kolkata - 700007
Tel: (033) 40402121 Fax: (033) 40012001
Email: info@luxinnerwear.com; **CIN:** U18109WB2004PLC100233

NOTICE OF THE NCLT CONVENED MEETING OF THE CREDITORS OF J.M. HOSIERY & CO LIMITED

(convened pursuant to the order dated 21st October, 2020 passed by the National Company Law Tribunal, Bench at Kolkata)

MEETING:

Day	Friday
Date	27 th November, 2020
Time	12:30 p.m.
Venue	In view of the ongoing COVID-19 pandemic and related social distancing norms, as per the directions of the Hon'ble National Company Law Tribunal, Bench, Kolkata, the meeting shall be conducted through video conferencing / other audio-visual means and is deemed to take place at the registered office of the Company.

Sl. No.	Contents	Annexure
1.	Notice of the National Company Law Tribunal convened meeting of the Creditors of J.M Hosiery & Co. Limited. ('Transferor Company 1')	
2.	Explanatory Statement under Section 230 (3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	
3.	Copy of Scheme of Amalgamation between J. M. Hosiery & Co. Limited, Ebell Fashions Private Limited and Lux Industries Limited and their respective shareholders under section 230 read with section 232 and other applicable provisions of the Companies Act, 2013	Annexure A
4.	Copy of Report adopted by the Board of Director of J.M. Hosiery & Co. Limited.	Annexure B
5.	Copy of Valuation report	Annexure C

FORM NO. CAA. 2

[Pursuant to Section 230 (3) and rule 6 and 7]

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, KOLKATA

C.A. (C.A.A.) No. 826 /KB/2020

IN THE MATTER OF the Companies Act, 2013.

And

IN THE MATTER OF Section 230 read with
Section 232 of the Companies Act, 2013 and
other applicable provisions of the Companies
Act, 2013.

And

In the matter of:

J. M. HOSIERY & CO. LIMITED, 39, Kali
Krishna Tagore Street, Kolkata – 700 007

... Transferor Company 1

And

In the matter of:

EBELL FASHIONS PRIVATE LIMITED, PS
Srijan Techpark, DN-52, 10th Floor, Salt Lake
City, Sector V, Kolkata – 700 091

... Transferor Company 2

And

In the matter of:

LUX INDUSTRIES LIMITED, 39, Kali Krishna
Tagore Street, Kolkata – 700 007

... Transferee Company

And

- 1. J. M. HOSIERY & CO. LIMITED**
- 2. EBELL FASHIONS PRIVATE LIMITED,**
- 3. LUX INDUSTRIES LIMITED**

... APPLICANTS

To,
Unsecured Creditors of
J.M. Hosiery & Co. Limited, Transferor Company 1

Notice of the meeting of creditors of J.M. Hosiery & Co. Limited

Notice is hereby given that by an order dated the 21st October, 2020, the Kolkata Bench of the National Company Law Tribunal has directed meeting to be held of creditors of the Transferor Company 1 above-named for the purpose of considering, and if thought fit, approving with or without modification, the amalgamation embodied in the proposed scheme of amalgamation between the joint applicants and their respective equity shareholders at 12:30 p.m. on 27th November, 2020 through video conferencing to transact the following business:

To consider and, if thought fit, to pass with or without modification(s) and with requisite majority, the following resolution under Section 230 read with Section 232 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable provisions of Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the provisions of the Memorandum and Articles of Association of the Company for approval of the arrangement embodied in the Scheme of Amalgamation of J.M. Hosiery & Co Limited ('Transferor Company 1') and Ebell Fashions Private Limited ('Transferor Company 2') with Lux Industries Limited ('Transferee Company') and their respective Shareholders

"RESOLVED THAT pursuant to the provisions of Section 230 read with section 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013, the rules, circulars, and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities Exchange Board of India Circular No CFD/DIL3/CIR/2017/21 dated 10th March 2017, the observation letters issued by BSE Limited and the National Stock Exchange of India Limited dated 05th March 2020 respectively and subject to provisions of the Memorandum and Articles of Association of the Company and subject to approval of the Hon'ble National Company Law Tribunal, Kolkata Bench ('NCLT') and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Amalgamation of J. M.Hosiery & Co Limited ('Transferor Company 1') and Ebell Fashions Private Limited ('Transferor Company 2') with Lux Industries Limited ('Transferee Company') and their respective Shareholders ('Scheme'), be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the amalgamation embodied in the Scheme and to accept such modifications, amendments,

limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

Due to difficulty in dispatch of the Notice along with the explanatory statement by post or courier, on account of threat posed by COVID-19 pandemic situation and as permitted under the MCA Circulars, the Company is sending the Notice in electronic form only. The unsecured creditors can vote on resolutions through voting via VC/OAVM during the meeting.

Copies of the said Scheme of Amalgamation and of the statement under section 230 read with section 232 of the Companies Act, 2013 can be downloaded from the website www.luxinnerwear.com of the Transferee Company

For creditors whose email address are not registered with the Company, they may follow the procedures mentioned in the notes to the notice for casting their votes and can also get their email address registered with the Company. The creditors who have not registered their email addresses with the Company can get the same registered by emailing to info@luxinnerwear.com 72 hours before the meeting.

Corporate creditors can appoint their representative by sending authority letter and board resolution by email to info@luxinnerwear.com 72 hours before the meeting. Since this meeting is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of creditors has been dispensed with. Accordingly, the facility for appointment of proxies by the creditors will not be available for the meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice. For inspection of the said Scheme of Amalgamation and of the Statement under Section 230 read with Section 232 of the Companies Act, 2013 pertaining to the proposed resolution to be passed at the meeting, please see Transferee Company's website www.luxinnerwear.com.

The Tribunal has appointed Mr. Patita Paban Bishwal as chairperson and Ms. Barsha Dikshit as the Scrutiniser of the aforesaid meeting. The above mentioned Scheme of Amalgamation, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

Dated this 22nd day of October, 2020

Sd/-

Mr. Patita Paban Bishwal

Chairperson appointed for the aforesaid meeting

Notes:

1. In view of continuing COVID-19 pandemic and the restrictions imposed on the movement of people, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020 read with Circulars dated April 8, 2020 and April 13, 2020 and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as "Applicable Circulars") physical attendance of the Creditors of the National Company Law Tribunal ("NCLT") convened meeting ("the meeting") venue is not required and the meeting be held through video conferencing ("VC") or other audio visual means ("OAVM"). In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Regulations) and MCA/ SEBI circulars, The meeting of the Company is being held through VC/OAVM. The venue of the Meeting shall be deemed to be the Registered Office of the Company.
2. Pursuant to the Provisions of the Act, a creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and Vote on his/her behalf and the proxy need not be a Member of the Company. Since the meeting is being held pursuant to the MCA/ SEBI Circulars through VC/OAVM, physical attendance of creditors has been dispensed with. Accordingly the facilities for appointment of proxies by the creditors will not be available for the meeting and hence the Proxy Form and Attendance Slip are not annexed with the Notice of meeting.
3. Corporate/institutional creditors (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email dikshitbarsha518@gmail.com The scanned image of the above documents should be in the naming format "Corporate Name_EVENT No.".
4. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts is annexed hereto.

5. Participation of creditors through VC will be reckoned for the purpose of quorum for the meeting as per section 103 of the Companies Act, 2013 ("the Act").

In compliance with the aforesaid MCA Circulars, notice calling the meeting along with Explanatory Statement is being sent only through electronic mode to those creditors whose email IDs are registered with the Company for communication purposes. Creditors may note that Notice along with Explanatory Statement will also be available on the Transferee Company's website www.luxinnerwear.com.

6. Since the Meeting will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

7. Attending the Meeting through VC/OAVM:

- a. The Company will be providing VC/OAVM facility to enable the creditors to attend the Meeting. The Company is providing VC platform by National Securities Depository Limited(NSDL). Creditors may access the same at <https://www.evoting.nsdl.com> under members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the creditors who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- b. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e. Creditors who would like to express their views/ask questions may send their questions in advance and register as a speaker mentioning their User Id and email id at info@luxinnerwear.com latest by Tuesday, 10th November, 2020. The same will be replied by the Company suitably. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and speakers, depending upon availability of time as appropriate for smooth conducting of Meeting. Post your Questions"

- f. Creditors who need assistance before or during the Meeting, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Subhashih Sengupta, Senior Manager-NSDL at subhashishss@nsdl.co.in / 033-2290 4243.
8. A person, whose name is recorded in the books of accounts of the company as on the cut-off date of 30th September, 2019 being present in the Meeting via VC/OAVM, shall be entitled to vote at the Meeting.
9. Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting.
10. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if the resolution mentioned in the notice has been approved at the meeting by a majority of persons representing three fourth in value of such unsecured creditors of the, present and voting at the meeting via VC/OAVM.
11. The Scrutinizer shall after the conclusion of the voting at Meeting, first count the votes cast at their meeting and will make, not later than 48 hours of the conclusion of the Meeting , a Scrutinizer's Report of total votes cast in favour or against, if any, forthwith to the Chairman of the Company who shall declare the Result.
12. The Scrutinizer's decision on the validity of the vote shall be final and binding.
13. The result declared along with the Scrutinizer's report shall be placed on the website of the Transferee Company (www.luxinnerwear.com) and on NSDL website (<https://evoting.nsdl.com>) immediately after the result is declared.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, KOLKATA

C.A. (C.A.A.) No. 826 /KB/2020

IN THE MATTER OF the Companies Act,
2013.

And

IN THE MATTER OF Section 230 read with
Section 232 of the Companies Act, 2013 and
other applicable provisions of the Companies
Act, 2013.

And

In the matter of:

J. M. HOSIERY & CO. LIMITED, 39, Kali
Krishna Tagore Street, Kolkata – 700 007

... Transferor Company 1

And

In the matter of:

EBELL FASHIONS PRIVATE LIMITED, PS
Srijan Tech park, DN-52, 10th Floor, Salt
Lake City, Sector V, Kolkata – 700 091

... Transferor Company 2

And

In the matter of:

**LUX INDUSTRIES LIMITED, 39, Kali
Krishna Tagore Street, Kolkata – 700 007**

... Transferee Company

And

1. J. M. HOSIERY & CO. LIMITED

**2. EBELL FASHIONS PRIVATE
LIMITED,**

3. LUX INDUSTRIES LIMITED

... APPLICANTS

**STATEMENT UNDER SECTION 230 (3), 232 (2) and 102 OF THE COMPANIES ACT,
2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS,
AND AMALGAMATIONS) Rules, 2016.**

1. Pursuant to the order dated 21st. October, 2020 passed by the National Company law Tribunal, Eastern Bench at Kolkata (hereinafter referred to as 'NCLT') in Company Application being C.A. (C.A.A.) No. 826/KB/2020 filed jointly by J. M. Hosiery & Co. Limited (hereinafter referred to as "Transferor Company 1"), Ebell Fashions Private Limited (hereinafter referred to as "Transferor Company 2"), Lux Industries Limited (hereinafter referred to as "Transferee Company") being the applicants (hereinafter referred to as the "applicant companies"), meetings of the equity shareholders of the Transferee Company and the creditors of the Transferor companies and the Transferee Company will be held through video conferencing for the purpose of considering and if thought fit, approving, with or without modification(s), the amalgamation embodied in

the proposed scheme of amalgamation between the joint applicants (hereinafter referred to as the “Scheme”).

In pursuance of the said order, the following separate meetings will be held on 27th November, 2020 through video conferencing:

Meeting of J. M. Hosiery & Co. Limited	At
Secured Creditors	1:30 p.m.
Unsecured Creditors	12:30 p.m.

Meeting of EBELL Fashions Private Limited	At
Secured Creditors	3:30 p.m.
Unsecured Creditors	2:30 p.m.

Meeting of Lux Industries Limited	At
Secured Creditors	4:30 p.m.
Unsecured Creditors	5:30 p.m.
Equity Shareholders	11:30 a.m.

2. The draft Scheme of Amalgamation was placed before Board of Directors of the applicant companies at their respective meetings held on 26th June, 2018. The Board of Directors of the applicant company in their respective meetings approved the Scheme of Amalgamation.

