



REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS

OF

LUX INDUSTRIES LIMITED

RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT AMONGST

LUX INDUSTRIES LIMITED (“DEMERGED COMPANY” OR “LIL”)

AND

LUX AND COZI LIMITED (“RESULTING COMPANY 1”)

AND

LUX GLOBAL LIMITED (“RESULTING COMPANY 2”)

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

AT ITS MEETING HELD ON MONDAY, AUGUST 31, 2026, AT 04:00 P.M.

LUX INDUSTRIES LIMITED



PS Srijan Tech - Park, 10th Floor, DN - 52, Sector - V, Saltlake, Kolkata - 700 091, India. P: 91-33-4040 2121, F: 91-33-4001 2001, E: info@luxinnerwear.com

Regd. Office: 39 Kali Krishna Tagore Street, Kolkata - 700 007, India, P: 91-33-2259 8155, Website: www.luxinnerwear.com • CIN : L17309WB1995PLC073053



MEMBERS		
Sl. No.	Name	Designation
1	Mr. Sadhu Ram Bansal	Independent Director
2	Mr. Kumud Chandra Paricha Patnaik	Independent Director
3	Mrs. Rusha Mitra	Independent Director
4	Mrs. Ratnabali Kakkar	Independent Director
5	Mr. Rajnish Rikhy	Independent Director
6	Mrs. Shashi Sharma	Independent Director
IN ATTENDANCE		
1	Mrs. Smita Mishra	Company Secretary and Compliance Officer

The Independent Directors confirm that they have no interest in the proposed Scheme, except to the extent of their shareholding in the Company, if any.

1. BACKGROUND:

1.1. A meeting of the Committee of Independent Directors (“**Committee**”) of Lux Industries Limited (“**Company**” or “**Demerged Company**” or “**LIL**”) was held on Monday, August 31, 2026 to *inter alia* consider and recommend the draft Scheme of Arrangement (“**Scheme**”) amongst:

- (i) Lux Industries Limited (“**LIL**” or “**Demerged Company**”), an existing public limited company within the meaning of the Companies Act, 2013, bearing CIN L17309WB1995PLC073053, with its registered office at 39, Kali Krishna Tagore Street, Kolkata – 700 007;
- (ii) Lux and Cozi Limited (“**LCL**” or “**Resulting Company 1**”), an existing public limited company within the meaning of the Companies Act, 2013, bearing CIN U14309WB2026PLC288301, with its registered office at 39, Kali Krishna Tagore Street, Kolkata – 700 007, a wholly owned subsidiary of the Demerged Company;
- (iii) Lux Global Limited (“**LGL**” or “**Resulting Company 2**”), an existing public limited company within the meaning of the Companies Act, 2013, bearing CIN U14309WB2026PLC288247, with its registered office at 39, Kali Krishna Tagore Street, Kolkata – 700 007, a wholly owned subsidiary of the Demerged Company; and

(collectively referred to as “**Companies**”)

and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”). The equity shares of the

LUX INDUSTRIES LIMITED

PS Srijan Tech - Park, 10th Floor, DN - 52, Sector - V, Saltlake, Kolkata - 700 091, India. P: 91-33-4040 2121, F: 91-33-4001 2001, E: info@luxinnerwear.com

Regd. Office: 39 Kali Krishna Tagore Street, Kolkata - 700 007, India, P: 91-33-2259 8155, Website: www.luxinnerwear.com • CIN : L17309WB1995PLC073053





Demerged Company are listed on BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) (collectively, “Stock Exchanges”).

- 1.2. This report of the Committee of Independent Directors is made to comply with the requirements of Clause 2 (i) of Paragraph A of Part I of the SEBI Master Circular on Scheme of Arrangement by Listed Entities bearing reference no. SEBI/HO/CFD/POD2/P/CIR/2023/93 dated June 20, 2023 (“SEBI Master Circular”), read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”).

1.3. Documents Placed Before the Committee of Independent Directors

The following documents, were placed before the Committee of Independent Directors:

