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PRIVATE & CONFIDENTIAL

Date: August 31, 2026

To
The Board of Directors
Lux Industries Limited
39, Kali Krishna Tagore Street,
Kolkata – 700 007

Dear Members of the Board,

Sub.: Fairness Opinion on the Recommendation of the Fair Share Entitlement Ratio for the proposed demerger of the Vertical A Undertaking and Vertical C Undertaking from Lux Industries Limited into Lux and Cozi Limited and Lux Global Limited, respectively pursuant to a Scheme of Arrangement.

1. **Engagement Background:**

We understand that the Board of Directors of **Lux Industries Limited ("Demerged Company" or "LIL")** is considering a demerger of **the Vertical A Undertaking** ("Demerged Undertaking 1") **and Vertical C Undertaking** ("Demerged Undertaking 2") **from LIL into Lux and Cozi Limited** ("Resulting Company 1" or "LCL") and **Lux Global Limited** ("Resulting Company 2" or "LGL") (LCL and LGL together referred to as "Resulting Companies"), respectively on a going concern basis pursuant to a Scheme of Arrangement between Demerged Company, Resulting Companies and their respective shareholders and creditors under sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("**the Scheme**"), and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) as may be applicable and the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the regulations and guidelines issued by the SEBI from time to time.

This opinion is issued pursuant to the terms of our engagement letter dated May 30, 2026 with LIL under which LIL has requested SKP Securities Limited ("**SKP**"), a SEBI Registered Category I Merchant Banker (Registration No. INM000012670) to provide fairness opinion on the share entitlement ratio for the proposed Scheme. LIL, LCL and LGL are hereinafter jointly referred to as Parties / Companies.

We understand that the Scheme *inter alia* provides for demerger Demerged Undertaking 1 and Demerged Undertaking 2 of LIL, with and into LCL and LGL respectively and corresponding issuance of equity shares of Resulting Companies to the shareholders of LIL and reduction and cancellation of the entire existing share capital of Resulting Companies ("**Proposed Demerger**").

We further understand that the Share Entitlement Ratio *(as defined below)* for the Proposed Demerger has been arrived at based on the Share Entitlement Report dated August 31, 2026 ("**Share Entitlement Report**") prepared by **Mr. Vivek Newatia**, Registered Valuer, Valuer Registration No.- **IBBI/RV/06/2018/10043** (the "**Valuer**"), who has been appointed for this exercise.

SKP SECURITIES LTD. KOL-107

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Based on our perusal of the Share Entitlement Report dated August 31, 2026 prepared by the Valuer, we understand that:

Fair Share Entitlement Ratio for Demerger of Demerged Undertaking 1 of LIL into LCL

"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"

Fair Share Entitlement Ratio for Demerger of Demerged Undertaking 2 of LIL into LGL

"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"

(hereinafter referred to as the "**Share Entitlement Ratio**").

In connection with the aforesaid and in terms of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 on Master Circular on Scheme of Arrangement by Listed Entities, you have requested our opinion ("**Opinion**"), as of the date hereof, as to the fairness of the Share Entitlement Ratio, as proposed by the Valuer, from a financial point of view to the shareholders of LIL.

2. Basis of Opinion:

The rationale for the Scheme as shared with us by the Management of LIL is based on the Parties and the respective shareholders, employees, creditors and other stakeholders benefiting from, inter alia, the following advantages:

2.1 The Board of Directors of the Demerged Company believe that the businesses comprised in the respective Verticals 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.

2.2 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.

2.3 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.

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Further, the Scheme would also result in, *inter alia*, the following benefits:

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 opportunities and optimum utilization of various resources.

ii) The demerger would facilitate focused growth, operational efficiencies, and increased operational and customer focus in relation to the respective undertakings proposed to be demerged into the Resulting Companies, as well as the business of the Vertical B remaining in the Demerged Company.

iii) Focused 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 hereinafter).

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.

2.4 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.

2.5 The interests of any shareholder or creditor 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 the interest of all shareholders, creditors and stakeholders.