3. List of the Companies/Parties involved in the Scheme of Amalgamation:

- a. J. M. Hosiery & Co. Limited, (Transferor Company 1)
- b. Ebell Fashions Private Limited, (Transferor Company 2)
- c. Lux Industries Limited, (Transferee Company)

4. Details of the Companies/ Parties to the Scheme of Amalgamation:-

A) J.M. Hosiery & Co. Limited (Transferor Company 1)

a) The authorised capital of the Transferor Company 1 as on 31st March, 2019 is Rs. 7,50,00,000/- (Rupees Seven Crores and Fifty Lakhs Only) divided into 75,00,000 equity shares of Rs. 10/- each. The issued, subscribed and paid up capital is Rs. 7,44,60,060/- (Rupees Seven Crores Forty Four Lakhs Sixty Thousand and Sixty Only), divided into 74,46,006 equity shares of Rs. 10/- each fully paid up. Subsequent to the above date, there is no change in share capital of the Transferor Company.

b) The main objects of Transferor Company 1 as contained in its Memorandum of Association, *inter alia* includes, as follows:

- 1) *"To become vested with the partnership business now being carried on under the name and style of "J.M. Hosiery Factory" including all its assets, right quotas, licences, debts and liabilities and the rights and liabilities of the parties hereto in the said partnership business and in connection therewith.*
- 2) *To carry on the business of manufacturers, importers and exporters, wholesale and retail dealers of and in hosiery goods of every kind, nature and description for men, women and children including brief, vests, socks, stockings, sweaters, laces and so on and of all or any thing which is used in hosiery goods.*
- 3) *To spin, make, produce and process, bleach, dye, print, weave, tuft and finish all kinds of fibres yarn and materials made from all kinds of fibre natural,*

synthetic or man-made.

- 4) *To carry on the business of manufacturers, importers and exporters, wholesale and retail dealers of and in men's, women's and children's clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, pyjama suits, vests, underwears, suits, foundation garments for ladies, dresses, brassieres, maternity belts, knee caps, coats, panties, nighties ad so on.*
- 5) *To carry on the business of manufacturers, importers and exporters, wholesalers and dealers in all kinds of synthetics and man-made fibres and process all such fibres including fiber glass into materials and finished articles for household, domestic, commercial and industrial use and to import, export, buy, sell and deal in raw or finished cotton, wool, hair, jute, silk, coir, hemp, flax, yarn, sisal and all other natural, man-made and synthetic fibre and all articles made therefrom.*
- 6) *To carry on all or any of the business of dealers and manufacturers of all kinds of carpets, durries, mats, rags, namdas, blankets, shawls, tweeds, linens, flannels and all other articles of woollen and worsted materials and of all articles similar to the forgoing or any of them or connected therewith.*

c) During the last 5 years the name of the company has been changed from Todi Hosiery Private Limited to J.M. Hosiery & Co Limited and a fresh certificate of incorporation consequent to change of name was issued to the company on 29th July, 2015. There has been no change in the registered office, name or object clause of the Transferor Company 1.

d) The Transferor Company 1 is a public limited company and its securities are not listed on any stock exchange.

e) The Board of Directors of the Transferor Company 1 have by a resolution passed unanimously at their meeting held on 26th June, 2018 approved the said Scheme. The particulars of the meeting of the board of directors of Transferor Company 1 are set out below:

Sr. No.	Particulars of meeting of board of directors of Transferor Company 1	Details
1	Name of directors who voted in favour of the resolution	6
2	Name of directors who voted against the resolution	Nil
3	Name of directors who did not vote or participate on the resolution	Nil

f) The details of the promoters and present directors of the Company along with their addresses are as follows:

i. Promoters:

Sl. No.	Name of Promoters	Address
1	Ashok Kumar Todi	CG-235, Sector-II, Saltlake, Kolkata-700091.
2	Pradip Kumar Todi	CF-398, Sector-I, Saltlake, Kolkata-700064.
3	Rahul Kumar Todi	11/5, Shastri Nagar, Angeripalayam Main Road, Tiruppur North 641602.
4	Navin Kumar Todi	11/5, Shastri Nagar, Angeripalayam Main Road, Chettipalayam Aiangalipalayam Tiruppur – 641603.
5	Shobha Devi Todi	CF-398, Sector-I, Saltlake, Kolkata-700064.
6	Bimla Devi Todi	CG-235, Sector-II, Saltlake, Kolkata-700091.
7	Prabha Devi Todi	11/5, Shastri Nagar, Angeripalayam Main Road, Gandhinagar Tiruppur – 641603.
8	Saket Todi	CG-235, Sector-II, Saltlake, Kolkata-700091.
9	Udit Todi	CF-398, Sector-I, Saltlake, Kolkata-700064.
10	Hollyfield Traders Pvt. Ltd.	EN-28, Sector-V, Saltlake, Kolkata-700091.

ii. Directors

Sl.No.	Name of Director	Address
1	Ashok Kumar Todi	CG-235, Sector-II, Saltlake, Kolkata-700091.
2	Pradip Kumar Todi	CF-398, Sector-I, Saltlake, Kolkata-700064.
3	Rahul Kumar Todi	11/5, Shastri Nagar, Angeripalayam Main Road, Tiruppur North 641602.
4	Navin Kumar Todi	11/5, Shastri Nagar, Angeripalayam Main Road, Chettipalayam Aianganlipalayam Tiruppur – 641603.
5	Bakul Ajitkumar Suchak	49/25, KPN Colony, 3 rd Street Tiruppur 641601.
6	Prabha Devi Todi	11/5, Shastri Nagar, Angeripalayam Main Road, Tiruppur North 641602.
7	Rajnish Rikhy	C-9/9134, Vasant kunj, South West, Delhi-110070.
8	Sachin Agarwal	63B, College Street, Amherst street, Chittaranjan Avenue, Kolkata-700073.

g) The amount due to Creditors as on 30.09.2019 is Rs. 1,398,722,717/-.

B) Ebell Fashions Private Limited (Transferor Company 2)

a) The authorised capital of the Transferor Company 2 as on 31st March, 2019 is Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) divided into 2,50,000 equity shares of Rs. 10/- each. The issued, subscribed and paid up capital is also Rs. Rs. 23,50,000/- (Rupees Twenty Three Lakhs and Fifty Thousand Only) divided into 2,35,000 equity shares of Rs. 10/- each fully paid up. Subsequent to the above date, there is no change in share capital of the Transferor Company 2.

b) The main objects of Transferor Company 2 as contained in its Memorandum of Association, *inter alia* includes, as follows:

- (1) *To carry on processing, buying, selling, export, import and moulding of all kinds of plastics, plastic goods, rubber and rubber goods and manufacturing of pipes, sheets, toys and wares and other types of plastic goods and products, synthetic resins and compounds, ancillary and auxiliary materials and derivatives, intermediates and compositions, tools, moulds, dies, instruments.*
- (2) *To carry on all or any of the business of manufacturing and processing of all types of yarn, textiles, silk, artificial silk, rayon, nylon, woolen, terylene and terry-cotton, chiffon and other fibrous substances both synthetic and natural. Cotton and cotton cultivation, yarn, cloth, textile and linen merchants, dressing and tailoring materials inclusive of hosiery, threads, knitting, yarn millinery, laces, lining and inter-lining clothes and zip fastners-made of nylon and/or metal and to carry on business of buying, selling, importing, exporting making forward transactions and otherwise dealing in linen, cloth, cotton, cotton waste, hardwaste, kapas, staple fiber, yarn, wool, silk, jute, fax, hemp, rayon,*

nylon and other goods and fabrics both synthetic and natural whether textile, felted, netted or looped.

(3) To construct, let out, furnish and carry on all or any of the functions of proprietors, promoters, dealers in flats, dwelling houses, shops, offices and clubs and for these purposes to purchase, take on lease or otherwise acquire and hold lands, prepare, lay out there on building of any tenure or description wherever situate or right or interests therein or connected therewith, to lay out and prepare building sites, and to construct, reconstruct, repaid, pull down, alter, improve decorate furnishes and maintain flats, dwelling houses, shops, offices, clubs, buildings, works and sanitary convenience of all kinds to let out roads, drainage pipes, water pipes and electric installations and to set apart, land for pleasure garden and recreation grounds, health club or natural resorts or otherwise improve the land and any part thereof.”

c) During the last 5 years there has been change in the registered office within same State and there has been no change in name or the objects during the last 5 years of the Transferor Company 2.

d) The Transferor Company 2 is a private limited company and its securities are not listed on any stock exchange.

e) The Board of Directors of the Transferor Company 2 have by a resolution passed unanimously at their meeting held on 26th June, 2018 approved the said Scheme. The particulars of the meeting of the board of directors of Transferor Company 2 are set out below:

Sr. No.	Particulars of meeting of board of directors of Transferor Company 2	Details
1	Name of directors who voted in favour of the resolution	4
2	Name of directors who voted against the resolution	Nil
3	Name of directors who did not vote or participate on the resolution	Nil

f) The details of the promoters and present directors of the Company along with their addresses are as follows:

i. Promoters

S. No.	Name of Promoters	Address
1	Bimla Devi Todi	CG-235, Sector-II, Saltlake, Kolkata-700091.
2	Shobha Devi Todi	CF-398, Sector-I, Saltlake, Kolkata-700064.
3	Rahul Kumar Todi	11/5, Shastri Nagar, Angeripalayam Main Road, Tiruppur North 641602.
4	Navin Kumar Todi	11/5, Shastri Nagar, Angeripalayam Main Road, Chettipalayam Aiangalipalayam Tiruppur – 641603.
5	Saket Todi	CG-235, Sector-II, Saltlake, Kolkata-700091.
6	Udit Todi	CF-398, Sector-I, Saltlake, Kolkata-700064.
7	Hollyfield Traders Pvt. Ltd.	EN-28, Sector-V Saltlake City, Kolkata- 700091.

ii. Directors

Name of Director	Address
Bimla Devi Todi	CG-235, Sector-II, Saltlake, Kolkata-700091.
Shobha Devi Todi	CF-398, Sector-I, Saltlake, Kolkata-700064.
Saket Todi	CG-235, Sector-II, Saltlake, Kolkata-700091.
Udit Todi	CF-398, Sector-I, Saltlake, Kolkata-700064.

g) The amount due to Creditors as on 30.09.2019 is Rs. 177,786,798.43/-.

C) Lux Industries Limited (Transferee Company)

a) The Transferee Company is a Public Listed Company. The authorised capital of the Transferee Company as on 31st March, 2019 is Rs. 65,00,00,000 (Rupees Sixty Five Crores Only) divided into 4,50,00,000 equity shares of Rs. 2/- each, and 56,00,000 preference shares of Rs. 100/- each. The issued, subscribed and paid up capital is Rs. 5,05,06,000/- (Rupees Five Crores Five Lakhs and Six Thousand only), divided into 2,52,53,000 equity shares of Rs. 2/- each fully paid up. Forfeited equity share capital is Rs. 24,92,000/- divided into 24,84,500 equity shares of Rs. 2/- each Subsequent to the above date, there is no change in share capital of the Transferee Company.

b) The main objects of Transferee Company as contained in its Memorandum of Association, *inter alia* includes, as follows:

- (1) *“To carry on the business of manufacturers, importers and exporters, wholesale and retail dealers of and in hosiery goods of every kind, nature and description, for men, women and children including brief, vests, socks, stockings, sweaters, laces and so on and of all or anything which is used in hosiery goods.*

- (2) *To spin, make, produce and process, bleach, de, print, weave, tuft and finish al kinds of fibres yarn and materials made from all kinds of fibre natural, synthetic or man-made.*
- (3) *To carry on the business of manufacturers, importers and exporters, wholesale and retail dealers of and in men's, women's and children's clothing and wearing apparel of even/kind, nature and description including shirts, bush-shirts, pyjama suits, vests, underwear, suits, foundation, garments for ladies dresses, brassieres, maternity belts, knee caps, coats, panties, nighties and so on.*
- (4) *To carry on the business of manufacturers, importers and exporters, wholesalers, retailers and dealers in all kinds of synthetics and manmade fibers and process all such fibers including fiber glass into materials and finished articles for household, domestic, commercial and industrial use and to import, export, buy, sell and deal in raw or finished cotton, wool, hair, jute, silk, coir, hemp, flax, yarn, sisal and all other natural, manmade and synthetic fibre and all articles made therefrom.*
- (5) *To carry on all or any of the business of dealers manufacturers of all kinds of carpets, durries, mats, rugs, namdas, blankets, shawls, tweeds, linens, flannels and all other articles of woollen and worsted materials and of all articles similar to the forgoing or any of them or connected therewith."*

c) During the last five years there has been no change in the name, registered office and main objects which are summarized above of the Transferee Company.

d)The Board of Directors of the Transferee Company have by a resolution passed unanimously at their meeting held on 26th June, 2018 approved the said Scheme. The particulars of the meeting of the board of directors of Transferee Company are set out below:

Sr. No.	Particulars of meeting of board of directors of Transferee Company	Details
1	Name of directors who voted in favour of the resolution	6
2	Name of directors who voted against the resolution	Nil
3	Name of directors who did not vote or participate on the resolution	Nil

e) The details of the promoters and present directors of the Company along with their addresses are as follows:

i. Promoters

S. No.	Name of Promoters	Address
1	Ashok Kumar Todi	CG-235, Sector-II, Saltlake, Kolkata-700091.
2	Pradip Kumar Todi	CF-398, Sector-I, Saltlake, Kolkata-700064.
3	Shobha Devi Todi	CF-398, Sector-I, Saltlake, Kolkata-700064.
4	Bimla Devi Todi	CG-235, Sector-II, Saltlake, Kolkata-700091.
5	Prabha Devi Todi	11/5, Shastri Nagar, Angeripalayam Main Road,

		Gandhinagar Tiruppur – 641603.
6	Saket Todi	CG-235, Sector-II, Saltlake, Kolkata-700091.
7	Udit Todi	CF-398, Sector-I, Saltlake, Kolkata-700064.
8	Neha Todi	CL-184, Sector-3, Sech Bhawan, North 24 Parganas, Kolkata-700091.
9	Shilpa Pankajkumar Agarwal	A-13, 3 rd Floor, Central Park, GDIC Pandesara, Surat, Gujarat-395007.

ii. Directors

Name of Director	Address
Ashok Kumar Todi	CG-235, Sector-II, Saltlake, Kolkata-700091.
Pradip Kumar Todi	CF-398, Sector-I, Saltlake, Kolkata-700064.
Prabha Devi Todi	11/5, Shastri Nagar, Angeripalayam Main Road, Gandhinagar Tiruppur – 641603.
Kamal Kishore Agrawal	B-605,Arihant Darshan Chsl, Asha Nagar Thakur Complex, Kandivali East Mumbai 400101
Nandanandan Mishra	D-053, BELVEDERE PARK DLF CITY PHASE-III GURGAON 122002 HR IN
Snehasish Ganguly	2/6, Biren Roy Road East Behala, Purba Barisha Kolkata 700008
Rusha Mitra	P-97 KALINDI HOUSING ESTATE NORTH 24 PARGANAS LAKE TOWN 700089 WB IN

f) The amount due to Creditors as on 30.09.2019 is Rs. 3,128,578,839/-.