- (i) The Draft Scheme of Arrangement;
- (ii) Valuation Report dated August 31, 2026 issued by Mr. Vivek Newatia, Registered Valuer (IBBI Registration Number: IBBI/06/2018/10043) ("Registered Valuer") inter-alia, recommending the Share Entitlement Ratio in connection with the proposed Scheme based on which Lux and Cozi Limited (“Resulting Company 1”) and Lux Global Limited (“Resulting Company 2”) shall issue its shares to the members of the Lux Industries Limited (“Demerged Company”) ("Valuation Report");
- (iii) Fairness opinion dated August 31, 2026 issued by SKP Securities Limited (SKP), an independent Category-I Merchant Banker registered with SEBI (SEBI Registration No. INM000012670) providing its opinion on the fairness of the share entitlement ratio as recommended in the Valuation Report ("Fairness Opinion");
- (iv) Certificate from S K Agrawal and Co. Chartered Accountants LLP (Firm Registration No.: 336033E/E300272), statutory auditor of the Company, confirming that the accounting treatment mentioned in the Scheme is in compliance with the applicable Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 and other Generally Accepted Accounting Principles in India ("Auditor's Certificate");
- (v) Undertaking by the Company as prescribed under Paragraph (A) (10) (c) of Part I of the SEBI Master Circular stating the reasons for non-applicability of Paragraph (A) (10) (b) read with Paragraph (A) (10) (a) of the SEBI Master Circular, relating to obtaining approval of the

LUX INDUSTRIES LIMITED

PS Srijan Tech - Park, 10th Floor, DN - 52, Sector - V, Saltlake, Kolkata - 700 091, India. P: 91-33-4040 2121, F: 91-33-4001 2001, E: info@luxinnerwear.com

Regd. Office: 39 Kali Krishna Tagore Street, Kolkata - 700 007, India, P: 91-33-2259 8155, Website: www.luxinnerwear.com • CIN : L17309WB1995PLC073005



majority of public shareholders, along with the draft certificate from S K Agrawal and Co. Chartered Accountants LLP (Firm Registration No.: 336033E/E300272), Statutory Auditor of the Company, certifying the said undertaking ("Auditor's Certificate under Paragraph (A) (10) (c)"); and

- (vi) Other presentations, documents and information made to/furnished before the Committee pertaining to the Draft Scheme.

(ii)

2. SALIENT FEATURES OF THE SCHEME OF ARRANGEMENT:

The Committee of Independent Directors noted the brief particulars of the Scheme as under:

2.1. Nature of the Scheme:

The Scheme is a Scheme of Arrangement presented under Sections 230 to 232 and other applicable provisions of the Act, read with Section 2(35) of the Income-tax Act, 2025 (corresponding to erstwhile Section 2 (19AA) of the Income-tax Act, 1961). The Scheme provides for two distinct but inter-connected transactions:

A. Demerger of Undertakings:

- (i) **Demerger of the Vertical A Undertaking:** Demerger, transfer and vesting of the Vertical A Undertaking of LIL (i.e., the business vertical managed and led by Mr. Saket Todi) into Lux and Cozi Limited (Resulting Company 1) on a going concern basis, with the issuance of new shares of Lux and Cozi Limited to the equity shareholders of LIL;
- (ii) **Demerger of the Vertical C Undertaking:** Demerger, transfer and vesting of the Vertical C Undertaking of LIL (i.e., the business vertical managed and led by Mr. Navin Kumar Todi and Mr. Rahul Kumar Todi) into Lux Global Limited (Resulting Company 2) on a going concern basis, with the issuance of new shares of Lux Global Limited to the equity shareholders of LIL; and

B. Reduction of Share Capital:

Upon allotment of shares of the Resulting Company 1 and Resulting Company 2, their pre-Scheme paid-up share capital and corresponding investments by the Demerged Company shall stand cancelled and extinguished without payment of any consideration thereof and such cancellation shall be treated as a reduction of share capital.



LUX INDUSTRIES LIMITED

2.2. **Appointed Date and Effective Date:**

The Appointed Date for the Scheme means the first day of the financial quarter in which the Scheme becomes Effective. The Effective Date means the last of the dates on which the certified copies of the Sanction Order are filed by each of the Companies with the RoC, having jurisdiction over each of them respectively.

2.3. **Consideration:**

Upon the demerger of the Vertical A Undertaking becoming effective, Resulting Company 1 shall issue and allot 1 (One) fully paid-up Equity Share of Lux and Cozi Limited having a face value of Rs. 2/- (Rupees Two only) each, for every 1 (One) fully paid-up equity share of Lux Industries Limited having a face value of Rs. 2/- (Rupees Two only) each held by the shareholders of Lux Industries Limited as on the Record Date ("**Vertical A Share Entitlement Ratio**") to each member of LIL as on the relevant Record Date, without any requirement to surrender or extinguish their existing LIL shares.

Upon the demerger of the Vertical C Undertaking becoming effective, Resulting Company 2 shall issue and allot 1 (One) fully paid-up Equity Share of Lux Global Limited having a face value of Rs. 2/- (Rupees Two only) each, for every 1 (One) fully paid-up equity share of Lux Industries Limited having a face value of Rs. 2/- (Rupees Two only) each held by the shareholders of Lux Industries Limited as on the Record Date ("**Vertical C Share Entitlement Ratio**") to each member of LIL as on the relevant Record Date, without any requirement to surrender or extinguish their existing LIL shares.