3. Some key details related to each of the aforesaid companies is as under –

3.1 Brief background of Demerged Company: Lux Industries Limited ("Demerged Company or LIL")

LIL is a public limited Company incorporated on 21st July 1995, having CIN-L17309WB1995PLC073053. Its registered office is located at 39, Kali Krishna Tagore Street, Kolkata, West Bengal, 700007. Its equity shares are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). LIL is the Holding Company of LCL and LGL.

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LIL is engaged, inter alia, in the business of manufacturing, marketing, selling and distribution of knitted apparel including hosiery products.

The authorized, issued, subscribed and paid-up share capital of LIL as on date is as under:

Particulars	Amount (in Rs.)
Authorized Share Capital	
8,37,50,000 Equity shares of Rs. 2 each	16,75,00,000
56,00,000 Preference shares of Rs. 100 each	56,00,00,000
Issued and Subscribed Share Capital	
3,25,56,181 Equity shares of Rs. 2 each	6,51,12,362
Paid-up Share Capital	
3,00,71,681 Equity shares of Rs. 2 each	6,01,43,362

It may be noted that the difference in Issued, Subscribed Share Capital and Paid-up Share Capital of LIL amounting to Rs. 49,69,000 is due to forfeiture of 4,96,900 equity shares of Rs 10 each (equivalent to 24,84,500 equity shares after sub-division of shares from Rs 10 each to Rs 2 each).

Shareholding pattern of LIL as on date is as under:

Sl. No.	Shareholder Details	No. of shares	Shareholding %
1	Promoter & Promoter Group	2,23,11,063	74.19%
2	Public	77,60,618	25.81%
	Total	**3,00,71,681**	**100.00%**

The management of LIL has represented that there are no outstanding stock options/ warrants/ convertible instruments, etc. issued and granted by LIL as on the date of issue of this report, which would impact the number of equity shares LIL.

3.2 Brief background of Lux and Cozi Limited (**"Resulting Company 1 or LCL"**)

Lux and Cozi Limited was incorporated on 22nd May 2026, having CIN - U14309WB2026PLC288301. Its registered office is located at 39, Kali Krishna Tagore Street, Kalakar Street, Kolkata, West Bengal, 700007. LCL is a public limited company and is a wholly-owned subsidiary of LIL.

LCL has been incorporated, inter alia, to carry on the business of manufacturing, marketing, selling and distribution of knitted apparel including hosiery and, pursuant to the proposed Scheme of Arrangement, is intended to take over the business comprised in Demerged Undertaking 1 (Vertical A Undertaking).

The authorized, issued, subscribed and paid-up share capital of LCL as on date is as under:

Particulars	Amount (in Rs.)
Authorized Share Capital	
2,50,000 Equity Shares of Rs. 2 each	5,00,000
Issued, Subscribed and Paid-up Share Capital	
2,50,000 Equity Shares of Rs. 2 each	5,00,000

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Shareholding pattern of LCL as on the date is as under:

Sl. No.	Shareholder Details	No. of shares	Shareholding %
1	Lux Industries Limited (including shares held by nominee shareholders)	2,50,000	100%
Total		**2,50,000**	**100%**

The Management has represented that there are no outstanding stock options, warrants, convertible instruments or other rights issued or granted by LCL as on the date of issue of this report which would affect its issued equity share capital or the proposed Fair Share Entitlement Ratio.

3.3 Brief background of Lux Global Limited ("Resulting Company 2 or LGL")

Lux Global Limited was incorporated on 18th May 2026, having CIN - U14309WB2026PLC288247. Its registered office is located at 39, Kali Krishna Tagore Street, Kalakar Street, Kolkata, West Bengal, 700007. LGL is a public limited company and is a wholly-owned subsidiary of LIL.

LGL has been incorporated, inter alia, to carry on the business of manufacturing, marketing, selling and distribution of knitted apparel including hosiery and, pursuant to the proposed Scheme of Arrangement, is intended to take over the business comprised in Demerged Undertaking 2 (Vertical C Undertaking).