5. For the purpose of the Scheme the Appointed Date is 01.04.2018 and Effective Date has been defined as the date on which the conditions specified in clause 17 of the Scheme are complied with and the Scheme will be made effective with effect from the Appointed Date.

6. Upon coming into effect of the Scheme and in consideration of the transfer and vesting of the undertaking of the Transferor Companies in the Transferee Company in terms of Part II of the Scheme the Transferee Company shall, without any further act or deed, issue and allot equity shares ("New Equity Shares") to the members of the respective Transferor Companies whose names appear in the register of members of the respective Transferor Companies as on the Record Date in the following manner:

- (i) For every 100 fully paid up equity shares of the Transferor Company 1 having face value of INR 10 each and held by the members of the Transferor Company 1 as on record date, 29 equity shares of the Transferee Company having a face value of INR 2 each, credited as fully paid up shall be issued to the members of Transferor Company 1.
- (ii) For every 100 fully paid up equity shares of Transferor Company 2 having face value of INR 10 each and held by the members of the Transferor Company 2 as on record date, 1142 Equity Shares of the Transferee Company having a face value of INR 2 each, credited as fully paid up shall be issued to the members of Transferor Company 2.
- (iii) Notwithstanding anything contained in Clause 9.1 of the Scheme, upon the Scheme coming into effect, all equity shares which the Transferee Company hold in the Transferor Companies hold amongst each other

shall get cancelled without any further application, act or deed, in accordance with provisions of Section 100 to 103 of the Act and the order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution or liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the Act will not be applicable. It is clarified that no new equity shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of such shares of the Transferor Companies held *inter se* amongst the transferor Companies

7. It is stated that the proposed Scheme does not contemplate any corporate debt restructuring exercise.
8. The rationale and benefit of the proposed Scheme is that the amalgamation of the Transferor Companies with the Transferee Company would *inter alia* have the following benefits:
 - (a) The proposed merger will lead to the presence of the Transferee Company across various market segments leading to risk mitigation and higher growth;
 - (b) The proposed merger will rationalize the management structure, enhance customer reach, reduce overhead costs and ultimately lead to increased top line and bottom line for the Transferee Company;
 - (c) The merged entity will have greater financial strength and flexibility;
 - (d) The merger will also result in value appreciation for the shareholders of the merged entity;

- (e) Under a liberalised, fast changing and highly competitive environment, this amalgamation shall strengthen the businesses of the Transferor Companies and the Transferee Company by pooling up resources for common purpose;
- (f) The amalgamation will enable the future business activities to be carried on more conveniently and advantageously with a larger asset base besides achievement of management efficiency, reduction in administrative cost, optimisation of resources, enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the merged company.
- (g) Cost savings are expected to flow from more focused operational efforts, rationalisation, standardisation and simplification of business processes, and the elimination of duplication and rationalization of administrative expenses.

9. The Directors of both the Transferor Companies and the Transferee Company have no material interest in the said Scheme of Amalgamation.

10. The aggregate assets of the Transferor Companies and the Transferee Company are more than sufficient to meet all their liabilities and the said Scheme will not adversely affect the rights of any of the creditors of the Transferor Companies and the Transferee Company in any manner whatsoever and due provisions have been made for payment of all liabilities as and when the same fall due in usual course.

11. The disclosure about the effect of the Scheme of Amalgamation on key managerial personnel, directors and shareholders of the Company has been duly provided in the Report of the directors under section 232(2)(c) of the Companies Act, 2013 annexed to the notice and the explanatory statement.

12. The disclosure about the effect of the Scheme of Amalgamation on employees of the Transferor Companies has been duly provided in clause 7 of the enclosed Scheme of Amalgamation which inter alia says that upon the Scheme coming into effect and with effect from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Companies on the terms and conditions not less favourable than those on which they are engaged by the Transferor Companies without any interruption of service as a result of the amalgamation of the Transferor Companies with the Transferee Company..

13. There are no proceedings pending under Sections 210 to 227 of the Companies Act, 2013 against either of the Transferor Companies and the Transferee Company.

14. No investigation proceedings are pending against the applicants.

15. The copy of the draft Scheme has been filed with the Registrar of Companies.

16. The following documents are available at the website www.luxinnerwear.com:

- (i) Latest audited financial statement of the Applicant Companies including consolidated financial statements;
- (ii) Supplementary financial statement of the Applicant Companies as on 30.09.2019.
- (iii) Copy of the order of the Tribunal dated 21st October, 2020 in pursuance of which the meetings are to be convened;
- (iv) Copy of Scheme of Amalgamation;
- (v) Contracts or agreements material to the amalgamation;
- (vi) Certificate issued by the auditor of the Applicant Companies to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the accounting standards of Section 133 of the Companies Act, 2013;

- (vii) Valuation Report;
- (viii) Directors Report; and
- (ix) Notice convening meeting.

17. In compliance with the requirement of Section 230 (5) of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 notice in the prescribed form and seeking approvals, sanctions or no-objections shall be served upon the concerned regulatory and government authorities for the purpose of the proposed Scheme.

18. Meetings of the equity shareholders of the Transferee Company , unsecured and secured creditors of the Transferor Companies and Transferee Company have been called to consider and if thought fit to approve the said Scheme of Amalgamation, with or without modification.

19. A copy of the Scheme of Amalgamation is sent herewith and may be treated as part of the Statement.

20. The Transferor Companies and the Transferee Company consider that the Scheme is reasonable and has been made for the interest and for benefit of the creditors and shareholders.

Dated this the 22nd day of October, 2020

Sd/-

(Mr. Patita Paban Bishwal.)

Chairperson appointed for the meetings

COMPOSITE SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013
AMONGST
J.M. HOSIERY & CO. LIMITED
(Transferor Company)
AND
EBELL FASHIONS PRIVATE LIMITED
(Transferor Company)
AND
LUX INDUSTRIES LIMITED
(Transferee Company)
AND
THEIR RESPECTIVE SHAREHOLDERS



A. BACKGROUND OF THE COMPANIES

- (i) J. M. Hosiery & Co. Limited, the **“Transferor Company 1”**, having Corporate Identity Number U18109WB2004PLC100233, a public limited company within the meaning of the Companies Act, 2013, was originally incorporated as “Todi Hosiery Private Limited” on 20th October, 2004 under the Companies Act, 1956 in the State of West Bengal. It was converted to a public limited company in the year 2012, subsequently renamed to its present name i.e. J. M. Hosiery & Co. Limited and a fresh Certificate of Incorporation consequent upon change of name issued on 29th July, 2015 by the Registrar of Companies, West Bengal. The Transferor Company 1 is engaged, *inter alia*, in the business of manufacturing, marketing, selling and distribution of knitted apparel including hosiery.
- (ii) Ebell Fashions Private Limited, the **“Transferor Company 2”**, having Corporate Identity Number U25191WB1997PTC084787, private limited company within the meaning of the Companies Act, 2013, was originally incorporated as “Ebel Polymers Private Limited” on 30th June, 1997 under the Companies Act, 1956 in the State of West Bengal. It was subsequently renamed to its present name i.e. Ebell Fashions Private Limited and a fresh Certificate of Incorporation consequent upon change of name issued on 7th May, 2013 by the Registrar of Companies, West Bengal. The Transferor Company 2 is engaged, *inter alia*, in the business of manufacturing, marketing, selling and distribution of knitted apparel for women’s
- (iii) Lux Industries Limited, the **“Transferee Company”**, having Corporate Identity Number L17309WB1995PLC073053, public listed company within the meaning of the Companies Act, 2013, was originally incorporated as “Lux Hosiery Industries Limited” on 21st July, 1995 under the Companies Act, 1956 in the State of West Bengal. It was subsequently renamed to its present name i.e. Lux Industries Limited and a fresh Certificate of Incorporation consequent upon change of name issued on 24th October, 2007 by the Registrar of Companies, West Bengal. The Transferee Company is engaged, *inter alia*, in the business of manufacturing, marketing, selling and distribution of knitted apparel including hosiery. The shares of the Transferee Company are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.



B. OVERVIEW AND OPERATION OF THIS SCHEME

This Scheme provides for the amalgamation of the Transferor Companies into the Transferee Company (*as defined hereinafter*), in the manner set out in this Scheme, and in accordance with the provisions of Sections 230 to 232 of the Act and other applicable provisions of Applicable Law.

C. PARTS OF THIS SCHEME

This Scheme is divided into the following parts :

- (i) **PART I** deals with the definitions of capitalized terms used in this Scheme and the share capital of the Transferor Companies and the Transferee Company;
- (ii) **PART II** deals with the amalgamation of the Transferor Companies with the Transferee Company; and
- (iii) **PART III** deals with the general terms and conditions that would be applicable to this Scheme.

D. RATIONALE FOR THIS SCHEME

The amalgamation of the Transferor Companies with the Transferee Company would *inter alia* have the following benefits:

- (a) The proposed merger will lead to the presence of the Transferee Company across various market segments leading to risk mitigation and higher growth;
- (b) The proposed merger will rationalize the management structure, enhance customer reach, reduce overhead costs and ultimately lead to increased top line and bottomline for the merged entity;
- (c) The merged entity will have greater financial strength and flexibility;



- (d) The merger will also result in value appreciation for the shareholders of the merged entity;
- (e) Under a liberalised, fast changing and highly competitive environment, this amalgamation shall strengthen the businesses of the Transferor Companies and the Transferee Company by pooling up resources for common purpose;
- (f) The amalgamation will enable the future business activities to be carried on more conveniently and advantageously with a larger asset base besides achievement of management efficiency, reduction in administrative cost, optimisation of resources, enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the merged company.
- (g) Cost savings are expected to flow from more focused operational efforts, rationalisation, standardisation and simplification of business processes, and the elimination of duplication and rationalization of administrative expenses.

In view of the aforesaid, the Board of Directors of the Transferor Companies as well as the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Companies with the Transferee Company in order to benefit the shareholders, creditors, employees, and other stakeholders of both the Transferor Companies and the Transferee Company. Accordingly, the Board of Directors of both the companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Companies to the Transferee Company pursuant to the provisions of Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

PART I

1. DEFINITIONS



1.1 DEFINITIONS

In this Scheme, unless inconsistent with the subject or context thereof, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) subject to (iii) below, all terms and words not defined in this Scheme shall have the same meaning ascribed to them under Applicable Laws; and (iii) the following expressions shall have the following meanings:

- 1.1.1 **“Act”** means the Companies Act, 2013 to the extent of the provisions notified and the Companies Act, 1956 to the extent of its provisions in force and shall include any other statutory amendment or re-enactment or restatement and the rules and/ or regulations and/ or other guidelines or notifications under Applicable Laws, made thereunder from time to time;
- 1.1.2 **“Appointed Date”** means 1st April, 2018;
- 1.1.3 **“Applicable Law”** means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties and shall include, without limitation, the listing agreement executed with the Stock Exchanges in the case of the Transferee Company.
- 1.1.4 **“Appropriate Authority”** means:
- (a) the government of any jurisdiction (including any central, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
 - (b) any public international organisation or supranational body and its institutions,



departments, agencies and instrumentalities;

(c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) the Competition Commission of India, SEBI (*as defined hereinafter*), and the Tribunal (*as defined hereinafter*); and

(d) any Stock Exchange.

1.1.5 **“Board”** in relation to each of the Transferor Companies and the Transferee Company as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to the amalgamation, this Scheme or any other matter relating thereto.