2.4. **Listing:**

Upon the Scheme becoming effective, steps shall be taken by the Companies to cause Resulting Company 1 (Lux and Cozi Limited) and Resulting Company 2 (Lux Global Limited) to apply for and obtain listing and trading permission for their respective equity shares on BSE and NSE, in terms of applicable SEBI regulations and other applicable laws.

2.5. **Conditions to Effectiveness:**

The effectiveness of the Scheme is contingent upon receipt of, *inter alia*:

- (i) The Stock Exchanges having issued their observation/no-objection letters as required under the SEBI LODR Regulations read with the SEBI Master Circular;
- (ii) The Scheme being approved by requisite majorities of the members (and in relation to the Demerged Company, through e-voting) and/or creditors of the Demerged Company and the Resulting Companies as may be directed by the National Company Law Tribunal, Kolkata Bench;

LUX INDUSTRIES LIMITED

- (iii) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority which by law may be necessary for the implementation of this Scheme;
- (iv) Approval of the Scheme by the National Company Law Tribunal, Kolkata Bench;
- (v) The Stock Exchanges having issued their in-principle approval or no-objection letter for listing of the Resulting Company 1 New Shares and the Resulting Company 2 New Shares on the Stock Exchanges pursuant to the SEBI LODR Regulations and the SEBI Schemes Master Circular;
- (vi) The certified copies of the Sanction Order having been filed by each of the Companies with the Registrar of Companies having jurisdiction over each of them respectively.

3. NEED FOR THE SCHEME, RATIONALE AND SYNERGIES:

1. The Board of Directors of the Demerged Company believe that the businesses comprised in the respective Verticals (*as defined in the Scheme*) of the Demerged Company have distinct operational requirements, growth prospects, strategic priorities, risk profiles and return characteristics and that the segregation of Vertical A Undertaking and Vertical C Undertaking from the Demerged Company will result in focused management, efficient administration, independent strategic decision-making and greater accountability for each business segment, thereby unlocking value for the shareholders and other stakeholders.
2. The proposed Scheme is driven by commercial, operational and strategic considerations, including long-term stability, efficient administration, business continuity, enhanced operational flexibility and maximisation of value for all shareholders and stakeholders. The proposed Scheme will create distinct and independent business platforms and streamline governance structures, enabling each company to pursue its strategic objectives, capital allocation priorities and growth plans more effectively. The Scheme is also expected to provide a robust framework for long-term leadership, support orderly leadership transitions and ensure continuity and stability of operations without disruption to the respective businesses. The shareholding of public shareholders following the demerger will remain the same in all companies and shareholder value, across companies, will be preserved.
3. The demerger, transfer and vesting of the Vertical A Undertaking and Vertical C Undertaking on a going concern basis, into the respective Resulting Companies would result in better and more efficient control by the management of the segregated Verticals and promote their growth. Further, the Scheme would also result in, *inter alia*, the following benefits:

LUX INDUSTRIES LIMITED



- i) The Demerged Company and Resulting Companies would be led by separate and dedicated management teams, enabling improved and efficient control and greater managerial focus on their respective businesses, facilitating efficient exploration of new possibilities and optimum utilization of various resources.
 - ii) The demerger would facilitate targeted growth, operational efficiencies, and increased operational and customer support in relation to the respective undertakings proposed to be demerged into the Resulting Companies (*as defined in the Scheme*), as well as the business of the Vertical B remaining in the Demerged Company.
 - iii) Strategic business approach for the maximization of shareholder value.
 - iv) Ability to leverage financial and operational resources of each business verticals independently.
 - v) Each business would be able to address independent business opportunities, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.
 - vi) The proposed demerger will enhance value for shareholders and allow a focused strategy for the respective business Verticals, which would be in the best interest of the Demerged Company, Resulting Companies, and their shareholders, creditors and all other stakeholders.
 - vii) The demerger is also expected to unlock the value of the business verticals of the Demerged Company. Steps shall also be taken by the Parties to cause Resulting Company 1 and Resulting Company 2 to be listed on the Stock Exchanges (*as defined in the Scheme*).
 - viii) The Scheme would provide a competitive advantage in pursuing future growth opportunities, generate greater cost efficiencies and thereby significantly enhance the earnings potential of the respective companies.
4. Pursuant to the implementation of this Scheme, the management and control of each of the Demerged Company and the Resulting Companies will be aligned with the respective family group, resulting in focused and agile management of the respective businesses. This is expected to provide long-term stability, preserve goodwill and harmony amongst the promoter family groups, facilitate orderly succession and leadership transition, and ensure continuity of the respective businesses without disruption.
5. The interests of shareholders and creditors of either the Demerged Company or the Resulting Companies would not be prejudiced as a result of the Scheme. The Scheme is not, in any manner, prejudicial or against public interest, and would serve