The authorized, issued, subscribed and paid-up share capital of LGL as on date is as under:

Particulars	Amount (in Rs.)
Authorized Share Capital	
2,50,000 Equity Shares of Rs. 2 each	5,00,000
Issued, Subscribed and Paid-up Share Capital	
2,50,000 Equity Shares of Rs. 2 each	5,00,000

Shareholding pattern of LGL as on date is as under:

Sl. No.	Shareholder Details	No. of shares	Shareholding %
1	Lux Industries Limited (including shares held by nominee shareholders)	2,50,000	100%
Total		**2,50,000**	**100%**

The Management has represented that there are no outstanding stock options, warrants, convertible instruments or other rights issued or granted by LGL as on the date of issue of this report which would affect its issued equity share capital or the proposed Fair Share Entitlement Ratio.

4. Sources of Information:-

We have relied upon the following sources of information:

i. Memorandum and Articles of Association of the Companies.

ii. Audited financial statements of the LIL for the financial years ('FY') ended March 31, 2024, March 31, 2025 and March 31, 2026.

SKP SECURITIES LTD. KOL-107

iii. Limited Reviewed Financials (Unaudited) of LIL for the quarter ended June 30, 2026.

iv. Management-certified undertaking-wise extract of the financial position of LIL for the year ended 31st March 2026;

v. Shareholding pattern of the Companies as on date.

vi. Draft of the proposed Scheme of Arrangement between the Companies.

vii. Discussion (including oral) with management of the Companies regarding the proposed Scheme, current operations and future prospects.

viii. Discussion (including oral) and documents as provided by the Valuer.

ix. Such other information, documents, data, reports, discussions and verbal & written explanations from the Companies, information available at public domain & websites as were considered relevant for the purpose of the Fairness Opinion.

5. Exclusions and Limitations:-

i. We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the management of the Companies for the purpose of this opinion without carrying out any audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of the Companies.

ii. We have solely relied upon the information provided to us by the management of the Companies. We have not reviewed any books or records of Companies.

iii. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Companies and neither express any opinion with respect thereto nor accept any responsibility therefor.

iv. We have not made any independent valuation or appraisal of the assets or liabilities of the Companies. In particular we do not express any opinion as to the value of assets of the Companies, whether at current market prices or in future.

v. We are not experts in the evaluation of litigation or other actual or threatened claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the Companies with respect to these matters. In addition, we have assumed that the Scheme will be approved by the regulatory authorities and that the proposed scheme will be consummated substantially in accordance with the terms set forth in the Draft Scheme.

vi. We understand that the Parties during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion.

vii. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion.

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In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra- ordinary transaction involving the Companies or any of its assets, nor did we negotiate with any other party in this regard.

viii. We express no opinion whatever and make no recommendation at all as to the decision to effect to the proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of Parties should vote at their respective meetings held in connection with the proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the proposed Scheme.

ix. In the ordinary course of business, SKP is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of SKP may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities of any company that may be involved in the Scheme.

x. In no circumstances however, will SKP or its directors or employees accept any responsibility or liability to any third party.

xi. The fee for our service for the issuance of this Opinion is not contingent upon the results of the Proposed Demerger.

6. Conclusion

LIL management proposes that the Demerged Undertakings of LIL be demerged and transferred on a going concern basis into the Resulting Companies with mirror shareholding of the Demerged Company. The beneficial economic interest of Demerged Company shareholders in Resulting Companies will remain same as at the time of demerger and hence would not have any impact on the economic interest of the shareholders of the Demerged Company. The share entitlement ratio would not have any impact on the ultimate value of the shareholders of Demerged Company and the Proposed Demerger will be value-neutral to the Demerged Company's shareholders.

In the circumstances, having regard to all the relevant factors and on the basis of information and explanation given to us, we are of the opinion on the date hereof, that the Share Entitlement Ratio as recommended by the Valuer, is fair and reasonable to the shareholders of LIL from a financial point of view.

SKP has issued the Fairness Opinion with the understanding that Draft Scheme shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme alters the transaction.

Yours Sincerely,
For SKP Securities Limited

Anup Kumar Sharma

SKP SECURITIES LTD. KOL-107

Anup Kumar Sharma
Head – Merchant Banking
SEBI Regn. No. INM000012670

Place: Kolkata