1.1.6 **“Effective Date”** means the day on which the conditions specified in Clause 17 (Conditions Precedent) of this Scheme are complied with.

1.1.7 **“Encumbrance”** means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments, hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term **“Encumber”** shall be construed accordingly;

1.1.8 **“INR”** means Indian Rupee, the lawful currency of the Republic of India.

1.1.9 **“Parties”** shall mean collectively the Transferor Companies and the Transferee Company and **“Party”** shall mean each of them, individually;



- 1.1.10 **"Permits"** means all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory under Applicable Law;
- 1.1.11 **"Person"** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;
- 1.1.12 **"Record Date"** means the date to be fixed by the Board of the Transferor Companies in consultation with the Transferee Company for the purpose of determining the shareholders of the Transferor Companies for issue of the new equity shares pursuant to this Scheme.
- 1.1.13 **"RoC"** means the relevant Registrar of Companies having jurisdiction over the Transferor Companies or the Transferee Company as the case may be;
- 1.1.14 **"Scheme"** means this scheme of amalgamation, with or without any modification approved or imposed or directed by the Tribunal;
- 1.1.15 **"SEBI"** means the Securities and Exchange Board of India;
- 1.1.16 **"SEBI Circular"** shall mean the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, and any amendments thereof, modifications issued pursuant to regulations 11 and 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;
- 1.1.17 **"Stock Exchanges"** means the National Stock Exchange of India Limited ("**NSE**") and Bombay Stock Exchange Limited ("**BSE**");
- 1.1.18 **"Taxation"** or "**Tax**" or "**Taxes**" means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Transferor Companies or the Transferee Company or any other Person and all penalties, charges,



costs and interest relating thereto;

1.1.19 **“Tax Laws”** means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature;

1.1.20 **“Transferee Company”** means Lux Industries Limited, a public listed company, within the meaning of the Companies Act, 2013, having corporate identity number L17309WB1995PLC073053 and having its registered office at 39, Kali Krishna Tagore Street, Kolkata – 700 007, India;

1.1.21 **“Transferor Company 1”** means J.M. Hosiery & Co Limited, a public company, within the meaning of the Companies Act 2013, having corporate identity number U18109WB2004PLC100233 and having its registered office at 39, Kali Krishna Tagore Street, Kolkata – 700 007, India.

1.1.22 **“Transferor Company 2”** means Ebell Fashions Private Limited, a private company, within the meaning of the Companies Act 1956, having corporate identity number U25191WB1997PTC084787 and having its registered office at PS Srijan Tech Park, DN-52, 10th Floor, Salt Lake City, Sector – V, Kolkata – 700 091, India.

1.1.23 **“Transferor Companies”** means collectively the Transferor Company 1 and the Transferor Company 2;

1.1.24 **“Tribunal”** means the National Company Law Tribunal having jurisdiction over the Transferor Companies and the Transferee Company.

1.2 INTERPRETATIONS

In this Scheme, unless the context otherwise requires:

1.2.1 words denoting singular shall include plural and vice versa;

1.2.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;



- 1.2.3 references to the word “include” or “including” shall be construed without limitation;
- 1.2.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 1.2.5 unless otherwise defined, the reference to the word “days” shall mean calendar days;
- 1.2.6 Reference in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” shall mean the Effective Date;
- 1.2.7 reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- 1.2.8 word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed to them.

2. SHARE CAPITAL

- 2.1 The share capital of the Transferor Company 1 as on 31st March, 2018 is as follows:

Particulars	INR
Authorised Share Capital	
75,00,000 equity shares of INR 10 each	7,50,00,000
Total	7,50,00,000
Issued, Subscribed and Paid-up Capital	
74,46,006 equity shares of INR 10 each	7,44,60,060
Total	7,44,60,060

The equity shares of the Transferor Company 1 are not listed on any stock exchange in India or elsewhere.

- 2.2 The share capital structure of the Transferor Company 2 as on 31st March, 2018 is as follows:

Particulars	INR
Authorised Share Capital	
2,50,000 equity shares of INR 10 each	25,00,000
Total	25,00,000
Issued, Subscribed and Paid-up Capital	



2,35,000 equity shares of INR 10 each	23,50,000
Total	23,50,000

The Transferor Company 2 is a private limited company.

- 2.3 The share capital structure of the Transferee Company as on 31st March,2018 is as follows:

Particulars	INR
Authorised Share Capital	
4,50,00,000 equity shares of INR 2 each	9,00,00,000
56,00,000 preference shares of INR 100 each	56,00,00,000
Total	65,00,00,000
Issued & Subscribed	
2,77,37,500 equity shares of INR 2 each	5,54,75,000
Total	5,54,75,000
Fully Paid Up	
2,52,53,000 Equity Shares of INR 2 each	5,05,06,000
Total	5,05,06,000

The Issued & Subscribed Capital of the Company consist of 2,77,37,500 equity shares of Rs. 2/- each while the Fully Paid Up Capital of the Company consists of 2,52,53,000 Equity Shares of Rs. 2/- each in view of the fact that the Company had forfeited 4,96,900 equity shares of Rs. 10/- each (equivalent to 24,84,500 equity shares after sub-division of shares from that of Rs. 10/- each to Rs. 2/- each) during the financial year 2006-07.

The Transferee Company is a public limited company and its equity shares are listed on the NSE& BSE.

3. **DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME**

- 3.1 This Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal or made as per Clause 16 of this Scheme, shall become effective from Appointed Date but shall be operative from the Effective Date.



PART II

AMALGAMATION OF TRANSFEROR COMPANIES WITH THE TRANSFeree COMPANY

4. TRANSFER OF ASSETS AND LIABILITIES

- 4.1 With effect from the opening of business hours of the Appointed Date, and subject to the provisions of this Scheme and pursuant to Section 232 of the Act and Section 2(1B) of the Income-tax Act, 1961, the Transferor Companies shall stand amalgamated with the Transferee Company as a going concern and all assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferor Companies shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferee Company by virtue of, and in the manner provided in this Scheme.
- 4.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:
- 4.2.1 with respect to the assets of the Transferor Companies that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Companies by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date;
- 4.2.2 subject to Clause 4.2.3 below, with respect to the assets of the Transferor Companies, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other



authorities and bodies, customers and other persons, whether or not the same is held in the name of the respective Transferor Companies the same, shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date by operation of law as transmission, as the case may be, in favour of Transferee Company. With regard to the licenses of properties, the Transferee Company will enter into novation agreements, if it is so required;

- 4.2.3 without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, factories, sites, tenancy rights related thereto, and other immovable property, including accretions and appurtenances), whether or not included in the books of the concerned Transferor Companies, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immovable property) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Companies, without any act or deed to be done or executed by the Transferor Companies, as the case may be and/or the Transferee Company;
- 4.2.4 all debts, liabilities, duties and obligations (debentures, bonds, notes or other debt securities) of the Transferor Companies shall, without any further act, instrument or deed be transferred to, and vested in, and/or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the respective Transferor Company, and it shall not be necessary to obtain the consent of any Person who is a party to the contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 4;
- 4.2.5 the vesting of the entire undertaking of the Transferor Companies, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant



assets of the Transferor Companies or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the respective Transferor Company is a party) related to any assets of such Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of / to be availed of by it, and the Encumbrances in respect of such indebtedness of the Transferee Company shall not extend or be deemed to extend or apply to the assets so vested;

- 4.2.6 Taxes, if any, paid or payable by the respective Transferor Company after the, Appointed Date shall be treated as paid or payable by the Transferee Company and the Transferee Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable;
- 4.2.7 if any of the Transferor Companies is entitled to any unutilized credits (including balances or advances), benefits, subsidies, grants, special status and other benefits or privileges of whatsoever nature under any incentive schemes and policies including tax holiday or concessions under any Tax Laws or Applicable Laws, the Transferee Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or unutilised credits as the case may be automatically without any specific approval or permission;
- 4.2.8 upon Part II of the Scheme becoming effective, the Transferor Companies and/or the Transferee Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme;
- 4.2.9 it is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Companies, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230



to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Companies, to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;

4.2.10 On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Companies have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Companies in the name of the respective Transferor Companies and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company; and

4.2.11 without prejudice to the foregoing provisions of Clause 4.2, the Transferor Companies, and the Transferee Company shall be entitled to apply to the Appropriate Authorities as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require and execute any and all instruments or documents and do all acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies or filing of necessary applications, notices, intimations or letters with any authority or Person, to give effect to the above provisions.

5. PERMITS

With effect from the Appointed Date, all the Permits held or availed of by, and all rights and benefits that have accrued to the Transferor Companies, pursuant to the provisions of Section 232 of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Appointed Date, the Permits, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and



conditions to the extent permissible in Applicable Laws. Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/ or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Companies, and under the relevant license and/or permit and/or approval, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

6. CONTRACTS

- 6.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature, subsisting or having effect on or immediately before the Appointed Date, to which any of the Transferor Companies is a party shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. The Transferee Company will, if required, enter into novation agreement(s) in relation to such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above. Any *inter-se* contract between any of the Transferor Companies, on the one hand, and the Transferee Company on the other hand, shall stand cancelled and cease to operate upon the effectiveness of Part II of this Scheme.
- 6.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the assets and liabilities of the Transferor Companies occurs by virtue of this Scheme, the Transferee Company may, at any time in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which either of the Transferor Companies is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies, to carry out or perform all such formalities or



compliances referred to above on the part of the Transferor Companies.

- 6.3 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Companies in the name of such Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Companies, to the Transferee Company under this Scheme has been given effect to under such contracts and transactions.

7. EMPLOYEES

Upon this Scheme coming into effect and with effect from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Companies on the terms and conditions not less favourable than those on which they are engaged by the Transferor Companies without any interruption of service as a result of the amalgamation of the Transferor Companies with the Transferee Company. The Transferee Company also agrees that the services of all such employees with the Transferor Companies prior to the amalgamation of the Transferor Companies with the Transferee Company shall be taken into account for

the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retrial/ terminal benefits.

8. LEGAL PROCEEDINGS

If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called the "Proceedings") by or against any of the Transferor Companies is pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted



and enforced by or against the concerned Transferor Company as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Companies.

9. CONSIDERATION

- 9.1 Upon coming into effect of the Scheme and in consideration of the transfer and vesting of the undertaking of the Transferor Companies in the Transferee Company in terms of Part II of this Scheme, the Transferee Company shall, without any further act or deed, issue and allot equity shares ("**New Equity Shares**") to the members of the respective Transferor Companies whose names appear in the register of members of the respective Transferor Companies as on the Record Date in the following manner:
- 9.2 for every 100 fully paid up equity shares of the Transferor Company 1 having face value of INR 10 each and held by the members of the Transferor Company 1 as on record date, 29 equity shares of the Transferee Company having a face value of INR 2 each, credited as fully paid up shall be issued to the members of Transferor Company 1.
- 9.3 for every 100 fully paid up equity shares of Transferor Company 2 having face value of INR 10 each and held by the members of the Transferor Company 2 as on record date, 1142 Equity Shares of the Transferee Company having a face value of INR 2 each, credited as fully paid up shall be issued to the members of Transferor Company 2.
- 9.4 Notwithstanding anything contained in Clause 9.1 above, upon the Scheme coming into effect, all equity shares which the Transferee Company holds in the Transferor Companies (either directly or through nominees) or the Transferor Companies hold amongst each other shall get cancelled without any further application, act or deed, in accordance with provisions of Section 100 to 103 of the Act and the order of the Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the Act will not be applicable. It is clarified that no new equity shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of such shares of the Transferor Companies held inter-se



amongst the Transferor Companies.

- 9.5 Any share of the Transferee Company that is held by the Transferor Companies, to the extent the same has not been transferred prior to the Effective Date, shall, without any further act, document or deed, upon the Scheme becoming effective, be deemed to have been transferred to the Transferee Company pursuant to this Scheme for the express purpose of cancellation, and be so cancelled and there would be no issuance of shares by the Transferee Company in relation to such shares so held.
- 9.6 In the event that the Transferee Company restructures its equity share capital by way of a share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 9.7 The issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Companies shall be deemed to have complied with all provisions of the Act and such other statutes and regulations as may be applicable.
- 9.8 The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall, rank pari passu in all respects with the then existing equity shares of the Transferee Company, including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.
- 9.9 In respect of shareholders entitled for fractional entitlement based on the swap ratio, no fractional shares shall be issued by the Transferee Company and all fractional entitlements will be rounded up to the nearest integer.
- 9.10 The equity shares allotted by the Transferee Company pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the Stock Exchanges and shall be listed and admitted to trading on the relevant Stock Exchange(s) in India, where the existing equity shares of the Transferee Company are listed and admitted to trading.
- 9.11 The new Equity Shares to be issued by the Transferee Company in respect of any equity



shares of the Transferor Companies which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 or otherwise, shall also be kept in abeyance.