LUX INDUSTRIES LIMITED

PS Srijan Tech - Park, 10th Floor, DN - 52, Sector - V, Saltlake, Kolkata - 700 091, India. P: 91-33-4040 2121, F: 91-33-4001 2001, E: info@luxinnerwear.com

Regd. Office: 39 Kali Krishna Tagore Street, Kolkata - 700 007, India, P: 91-33-2259 8155, Website: www.luxinnerwear.com • CIN : L17309WB1953PLA0007305





the interest of all shareholders, creditors and stakeholders.

4. **IMPACT OF THE SCHEME ON THE SHAREHOLDERS OF LUX INDUSTRIES LIMITED AND SCHEME NOT DETRIMENTAL TO THE SHAREHOLDERS:**

4.1. The Committee deliberated carefully on the impact of the Scheme on the shareholders of LIL (as the listed Demerged Company) and observed as follows:

- (i) The equity shareholders of LIL shall, upon the Scheme becoming effective, receive Resulting Company 1 New Shares (*as defined in the Scheme*) in accordance with the Vertical A Share Entitlement Ratio and Resulting Company 2 New Shares (*as defined in the Scheme*) in accordance with the Vertical C Share Entitlement Ratio. Critically, the allotment of shares in the Resulting Companies shall NOT extinguish or reduce the existing shareholding of LIL shareholders - they shall continue to hold their LIL shares in addition to receiving shares in each of the Resulting Companies. The Scheme therefore results in accretion of value for shareholders without any dilution.
- (ii) All equity shareholders of LIL (promoter and non-promoter, resident and non-resident) shall be treated uniformly and in accordance with the applicable laws. The shares of the Resulting Companies shall be issued to all shareholders of LIL as on the relevant Record Date on a 1: 1 ratio. The Demerged Company and the Resulting Company 1 and Resulting Company 2 will have a mirror image/identical shareholding upon the Scheme becoming effective and allotment of equity shares by the Resulting Company 1 and Resulting Company 2 to the shareholders of the Demerged Company..
- (iii) The Share Entitlement Ratios for the demerger of Vertical A Undertaking and Vertical C Undertaking have been determined by an independent registered valuer and have been reviewed by a SEBI registered independent Category I Merchant Banker who has provided a Fairness Opinion confirming the fairness of the said ratios.
- (iv) The Resulting Company 1 and Resulting Company 2 shall apply for listing and trading of their equity shares on BSE and NSE in accordance with applicable law, ensuring continued liquidity and exit options for shareholders of LIL who will hold shares in all three entities post-Scheme.
- (v) There will be no adverse implication on the rights of the shareholders of LIL as a result of the Scheme. The Remaining Business Undertaking (Vertical B) will continue in LIL and LIL will remain a listed entity on BSE and NSE with its business operations intact.
- (vi) The Scheme also provides for the realignment of promoter shareholding and

LUX INDUSTRIES LIMITED

PS Srijan Tech - Park, 10th Floor, DN - 52, Sector - V, Saltlake, Kolkata - 700 091, India. P: 91-33-4040 2121, F: 91-33-4001 2001, E: info@luxinnerwear.com

Regd. Office: 39 Kali Krishna Tagore Street, Kolkata - 700 007, India, P: 91-33-2259 8155, Website: www.luxinnerwear.com • CIN : L17309WB1995PLC03053



control of the Demerged Company, Resulting Company 1 and Resulting Company 2 amongst the Lux Industries Shareholder Group, the Lux and Cozi Shareholder Group A and the Lux Global Shareholder Group respectively (*as defined in the Scheme*), pursuant to the Promoter Intimation of FSA as defined in Clause II (4) of the Scheme read with Clause 17 of the Scheme, to be effected through inter se transfer of shares between the relevant promoter groups within 12 (twelve) months from the date of listing of the equity shares of Resulting Company 1 and Resulting Company 2. The Committee noted that such realignment is an integral part of the Scheme, is intended to be exempt from the open offer obligations under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 pursuant to the exemption available under Regulation 10 thereof, and does not, in itself, alter the shareholding or rights of the public/non-promoter shareholders of LIL, who will continue to hold their existing shares in LIL together with the new shares allotted in Resulting Company 1 and Resulting Company 2.