10. ACCOUNTING TREATMENT BY THE TRANSFeree COMPANY IN RESPECT OF ASSETS AND LIABILITIES

- 10.1 The Transferee Company shall account for the Scheme in its books/financial statements upon receipt of all relevant/requisite approvals for the Scheme in accordance with principles laid down in the applicable "Indian Accounting Standard (Ind-AS)" including Ind AS 103 as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, the applicable provisions of the Act, and generally accepted accounting principles in India; and-
- 10.2 Inter-company holdings and balances, if any, between the Transferor Company and the Transferee Company, shall stand cancelled, and shall be accounted in accordance with Clause 10.1
- 10.3 In case of difference in accounting policy between the Transferee Company and the Transferor Companies, the accounting policy followed by the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the statement of profit and loss to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policy.
- 10.4 Notwithstanding the above, the Board of Directors of the Transferee Company, in consultation with its statutory auditors, is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the Accounting Standards prescribed by the Central Government under Section 133 of the Companies Act, 2013 and generally accepted accounting principles.

11. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of Part II of this Scheme, the resolutions and powers of attorney of/executed by the Transferor Companies, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and powers of



attorney passed/ executed by the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

PART III

GENERAL TERMS & CONDITIONS

12. DIVIDENDS

12.1 The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending 31st March 2018 and such future accounting periods consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the concerned Parties

12.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Companies or the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Transferor Companies and the Transferee Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Companies and the Transferee Company, as the case may be.

13. CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE

13.1 With effect from the Appointed Date and up to and including the Effective Date:

13.1.1 the Transferor Companies shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and



shall hold and stand possessed of the assets for and on account of, and in trust for the Transferee Company;

- 13.1.2 all profits or income arising or accruing to the Transferor Companies and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Transferor Companies shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Company;
- 13.1.3 all loans raised and all liabilities and obligations incurred by the Transferor Companies after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Transferee Company;
- 13.1.4 The Transferor Companies shall carry on their business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto,
- 13.1.5 The Transferor Companies shall not amend its respective Memorandum of Association or Articles of Association, except with the written concurrence of the Transferee Company, unless required and expressly permitted under this Scheme.
- 13.1.6 The Transferor Companies shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies and to give effect to the Scheme.
- 13.1.7 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Transferee Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Companies, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company shall always be deemed to have been authorized to



execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Transferee Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Transferee Company, pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Transferor Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

14. DISSOLUTION OF TRANSFEROR COMPANIES

On this Scheme becoming effective, the Transferor Companies shall stand dissolved without winding up. On and from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the Registrar of Companies.

15. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

- 15.1 The Parties shall with dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law and for dissolution of the Transferor Companies without being wound up.
- 15.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Transferor Companies and Transferee Company may require to own the assets and/or liabilities of the Transferor Companies, and to carry on the business of



the Transferor Companies.

16. MODIFICATION OR AMENDMENTS TO THIS SCHEME

16.1 On behalf of each of the Transferor Companies and the Transferee Company, the Board of the respective companies acting themselves or through authorized persons, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e. the Boards of the Transferor Companies and the Transferee Company) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

16.2 For the purpose of giving effect to this Scheme or to any modification thereof the Boards of the Transferor Companies and the Transferee Company acting themselves or through authorized persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

17. CONDITIONS PRECEDENT

17.1 Unless otherwise decided (or waived) by the relevant Parties and subject to the provisions of Clause 17.2, all parts of the Scheme are conditional upon and subject to the following conditions precedent:

17.1.1 obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;

17.1.2 approval of the Scheme by the requisite majority of each class of shareholders of the Transferor Companies and the Transferee Company and such other classes of persons of the said Companies, if any, as applicable or as may be required under the Act and as may



be directed by the Tribunal;

- 17.1.3 the Parties, as the case may be, complying with the provisions of the SEBI Circular, as applicable, and in particular in compliance with Para (I)(A)(9)(a) of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, which provides for voting by public shareholders through e-voting and disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, , and in particular in compliance with Para (I)(A)(9)(b) of SEBI Circular No. CFD/DIL/3/CIR/2017/21 dated March 10, 2017 which provides that the scheme shall be acted upon only if the votes cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders against it,
- 17.1.4 the sanctions and orders of the Tribunals, under Sections 230 to 232 of the Act being obtained by the Transferor Companies and the Transferee Company;
- 17.1.5 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the concerned Registrar of Companies having jurisdiction over the Parties; and
- 17.1.6 the requisite consent, approval or permission of the Appropriate Authority or any other Person, which by Applicable Law or contract, agreement, may be necessary for the effective transfer of business and/or implementation of the relevant parts of the Scheme.
- 17.2 Without prejudice to Clause 17.1 and subject to satisfaction or waiver of conditions mentioned in 17.1 above, Part II of the Scheme shall be made effective subject to the satisfaction or waiver of conditions mentioned in Clause 17.1.1 by the Boards of the Transferor Companies and the Transferee Company.
- 17.3 It is hereby clarified that submission of this Scheme to the Tribunals and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Transferor Companies and/ or the Transferee Company may have under or pursuant to all Applicable Laws.
- 17.4 On the approval of this Scheme by the shareholders of the Transferor Companies and the Transferee Company and such other classes of Persons of the said Companies, if any,



pursuant to Clause 17.1, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the amalgamation set out in this Scheme, related matters and this Scheme itself.

18. EFFECT OF NON-RECEIPT OF PERMITS AND MATTERS RELATING TO REVOCATION/ WITHDRAWAL OF THIS SCHEME

18.1 The Transferor Companies and the Transferee Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme: (a) in case any condition or alteration imposed by any Appropriate Authority is unacceptable to any of them; or (b) they are of the view that coming into effect of this Scheme could have adverse implications on the respective companies.

18.2 If this Scheme is not made effective within such period as may be mutually agreed upon between the Transferor Companies and the Transferee Company through their respective Boards or their authorised representatives, this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with this Scheme.

18.3 In the event of revocation or withdrawal under Clause 18.1 or above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

18.4 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company through their respective Boards, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

18.5 Further, it is the intention of the Parties that each part shall be severable from the



remainder of this Scheme and the Scheme shall not be affected if any part of this Scheme is found to be unworkable for any reason whatsoever unless the deletion of such part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in this Scheme or cause such part to be null and void, including but not limited to such part.

19. INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE TRANSFeree COMPANY

- 19.1 Upon Part II of the Scheme becoming effective, the authorised share capital of the Transferor Company 1 and Transferor Company 2 will get merged with that of the Transferee Company.
- 19.2 The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.
- 19.3 Consequently, clause V of the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 14, 61, 64, and other applicable provisions of the Act, and be replaced by the following clause:
- "The Authorised Share Capital of the Company is Rs. 727,500,000/- (Rupees Seventy Two Crores Seventy Five Lacs only) consisting Rs. 167,500,000/- (Rupees Sixteen Crore Seventy Five Lacs) divided into 8,37,50,000 (Eight Crores Thirty seven Lacs Fifty Thousand) equity shares of Rs. 2 (Rupees Two) each and Rs. 56,00,00,000/- (Rupees Fifty Six Crores) divided into 56,00,000 (Fifty Six Lacs) Preference Shares of Rs. 100/- each with such rights, privileges and conditions attaching thereto as are provided by the Regulations of the Article of Association of the Company for time being, with power to increase and decrease the Capital of the Company and to divide the shares in capital for the time being into several classes and to attach thereto respectively such preferential qualified or special rights from time to time and to vary, modify or abrogate any such rights, privileges or conditions attached to any class of shares in such manner as may for the time being be provided by the regulations of the Company."*



19.4 It is clarified that the approval of the members of the Transferee Company to this Scheme shall be deemed to be their consent/ approval also to the consequential alteration of their respective memorandum of association pursuant to Clause 19.3 of this Scheme and the Transferee Company shall not be required to seek separate consent/ approval of its

shareholders for such alteration of their memorandum of association pursuant to Clause 19.3 of this Scheme, as required under Sections 13, 14, 61, 64, and other applicable provisions of the Act.

20. COSTS AND TAXES

All costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) of the Parties, respectively in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of this Scheme shall be borne by the Transferee Company.

21. LISTING AGREEMENT AND SEBI COMPLIANCES:

21.1 Since the Transferee Company is a listed company, this scheme is subject to the compliances of all the requirements under the Listing Regulations and all directions of the Securities Exchange Board of India ("SEBI") insofar as they relate to sanction and implementation of the Scheme.

21.2 The Transferee Company will cause compliance by its Promoters with Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the SEBI Circular No.CFD/DIL3/CIR/2017/21 dated 10th March, 2017 with respect to issuance of shares to the shareholders of the Transferor Companies pursuant to Clauses 9.1 to 9.3 of the Scheme, to the effect that the percentage of shareholding of pre-scheme public shareholders of the Transferee Company in the post-scheme shareholding pattern of the "Transferee" company shall not be less than 25%, at any point in time.



- 21.3 The Scheme being approved by the public shareholders of the Transferee Company, in compliance with Para (1)(A)(9)(a) of SEBI Circular No. CFD/DIL3/Cir/2017/21 dated March 10, 2017, while providing for voting by public shareholders through e-voting and disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, provided that the Scheme shall be acted upon only if the votes cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders against it, in compliance with Para (1)(A)(9)(b) of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.



Report of the Board of Directors on effect of the Scheme

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF M/S LUX INDUSTRIES LIMITED AT ITS MEETING HELD ON 26TH JUNE, 2018 ("THE COMPANY") AT THE CORPORATE OFFICE OF THE COMPANY EXPLAINING EFFECT OF SCHEME OF AMALGAMATION OF M/S J.M.HOSIERY & CO LIMITED AND M/S EBELL FASHIONS PRIVATE LIMITED WITH THE COMPANY AND THEIR RESPECTIVE SHAREHOLDERS ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON PROMOTERS SHAREHOLDERS LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO

The amalgamation of J. M. Hosiery & Co Limited ('Transferor Company1') and Ebell Fashions Private Limited ('Transferor Company 2') (Transferor Company 1 and Transferor Company 2 collectively referred to as The Transferor Companies) with Lux Industries Limited ('The Transferee Company' or 'The Company',) through a Scheme of Amalgamation ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) and enabling clauses of the Memorandum of Association of the Company and subject to the requisite approvals and sanction of the National Company Law Tribunal, Kolkata Bench ('NCLT') or such other competent authority as may be applicable and subject to the approval of shareholders and / or creditors of the Company, Central Government, or such other competent authority as may be directed by the NCLT, has been approved by the Board of Directors in its board meeting dated 26th June 2018.

As per Section 232(2) (c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid new provision, following was discussed by the Board of Directors:

1. The following documents were placed before the Board:
 - a) Draft Scheme of Amalgamation of M/S. J.M. Hosiery & Co. Limited and M/S. Ebell Fashions Private Limited with M/S. Lux Industries Limited and their Respective Shareholders, duly initiated by the Company Secretary of the company for the purpose of identification;
 - b) Valuation report dated 26th June, 2018("Valuation Report") prepared by M/s. S.R. Batliboi & Co. LLP, Independent Chartered Accountants, describing the methodology adopted by them in arriving at the share entitlement ratio; and

LUX INDUSTRIES LTD

- c) Fairness opinion dated 26th June, 2018 (“Fairness Opinion”) prepared by VC Corporate Advisors Private Limited, Independent Merchant Banker providing the Fairness Opinion on the share entitlement ratio as recommended in the Valuation Report.
 - d) Statutory Auditor’s Certificate dated 26th June, 2018 confirming the compliance of accounting treatment received from S. K. Agrawal & Co, Chartered Accountants.
1. The Board discussed the rationale and the benefits of the Scheme which, inter-alia, are as follows:
- (a) The proposed merger will lead to the presence of the Transferee Company across various market segments leading to risk mitigation and higher growth;
 - (b) The proposed merger will rationalize the management structure, enhance customer reach, reduce overhead costs and ultimately lead to increased topline and bottom-line for the Transferee Company;
 - (c) The merged entity will have greater financial strength and flexibility;
 - (d) The merger will also result in value appreciation for the shareholders of the merged entity;
 - (e) Under a liberalized, fast changing and highly competitive environment, this amalgamation shall strengthen the business of the Transferor Companies and the Transferee Company by pooling up the resources for common purpose;
 - (f) The amalgamation will enable the future business activities to be carried on more conveniently and advantageously with a larger asset base besides achievement of management efficiency, reduction in administrative cost, optimization of resources, enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the merged Company.
 - (g) Cost savings are expected to flow from more focused operational efforts, rationalisation, standardisation and simplification of business processes, and the elimination of duplication and rationalization of administrative expenses.

LUX INDUSTRIES LTD

2. The Board of Directors reviewed the Valuation Report received from M/s. S.R. Batliboi & Co. LLP, Independent Chartered Accountants and the Fairness Opinion received from M/S. VC Corporate Advisors Private Limited, Independent Merchant Banker recommending that the share exchange ratio in the Valuation Report is fair to the shareholders of the Company.

The share entitlement ratio recommended in the Valuation Report and confirmed by the Fairness Opinion is as follows:

- i) 1142 Equity Shares of Rs. 2 each fully paid up of Lux Industries Limited to be issued for every 100 Equity Shares of Rs. 10 each fully paid up of Ebell Fashions Private Limited.
 - ii) 29 Equity Shares of Rs. 2 each fully paid up of Lux Industries Limited to be issued for every 100 Equity Shares of Rs. 10 each fully paid up of J.M. Hosiery & Co Limited.
3. The new equity shares of the Company to be issued to the Equity Shareholders of the Transferor Companies will be listed for trading on the stock exchanges where the shares of the Company are listed.
 4. The Company was not expecting any change in the key managerial personnel of the Company in pursuance of the Scheme becoming effective.
 5. There will be no adverse effect of the said Scheme on the Equity Shareholders (the only class of Shareholders), Key managerial personnel, and promoter and non-promoter shareholders of the Company.
 6. The proposed appointed date for the amalgamation will be 1st April, 2018.

By Order of the Board

For and on behalf of

LUX INDUSTRIES LIMITED
For Lux Industries Limited

Smita Mishra
Company Secretary

(Smita Mishra)
Company Secretary

LUX INDUSTRIES LTD



J. M. HOSIERY & CO. LIMITED

(Formerly Todi Hosiery Ltd.)

MANUFACTURERS OF QUALITY HOSIERY GOODS

**Corporate Office : PS Srijan Tech-Park, 10th Floor, DN-52, Sector-V, Salt Lake City
Kolkata - 700 091 (INDIA), Tel : 91-33-4040 2121, Fax : 91-33-4001 2001**

Report of the Board of Directors on effect of the Scheme

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF M/S J.M.HOSIERY & CO LIMITED AT ITS BOARD MEETING HELD ON 26TH JUNE, 2018 AT THE REGISTERED OFFICE OF THE COMPANY EXPLAINING EFFECT OF SCHEME OF ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON PROMOTERS SHAREHOLDERS LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO

The amalgamation of J. M. Hosiery & Co Limited ('Transferor Company1') and Ebell Fashions Private Limited ('Transferor Company 2') (Transferor Company 1 and Transferor Company 2 collectively referred to as The Transferor Companies) with Lux Industries Limited ('The Transferee Company') through a Scheme of Amalgamation ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) and enabling clauses of the Memorandum of Association of the Company and subject to the requisite approvals and sanction of the National Company Law Tribunal, Kolkata Bench ('NCLT') or such other competent authority as may be applicable and subject to the approval of shareholders and / or creditors of the Company, Central Government, or such other competent authority as may be directed by the NCLT, has been approved by the Board of Directors in its board meeting dated 26th June 2018.

As per Section 232(2) (c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid new provision, following was discussed by the Board of Directors:

1. The following documents were placed before the Board:
 - a) Draft Scheme of Amalgamation of M/S J.M. Hosiery & Co. Limited and M/S Ebell Fashions Private Limited with M/S. Lux Industries Limited and their Respective Shareholders;



J. M. HOSIERY & CO. LIMITED

(Formerly Todi Hosiery Ltd.)

MANUFACTURERS OF QUALITY HOSIERY GOODS

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Kolkata - 700 091 (INDIA), Tel : 91-33-4040 2121, Fax : 91-33-4001 2001**

- b) Valuation report dated 26th June, 2018 ("Valuation Report") prepared by M/s. S.R. Batliboi & Co. LLP, Independent Chartered Accountants, describing the methodology adopted by them in arriving at the share entitlement ratio; and
 - c) Fairness opinion dated 26th June, 2018 ("Fairness Opinion") prepared by VC Corporate Advisors Private Limited, Independent Merchant Banker providing the Fairness Opinion on the share entitlement ratio as recommended in the Valuation Report.
 - d) Statutory Auditor's Certificate dated 26th June, 2018 confirming the compliance of accounting treatment received from S. K. Agrawal & Co, Chartered Accountants.
1. The Board discussed the rationale and the benefits of the Scheme which, inter-alia, are as follows:
- (a) The proposed merger will lead to the presence of the Transferee Company across various market segments leading to risk mitigation and higher growth;
 - (b) The proposed merger will rationalize the management structure, enhance customer reach, reduce overhead costs and ultimately lead to increased topline and bottom-line for the Transferee Company;
 - (c) The merged entity will have greater financial strength and flexibility;
 - (d) The merger will also result in value appreciation for the shareholders of the merged entity;
 - (e) Under a liberalized, fast changing and highly competitive environment, this amalgamation shall strengthen the business of the Transferor Companies and the Transferee Company by pooling up the resources for common purpose;



J. M. HOSIERY & CO. LIMITED

(Formerly Todi Hosiery Ltd.)

MANUFACTURERS OF QUALITY HOSIERY GOODS

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Kolkata - 700 091 (INDIA), Tel : 91-33-4040 2121, Fax : 91-33-4001 2001**

- (f) The amalgamation will enable the future business activities to be carried on more conveniently and advantageously with a larger asset base besides achievement of management efficiency, reduction in administrative cost, optimization of resources, enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the merged Company.
 - (g) Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication and rationalization of administrative expenses.
2. The Board of Directors reviewed the Valuation Report received from M/s. S.R. Batliboi & Co. LLP, Independent Chartered Accountants and the Fairness Opinion received from M/s VC Corporate Advisors Private Limited, Independent Merchant Banker recommending that the share exchange ratio in the Valuation Report is fair to the shareholders of the Company.
- The share entitlement ratio recommended in the Valuation Report and confirmed by the Fairness Opinion is as follows:
- i) 1142 Equity Shares of Rs. 2 each fully paid up of Lux Industries Limited to be issued for every 100 Equity Shares of Rs. 10 each fully paid up of Ebell Fashions Private Limited.
 - ii) 29 Equity Shares of Rs. 2 each fully paid up of Lux Industries Limited to be issued for every 100 Equity Shares of Rs. 10 each fully paid up of J.M. Hosiery & Co. Limited.
3. The equity shares of the Transferee Company to be issued to the Equity Shareholders of the Company will be listed for trading on the stock exchanges where the shares of the Transferee Company is listed.
4. There will be no adverse effect of the said Scheme on the Equity Shareholders (the only class of Shareholders) and promoter and non-promoter shareholders of the Company.



J. M. HOSIERY & CO. LIMITED

(Formerly Todi Hosiery Ltd.)

MANUFACTURERS OF QUALITY HOSIERY GOODS

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Kolkata - 700 091 (INDIA), Tel : 91-33-4040 2121, Fax : 91-33-4001 2001**

5. Existing Equity Shares held by the Transferee Company (i.e. 84,000 equity shares of Rs. 10 Each fully paid up) representing 1.13% of total paid up Share Capital of Transferor Company 1 shall stand cancelled without any further act or deed, upon this scheme becoming effective.
6. The proposed appointed date for the amalgamation will be 1st April, 2018.
7. Further Pursuant to the Scheme becoming effective, the Company shall cease to exist and thus the question of any change in Key Managerial Personnel of the Company does not arise.

By Order of the Board

For and on behalf of

J.M.HOSIERY & CO LIMITED

PRADIP KUMAR TODI

Director

DIN: 00246268

Report of the Board of Directors on effect of the Scheme

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF M/S. EBELL FASHIONS PRIVATE LIMITED AT ITS BOARD MEETING HELD ON 26TH JUNE, 2018 AT THE REGISTERED OFFICE OF THE COMPANY EXPLAINING EFFECT OF SCHEME OF ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON PROMOTERS SHAREHOLDERS LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO

The amalgamation of J. M. Hosiery & Co Limited ('Transferor Company1') and Ebell Fashions Private Limited ('Transferor Company 2') (Transferor Company 1 and Transferor Company 2 collectively referred to as The Transferor Companies) with Lux Industries Limited ('The Transferee Company') through a Scheme of Amalgamation ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) and enabling clauses of the Memorandum of Association of the Company and subject to the requisite approvals and sanction of the National Company Law Tribunal, Kolkata Bench ('NCLT') or such other competent authority as may be applicable and subject to the approval of shareholders and / or creditors of the Company, Central Government, or such other competent authority as may be directed by the NCLT, has been approved by the Board of Directors in its board meeting dated 26th June 2018.

As per Section 232(2) (c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid new provision, following was discussed by the Board of Directors:

1. The following documents were placed before the Board:

- a) Draft Scheme of Amalgamation of M/S. J.M. Hosiery & Co. Limited and M/S. Ebell Fashions Private Limited with M/S. Lux Industries Limited and their Respective Shareholders;
- b) Valuation report dated 26th June, 2018("Valuation Report") prepared by M/s. S.R. Batliboi & Co. LLP, Independent Chartered Accountants, describing the methodology adopted by them in arriving at the share entitlement ratio; and

- c) Fairness opinion dated 26th June, 2018 ("Fairness Opinion") prepared by VC Corporate Advisors Private Limited, Independent Merchant Banker providing the Fairness Opinion on the share entitlement ratio as recommended in the Valuation Report.
 - d) Statutory Auditor's Certificate dated 26th June, 2018 confirming the compliance of accounting treatment received from Sanjay Modi & Co, Chartered Accountants.
1. The Board discussed the rationale and the benefits of the Scheme which, inter-alia, are as follows:
- (a) The proposed merger will lead to the presence of the Transferee Company across various market segments leading to risk mitigation and higher growth;
 - (b) The proposed merger will rationalize the management structure, enhance customer reach, reduce overhead costs and ultimately lead to increased topline and bottom-line for the Transferee Company;
 - (c) The merged entity will have greater financial strength and flexibility;
 - (d) The merger will also result in value appreciation for the shareholders of the merged entity;
 - (e) Under a liberalized, fast changing and highly competitive environment, this amalgamation shall strengthen the business of the Transferor Companies and the Transferee Company by pooling up the resources for common purpose;
 - (f) The amalgamation will enable the future business activities to be carried on more conveniently and advantageously with a larger asset base besides achievement of management efficiency, reduction in administrative cost, optimization of resources, enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the merged Company.
 - (g) Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication and rationalization of administrative expenses.

EBELL FASHIONS PRIVATE LIMITED

PS Srijan Tech Park, DN-52, 10th Floor
Salt Lake City, Sector - V, Kolkata - 700091
Tel. : 91-33-4040 2121, Fax : 91-33-4001 2001
E-mail : info@luxinnerwear.com
info@ebellfashions.com

2. The Board of Directors reviewed the Valuation Report received from M/s. S.R. Batliboi & Co. LLP, Independent Chartered Accountants and the Fairness Opinion received from M/s VC Corporate Advisors Private Limited, Independent Merchant Banker recommending that the share exchange ratio in the Valuation Report is fair to the shareholders of the Company.

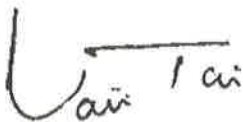
The share entitlement ratio recommended in the Valuation Report and confirmed by the Fairness Opinion is as follows:

- i) 1142 Equity Shares of Rs. 2 each fully paid up of Lux Industries Limited to be issued for every 100 Equity Shares of Rs. 10 each fully paid up of Ebell Fashions Private Limited.
 - ii) 29 Equity Shares of Rs. 2 each fully paid up of Lux Industries Limited to be issued for every 100 Equity Shares of Rs. 10 each fully paid up of J.M.Hosiery & Co. Limited.
3. The equity shares of the Transferee Company to be issued to the Equity Shareholders of the Company will be listed for trading on the stock exchanges where the shares of the Transferee Company is listed.
4. There will be no adverse effect of the said Scheme on the Equity Shareholders (the only class of Shareholders) and promoter and non-promoter shareholders of the Company.
5. The proposed appointed date for the amalgamation will be 1st April, 2018.
6. Further Pursuant to the Scheme becoming effective, the Company shall cease to exist and thus the question of any change in Key Managerial Personnel of the Company does not arise.

By Order of the Board

For and on behalf of

EBELL FASHIONS PRIVATE LIMITED



UDIT TODI

Director

DIN: 02017579

VALUATION REPORT**To
The Board of Directors****26 June 2018**Lux Industries Limited
PS Srijan Tech Park,
10th Floor, DN-52,
Sector-V Salt Lake City,
Kolkata – 700 091,
West Bengal, India.**Sub: Recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited**

Dear Sir / Madam,

We refer to the engagement letter whereby, Lux Industries Limited ("Lux" or the "Client") has appointed S. R. Batliboi & Co. LLP ("SRBC" or "Valuer" or "We") for recommendation of fair exchange ratio of equity shares for the proposed merger of J. M. Hosiery & Co Limited ("JMH") and Ebell Fashions Private Limited ("Ebell") into Lux Industries Limited ("Lux") ("Proposed Merger"), based on the discussions that we have had with and information that we have received from the representatives and Management of Lux ("Management") from time to time in the above matter.

Lux, JMH and Ebell are hereinafter jointly referred to as the "Companies".