- (vii) The accounting treatment prescribed in the Scheme – being the book value/carrying value method, applied consistently in the books of LIL as the Demerged Company and in the books of Resulting Company 1 and Resulting Company 2, pursuant to which (a) the assets, liabilities and reserves of LIL pertaining to the Vertical A Undertaking and the Vertical C Undertaking shall be reduced from the books of LIL at their respective book values/carrying values, (b) the investment held by LIL in the equity share capital of Resulting Company 1 and Resulting Company 2 shall stand cancelled and adjusted against the General Reserve of LIL, and (c) Resulting Company 1 and Resulting Company 2 shall record the assets, liabilities and reserves so vested in them at the same book values/carrying values as appearing in the books of LIL, in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and generally accepted accounting principles in India - has been certified as compliant with the applicable accounting standards by the Statutory Auditors of the Company.
- (viii) The Scheme is not, in any manner, prejudicial or against the public interest. There is no likelihood that the interests of any shareholder or creditor of the Demerged Company or the Resulting Companies would be prejudiced as a result of the Scheme.

5. COST BENEFIT ANALYSIS OF THE SCHEME:

The Committee noted that while the implementation of the Scheme would entail certain one-time costs and expenses (including but not limited to professional fees, stamp duty on



LUX INDUSTRIES LIMITED

vesting, filing fees, compliance costs and costs associated with the listing of the Resulting Companies), such costs are not material relative to the long-term benefits expected to accrue from the Scheme. The benefits include:

- (i) enhanced shareholder value through the creation of three focused, independently listed entities, each with a cleaner and more transparent business profile;
- (ii) improved access to capital markets for each business vertical independently, enabling tailored capital raising strategies appropriate to the specific risk-return profile of each business;
- (iii) operational and administrative efficiencies arising from the elimination of intra-group complexity between the segregated business Verticals upon the Scheme becoming effective;
- (iv) greater investor visibility, focused research coverage and independent valuation benchmarks for each business vertical following listing; and
- (v) improved competitive positioning of each business vertical by enabling focused strategic planning, independent capital allocation and dedicated management bandwidth.

The Committee is of the view that the long-term benefits of the Scheme far outweigh the one-time costs associated with its implementation and that the Scheme is in the best interest of all stakeholders, including the shareholders, creditors and employees of LIL.

6. RECOMMENDATION OF THE COMMITTEE OF INDEPENDENT DIRECTORS:

The Committee of Independent Directors, after due deliberation and detailed discussion, and inter alia taking into consideration:

- (i) the draft Scheme of Arrangement;
- (ii) Valuation Report dated August 31, 2026 issued by Mr. Vivek Newatia, Registered Valuer (IBBI Registration Number: IBBI/06/2018/10043) ("Registered Valuer") inter-alia, recommending the Share Entitlement Ratio ("Valuation Report");
- (iii) Fairness opinion dated August 31, 2026 issued by SKP Securities Limited (SKP), an independent Category-I Merchant Banker on the fairness of the share entitlement ratio as recommended in the Valuation Report ("Fairness Opinion");
- (iv) Certificate from S K Agrawal and Co. Chartered Accountants LLP (Firm Registration No.: 336033E/E300272), statutory auditor of the Company, confirming that the accounting treatment mentioned in the Scheme ("Auditor's Certificate");

LUX INDUSTRIES LIMITED



- (v) the rationale and need for the Scheme;
- (vi) the synergies of the businesses of the Companies involved in the Scheme;
- (vii) the impact of the Scheme on the shareholders of LIL; and
- (viii) the cost-benefit analysis of the Scheme as set out in Paragraph 5 above,
- (ix) other documents and information made to/furnished before the Committee pertaining to the Draft Scheme.

is of the informed opinion that the Scheme is in the best interest of and is not detrimental to the shareholders of Lux Industries Limited and hereby recommends the Scheme of Arrangement to the Board of Directors of Lux Industries Limited for favourable consideration and approval by the Board of Directors of the Company, the Stock Exchanges, the Securities and Exchange Board of India and other appropriate authorities.

In order for the Company to comply with the extant regulations applicable to listed entities undertaking any Scheme of Arrangement under the Companies Act, 2013 and the SEBI Master Circular, this Report of the Committee of Independent Directors may please be taken on record by the Board of Directors of the Company while considering the Scheme for approval and for making further authorisations as may be required.

By Order of the Committee of Independent Directors
For and on Behalf of
Lux Industries Limited



Mrs. Ratnabali Kakkar

Chairman - Committee of Independent Directors

DIN: 09167547

Place: Kolkata

Date: August 31, 2026

LUX INDUSTRIES LIMITED