SCOPE AND PURPOSE OF THIS REPORT

Lux is engaged in manufacturing and selling of knitwear for men, women, and children. Product profile of Lux includes vests, briefs, socks, boxers, trunks, lounge wear, T-shirts, active wear and thermal wear. The equity shares of Lux are listed on the Bombay Stock Exchange ("BSE") and the National Stock Exchange in India ("NSE"). For year ended 31 March 2018, it reported net sales of INR 11,377.5 mn and net profit after tax of INR 792.3 mn.

JMH is engaged in manufacturing and selling of knitted apparels for men and women. Product profile of JMH mainly includes innerwear and casualwear. For year ended 31 March 2018, it reported net sales of INR 2,917.6 mn and net profit after tax of INR 164.4 mn.

Ebell is engaged in manufacturing and selling of bottom wear for women. Product profile of Ebell includes leggings, premium leggings, winter leggings and track pants. For year ended 31 March 2018, it reported net sales of INR 1,978.7 mn and net profit after tax of INR 210.5 mn.



Report on recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited

We understand that the Management is contemplating the merger of JMH and Ebell into Lux under a composite scheme of Arrangement and Amalgamation under the provisions of Sections 230-232 of the Companies Act, 2013 and The Companies Rules 2016, As a consideration for this Transaction, equity shareholders of JMH and Ebell would be issued equity shares of Lux.

For the aforesaid purpose, the Board of Directors of Lux has appointed SRBC to recommend a fair exchange ratio, for the issue of Lux's equity shares to the equity shareholders of JMH and Ebell, to be placed before the Audit Committee/Board of Directors of Lux.

We understand that the appointed date for the merger is 1 April 2018 or such other date as approved by the Courts.

The scope of our services is to conduct a relative (and not absolute) valuation of equity shares of the Companies and report a fair exchange ratio for the Proposed Merger in accordance with internationally accepted professional standards.

We have been provided with audited financial statements and other financial information of the Companies for the year ended 31 March 2018 and earlier period. We have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Valuation Report ("Report"). Further, the Management has informed us that all material information impacting the Companies have been disclosed to us.

The Management has informed us that:

- (a) There would not be any capital variation in the Companies till the Proposed Merger becomes effective;
- (b) Till the Proposed Merger becomes effective, neither Companies would declare any dividend which are either materially different than those declared in the past few years or having materially different yields.
- (c) There are no unusual/abnormal events in the Companies since the last audited accounts till the Report date materially impacting their operating/financial performance.
- (d) Biswanath Hosiery Mills Limited ("BHML") owns all the brands of the products which are currently manufactured and marketed by JMH (except brand "Target" which is owned by JMH). BHML has granted a license to JMH to use all the brands exclusively on non-revocable basis for the period of 20 years (from 26 June 2018 to 25 June 2038) at a royalty of INR 200,000/- p.a. Also, post the proposed merger the above arrangement will continue with the merged entity on the same terms as mentioned above.



Report on recommendation of fair exchange ratio for the proposed merger of J. M. Hosier & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited

- (e) BHML owns all the brands of the products which are currently manufactured and marketed by Ebell. BHML has granted a license to Ebell to use all the brands exclusively on non-revocable basis for the period of 20 years (from 26 June 2018 to 25 June 2038) at a royalty of INR 75,000/- p.a. Also, post the proposed merger the above arrangement will continue with the merged entity on the same terms as mentioned above.

We have relied on the above while arriving at the fair exchange ratio for the Proposed Merger.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality and not in parts.



Report on recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information about the Companies as received from the Management:

- Audited financials for years ended 31 March 2014 to 31 March 2018 for JMH and Ebell;
- Audited financials for the year ended 31 March 2018 for Lux
- Brand licensing arrangement dated 26 June 2018 between JMH and BHML
- Brand licensing arrangement dated 26 June 2018 between Ebell and BHML

Besides the above listing, there may be other information provided by the Client which may not have been perused by us in any detail, if not considered relevant for our defined scope.

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. Lux has been provided with the opportunity to review the draft report (excluding the recommended exchange ratio) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our report.

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information
- Obtained data available in public domain
- Discussions (physical/over call) with the Management to:
 - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Undertook Industry Analysis:
 - Research publicly available market data including economic factors and industry trends that may impact the valuation
 - Analysis of key trends and valuation multiples of comparable companies/comparable transactions using:
 - SRBC' internal transactions database
 - Proprietary databases subscribed by us
- Selection of internationally accepted valuation methodology/(ies) as considered appropriate by us.



Report on recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than valuation date of 25 June 2018 ('Valuation Date'). We have no obligation to update this report.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the audited financial statements of the Companies as at 31 March 2018. The Management has represented that the business activities of the Companies have been carried out in the normal and ordinary course between 31 March 2018 and the Report date and that no material changes have occurred in their respective operations and financial position between 31 March 2018 and the Report date. Further, the Management has represented that there is no change in the share capital of the Companies between 31 March 2018 and the Report date.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation rendered in this Report only represent our recommendation based upon information furnished by Lux and gathered from public domain (and analysis thereon) and the said recommendation shall be considered to be in the nature of non-binding advice. Our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.

The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into accounts all the relevant factors. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the exchange ratio of the equity shares of Lux, JMH and Ebell. The final responsibility for the determination of the exchange ratio at which the Proposed Merger shall take place will be with the Board of Directors of Lux who should take into account other factors such as their own assessment of the Proposed Merger and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data as detailed in the section - Sources of information.



Report on recommendation of fair exchange ratio for the proposed merger of J. M. Hosierey & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited

We have not independently investigated or otherwise verified the financial information provided by Lux. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from Lux, we have been given to understand by the Management of Lux that they have not omitted any relevant and material factors about the Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the information given by/on behalf of the Companies. The Management of Lux has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations, and that the Companies will be managed in a competent and responsible manner. Further, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited/unaudited balance sheet of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Report date.

The report does not address the relative merits of the Proposed Merger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The fee for the engagement is not contingent upon the results reported.

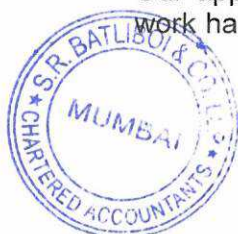
We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to Lux. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

It is understood that this analysis does not represent a fairness opinion. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Arrangement and Amalgamation, without our prior written consent. In addition, this report does not in any manner address the prices at which equity shares of Lux will trade following announcement of the Proposed Merger and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Merger.

Our appointment was formalised via engagement letter dated 25 June 2018, however, the work had started earlier.



Report on recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited

SHAREHOLDING PATTERN**Lux Industries Limited**

The issued and subscribed equity share capital of Lux as at 31 March 2018 is INR 50.5 mn consisting of 25,253,000 equity shares of face value of INR 2 each.

The shareholding pattern is as follows:

Shareholding Pattern as on 31-3-2018	No of Shares	% Share Holding
Promoter & Group	18,615,000	73.71%
Public- Institutions	1,165,175	4.61%
Public- Non Institutions	5,472,825	21.67%
Grand Total	25,253,000	100.00%

Source: BSE filing

J. M. Hosiery & Co Limited

The issued and subscribed equity share capital of JMH as at 31 March 2018 is INR 74.5 mn consisting of 7,446,006 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholding Pattern as on 31-3-2018	No of Shares	% Share Holding
Promoter & Group	7,362,006	98.87%
Lux Industries Limited	84,000	1.13%
Grand Total	7,446,006	100.00%

Source: Management of Lux

Ebell Fashions Private Limited

The issued and subscribed equity share capital of Ebell as at 31 March 2018 is INR 2.4 mn consisting of 235,000 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholding Pattern as on 31-3-2018	No of Shares	% Share Holding
Promoter & Group	235,000	100.00%
Grand Total	235,000	100.00%

Source: Management of Lux



Report on recommendation of fair exchange ratio for the proposed merger of J. M. Hosier & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited

APPROACH - BASIS OF MERGER

The Proposed Scheme of Amalgamation contemplates the merger of JMH and Ebell into Lux. Arriving at the fair exchange ratio for the Proposed Merger of JMH and Ebell into Lux would require determining the relative value of the equity shares of Lux, JMH and Ebell. These values are to be determined independently, but on a relative basis for the Companies.

There are several commonly used and accepted methods for determining the fair exchange ratio for the Proposed Merger of JMH and Ebell into Lux, which have been considered in the present case, to the extent relevant and applicable, and subject to availability of information, including:

1. Market Price method
2. Comparable Companies Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of the Companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Market Price Method

The market price of an equity share as quoted on a stock exchange, where the shares regularly and freely traded in, is normally considered as the value of the equity shares of that company. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the equity shares of Lux are listed on BSE and NSE. Lux's equity shares recorded the highest trading volume on NSE. Accordingly, the share price of Lux as observed on NSE have been considered for arriving at the value per share of Lux under the market price method.



Report on recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited

Comparable Companies' Multiple ("CCM") method

Under this method, value of equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies and transactions in unlisted companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We have considered Enterprise value to Earnings before interest, tax, depreciation and amortization (EV/EBITDA) multiple of the comparable listed companies for the purpose of our valuation.

The total equity value is then divided by the total number equity shares for arriving at the value per equity share of the Companies under CCM method.

Discounted Cash Flows ("DCF") Method

Under the DCF method the projected free cash flows to the equity shareholders are discounted at the cost of equity. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's equity capital.

Appropriate discount rate to be applied to cash flows i.e. the cost of equity:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the equity capital providers (namely equity shareholders). The opportunity cost to the equity capital provider equals the rate of return the equity capital provider expects to earn on other investments of equivalent risk.

We have not used DCF method as the Management has not provided us with the financial projections.



Report on recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited

Net Asset Value (“NAV”) Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach may be used in cases where the assets base dominates the earnings capability. A scheme of amalgamation would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated.

We have not used NAV method as it does not capture the earning capacity of the business and hence NAV would not be representative of fair value.

MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION

- The equity shares of Lux are frequently traded on both the stock exchanges, BSE & NSE in India.
- Key operating / financial parameters of the Companies vis-à-vis its comparable companies.



Report on recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited

BASIS OF FAIR EXCHANGE RATIO

The basis of the merger of JMH and Ebell into Lux would have to be determined after taking into consideration all the factors and methods mentioned hereinabove. Though different values have been arrived at under each of the above methods, for the purposes of recommending the recommending the fair exchange ratio of equity shares it is necessary to arrive at a final value for each of the Companies' shares. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the Companies, but at their relative values to facilitate the determination of the fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches / methods.

The fair exchange ratio has been arrived at on the basis of a relative equity valuation of the Companies based on the various approaches / methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.

We have independently applied methods discussed above, as considered appropriate, and arrived at their assessment of value per share of Lux, JMH and Ebell.

The computation of fair exchange ratio for merger of JMH into Lux is tabulated below:

Valuation Approach	Lux		JMH	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach – Net Asset Value Method	127.0	0%	122.9	0%
Market Approach – Market Price method	1,779.1	100%	-	0%
Market Approach – Comparable Companies Multiples Method	-	0%	526.2	100%
Relative Value per Share	1,779.1		526.2	
Fair Exchange Ratio (rounded off)			0.29	

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following fair exchange ratio for the Proposed Merger of JMH into Lux:

29 (Twenty nine) equity shares of Lux of INR 2/- each fully paid up for every 100 (One hundred) equity shares of JMH of INR 10/- each fully paid up.



Report on recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited

The computation of fair exchange ratio for merger of Ebell into Lux is tabulated below:

Valuation Approach	Lux		Ebell	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach – Net Asset Value Method	127.0	0%	2,203.3	0%
Market Approach – Market Price method	1,779.1	100%	-	0%
Market Approach – Comparable Companies Multiples Method	-	0%	20,325.4	100%
Relative Value per Share	1,779.1		20,325.4	
Fair Exchange Ratio (rounded off)			11.42	

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following fair exchange ratio for the Proposed Merger of Ebell into Lux:

1,142 (One thousand one hundred and forty two) equity shares of Lux of INR 2/- each fully paid up for every 100 (One Hundred) equity shares of Ebell of INR 10/- each fully paid up.

Respectfully submitted,

S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Ravi Bansal
Partner

Membership No: 049365

Place: Mumbai

Date: 26 June 2018



To,

26 June 2018

The Board of Directors

Lux Industries Limited
PS Srijan Tech Park,
10th Floor, DN-52,
Sector-V Salt Lake City,
Kolkata – 700 091,
West Bengal, India.

Sub: Supplement to our report dated 26 June 2018 titled "Recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited"

Dear Sir / Madam,

This is with reference to our report dated 26 June 2018 titled "Recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited" ("Valuation Report"). As desired by you, we have given workings of our valuation analysis herein.

As explained in our Valuation Report, the share exchange ratio of equity shares for the purpose of the proposed merger of J. M. Hosiery & Co Limited ("JMH") and Ebell Fashions Private Limited ("Ebell") into Lux Industries Limited ("Lux") have been arrived at on the basis of a relative valuation of JMh, Ebell and Lux (hereinafter jointly referred to as the "Companies") based on the methodologies as indicated in our report and various qualitative factors relevant to the Companies and the business dynamics of the Companies, having regard to information base, management representations and perceptions, key underlying assumptions and limitations as referred to in the report. Please note that we have not attempted to arrive at the absolute values of the Companies but at their relative values to facilitate the determination of a share exchange ratio.

We were requested to recommend total number of equity shares of Lux to be issued to the equity shareholders of JMh and Ebell.

We have valued Lux based on Market Price ("MP") method and valued JMh and Ebell based on Comparable Companies' Multiples ("CCM") method.

On the above basis, relative value of the equity shares for swap ratio is as follows:

1. Lux – INR 1,779.1 per equity share of INR 2/- each fully paid up
2. JMh – INR 526.2 per equity share of INR 10/- each fully paid up
3. Ebell – INR 20,325.4 per equity share of INR 10/- each fully paid up



Supplement to our report dated 26 June 2018 titled "Recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited"

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined in the report dated 26 June 2018; the share exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited is as follow:

- 29 (Twenty nine) equity shares of Lux of INR 2/- each fully paid up for every 100 (One hundred) equity shares of JMH of INR 10/- each fully paid up.
- 1,142 (One thousand one hundred and forty two) equity shares of Lux of INR 2/- each fully paid up for every 100 (One hundred) equity shares of Ebell of INR 10/- each fully paid up.

Thanking You,

For S. R. Batliboi & Co. LLP

ICAI Firm registration number: 301003E/E300005

Chartered Accountants



per Ravi Bansal
Partner

Membership No.: 049365

Place: Mumbai

Date: 26 June 2018



Supplement to our report dated 26 June 2018 titled "Recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited"

Determination of share exchange ratio

Valuation Approach	Lux			JMH			Swap ratio (Rounded off)
	Value per Share (INR)	Weight	Working Note	Value per Share (INR)	Weight	Working Note	
Asset Approach – Net Asset Value Method	127.0	0%		122.9	0%		
Market Approach – Market Price method	1,779.1	100%	1	-	0%		
Market Approach – Comparable Companies Multiples Method	-	0%		526.2	100%	2	
Relative Value per Share	1,779.1			526.2			0.29

Valuation Approach	Lux			Ebell			Swap ratio (Rounded off)
	Value per Share (INR)	Weight	Working Note	Value per Share (INR)	Weight	Working Note	
Asset Approach – Net Asset Value Method	127.0	0%		2,203.3	0%		
Market Approach – Market Price method	1,779.1	100%	1	-	0%		
Market Approach – Comparable Companies Multiples Method	-	0%		20,325.4	100%	3	
Relative Value per Share	1,779.1			20,325.4			11.42



Supplement to our report dated 26 June 2018 titled "Recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited"

Working Note 1 – Computation of Market Price of Lux as per Security and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations")

Pricing of equity shares	INR
26 week average of the weekly high and low (Refer note 1A)	1,765.1
2 week average of the weekly high and low (Refer note 1B)	1,779.1
Applicable Minimum Price (Higher of the A or B)	1,779.1



Supplement to our report dated 26 June 2018 titled "Recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited"

Note 1A. Average of weekly high & low of the volume weighted average price of the equity shares of Lux quoted on the NSE the last twenty six weeks preceding the relevant date (26 June 2018).

Weeks	From	To	High (INR)	Low (INR)	Average (INR)
1	26-Dec-17	01-Jan-18	1,522.1	1,506.2	1,514.2
2	02-Jan-18	08-Jan-18	1,545.3	1,501.0	1,523.1
3	09-Jan-18	15-Jan-18	1,543.2	1,521.4	1,532.3
4	16-Jan-18	22-Jan-18	1,524.2	1,508.1	1,516.1
5	23-Jan-18	29-Jan-18	1,681.2	1,551.6	1,616.4
6	30-Jan-18	05-Feb-18	1,718.9	1,628.4	1,673.6
7	06-Feb-18	12-Feb-18	1,770.1	1,572.3	1,671.2
8	13-Feb-18	19-Feb-18	1,778.2	1,704.0	1,741.1
9	20-Feb-18	26-Feb-18	1,751.0	1,682.3	1,716.7
10	27-Feb-18	05-Mar-18	1,854.6	1,748.3	1,801.5
11	06-Mar-18	12-Mar-18	1,791.8	1,700.6	1,746.2
12	13-Mar-18	19-Mar-18	1,827.8	1,780.5	1,804.2
13	20-Mar-18	26-Mar-18	1,744.9	1,669.3	1,707.1
14	27-Mar-18	02-Apr-18	1,736.0	1,711.0	1,723.5
15	03-Apr-18	09-Apr-18	1,823.8	1,775.1	1,799.4
16	10-Apr-18	16-Apr-18	1,816.8	1,793.5	1,805.2
17	17-Apr-18	23-Apr-18	1,863.4	1,776.6	1,820.0
18	24-Apr-18	30-Apr-18	1,993.2	1,956.8	1,975.0
19	01-May-18	07-May-18	2,053.4	1,992.5	2,022.9
20	08-May-18	14-May-18	2,078.3	2,029.1	2,053.7
21	15-May-18	21-May-18	2,014.9	1,979.4	1,997.1
22	22-May-18	28-May-18	2,017.9	1,951.1	1,984.5
23	29-May-18	04-Jun-18	1,935.5	1,790.5	1,863.0
24	05-Jun-18	11-Jun-18	1,769.7	1,684.0	1,726.8
25	12-Jun-18	18-Jun-18	1,790.4	1,741.8	1,766.1
26	19-Jun-18	25-Jun-18	1,823.6	1,760.5	1,792.1
Average					1,765.1

Note 1B. Average of weekly high & low of the volume weighted average price of the equity shares of Lux quoted on the NSE the last two weeks preceding the relevant date.

Weeks	From	To	High (INR)	Low (INR)	Average (INR)
1	12-Jun-18	18-Jun-18	1,790.4	1,741.8	1,766.1
2	19-Jun-18	25-Jun-18	1,823.6	1,760.5	1,792.1
Average					1,779.1



Supplement to our report dated 26 June 2018 titled "Recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited"

Working Note 2 – Valuation of JMH as per CCM Method

Currency: INR mn	Value
EV/ EBITDA multiple	23.7
Less: Discount	33.3%
Multiple after discount	15.8
EBITDA of JMH – FY18	317.5
Value	5,015.2
Add: CWIP	-
Add: Deferred tax assets @ 50%	1.2
Enterprise value	5,016.4
Less: gross debt	(1,127.4)
Add: cash and cash equivalent	29.4
Equity value	3,918.4
Number of equity shares (in million)	7.5
Value per equity share (INR / share)	526.2

Notes:

- Discount to the multiple is based on various qualitative/quantitative factors including size and performance / financial parameters of JMH vis-à-vis comparable companies, Illiquidity of the equity shares of JMH etc
- Valuation is basis that Biswanath Hosiery Mills Limited ("BHML") has granted a license to JMH to use all the brands (except brand "Target" which is owned by JMH), which are currently used for manufacturing and/or marketing of all the products of JMH, exclusively on non-revocable basis for a period of 20 years (from 26 June 2018 to 25 June 2038) at a royalty of INR 200,000/- p.a.

- We have selected the listed comparable companies based on the following parameters:
 - Listed comparable companies from CapitalIQ which are classified under "Apparel" and "Apparel Retail"
 - Market capitalisation greater than or equal to INR 1,000.0 mn
 - Sufficiency of trading volumes
 - Business description considering companies which are mainly engaged in manufacturing and selling of men's innerwear in India
 - Excluded companies with outlier multiples
- The Enterprise value ("EV") of listed comparable companies has been computed by adding the market capitalization of the company and the debt (net of investments, cash and bank balance, capital work in progress, minority interest and 50% of net deferred tax assets). The market capitalization is computed by considering the volume weighted average share prices of two weeks ended 22 June 2018 on Bombay Stock Exchange Limited ("BSE") or National Stock Exchange of India Limited ("NSE") wherever the average volumes are higher. The debt as stated in the latest annual report of the respective company has been considered. There is small room for unavoidable discrepancy in computation of EV due to the above-mentioned figures as of different dates.



Supplement to our report dated 26 June 2018 titled "Recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited"

Calculation of multiples for the comparable companies

Currency: INR mn	Market cap	Net debt	Enterprise value	EBITDA	EV/EBITDA (x)
Lux Industries Limited	44,614.5	3,211.2	47,825.7	1,548.1	30.9
Rupa & Company Limited	34,287.1	667.4	34,954.5	1,554.6	22.5
Dollar Industries Limited	19,842.2	2,096.7	21,938.9	1,238.6	17.7
Average					23.7

Source: Capitaline / CapitalIQ / Annual report / Quarterly results



Supplement to our report dated 26 June 2018 titled "Recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited"

Working Note 3 – Valuation of Ebell as per CCM Method

Currency: INR mn	Value
EV/ EBITDA multiple	21.1
Less: Discount	33.3%
Multiple after discount	14.0
EBITDA of Ebell – FY18	348.9
Value	4,897.4
Add: CWIP	-
Less: Deferred tax liabilities @ 50%	(1.7)
Enterprise value	4,895.8
Less: gross debt	(156.4)
Add: cash and cash equivalent	37.2
Equity value	4,776.5
Number of equity shares (in million)	0.2
Value per equity share (INR/ share)	20,325.4

Notes:

- Discount to the multiple is based on various qualitative/quantitative factors including size and performance / financial parameters of Ebell vis-à-vis comparable companies, Illiquidity of the equity shares of Ebell etc
- Valuation is basis that BHML has granted a license to Ebell to use all the brands, which are currently used for manufacturing and/or marketing of all the products of Ebell, exclusively on non-revocable basis for a period of 20 years (from 26 June 2018 to 25 June 2038) at a royalty of INR 75,000/- p.a.

- We have selected the listed comparable companies based on the following parameters:
 - Listed comparable companies from CapitalIQ which are classified under "Apparel" and "Apparel Retail"
 - Market capitalisation greater than or equal to INR 1,000.0 mn
 - Sufficiency of trading volumes
 - Business description considering branded apparel companies which has its business operations mainly India
 - Excluded companies with outlier multiples
- Comparable transactions for past three years in unlisted companies which has its business operations mainly in India have been considered from i) CapitalIQ [transactions classified under "Apparel" and "Apparel Retail"] ii) Merger market [transactions classified under "Industry sector: Consumer Retail" and "Industry sub-sectors: Apparel"]. Further, we have excluded transactions with outlier multiples.
- The EV of listed comparable companies has been computed by adding the market capitalization of the company and the debt (net of investments, cash and bank balance, capital work in progress, minority interest and 50% of net deferred tax assets). The market capitalization is computed by considering the volume weighted average share prices of two weeks ended 22 June 2018 on BSE or NSE wherever the average volumes are higher. The debt as stated in the latest annual report of the respective company has been considered. There is small room for unavoidable discrepancy in computation of EV due to the above-mentioned figures as of different dates.



Supplement to our report dated 26 June 2018 titled "Recommendation of fair exchange ratio for the proposed merger of J. M. Hosiery & Co Limited and Ebell Fashions Private Limited into Lux Industries Limited"

Calculation of multiples for the comparable companies and transactions

Date	Target Company	Acquirer	Stake	Deal value (INR mn)	Equity value (INR mn)	Net debt (INR mn)	Enterprise value (INR mn)	EBITDA (INR mn)	EV/EBITDA (x)	Weightage (%)
	Cantabil Retail India Ltd.				1,924.6	350.7	2,275.4	202.6	11.2	10.0
	Kewal Kiran Clothing Ltd.				17,799.2	(2,198.8)	15,600.4	982.2	15.9	10.0
	Indian Terrain Fashions Ltd.				6,461.2	(201.8)	6,259.4	478.6	13.1	10.0
	Aditya Birla Fashion and Retail Ltd.				110,095.8	20,263.8	130,359.6	4,682.8	27.8	10.0
	Future Lifestyle Fashions Ltd.				82,930.9	2,853.3	85,784.1	4,087.3	21.0	10.0
2-12-2016	Fabindia Overseas Pvt. Ltd.	Premji Invest	8%	3,600.0	45,000.0	(567.9)	44,432.1	1,599.7*	27.8	16.7
18-08-2016	TCNS Clothing Company Pvt. Ltd.	TA Associates Management, L.P.	40%	9,333.0	23,332.5	240.1	23,572.6	1,313.6*	17.9	16.7
31-08-2017	Vedant Fashions Private Ltd.	Kedaara Capital Investment Managers Ltd.	10%	4,500.0	45,000.0	(185.8)	44,814.2	1,648.3*	27.2	16.7
Weightage average									21.1	100.0

Source: Capitaline / CapitalIQ / Merger market / VCCEdge / Annual report / Quarterly results
* computed TTM EBITDA

