

July 15, 2015

CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF LUX INDUSTRIES LTD.

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	400.0 (310.0)	CARE A (Single A)	Reaffirmed
Short-term Bank Facilities	1.5 (1.5)	CARE A1 (A One)	Reaffirmed
Total Facilities	401.50		

Rating Rationale

The aforesaid ratings continue to derive strength from the long track record and rich experience of the promoters, LUX group's integrated nature of operations and established presence in the hosiery industry with strong brand image and wide product range, regular infusion of capital by the promoters, established selling and marketing arrangements along with considerable export presence and satisfactory financial risk profile marked with comfortable capital structure and liquidity profile. The ratings however, remain constrained by its working capital intensive nature of operations, volatility in the prices of raw materials, intense competition and exposure to project implementation risk. Ability of the company to successfully implement its expansion project, sustain and gradually improve its profitability while maintaining adequate capital structure would remain the key rating sensitivities.

CARE has taken a combined view on Lux Industries Ltd, Todi Hosiery Ltd. and Ebell Fashions Pvt Ltd. to arrive at the ratings, as the three companies are under the same management, share a common marketing and advertisement network and have common suppliers.

Background

Lux Industries Ltd. (LIL) was incorporated as Lux Hosiery Industries Ltd. in July, 1995 and subsequently its name was changed to its present name in October, 2007. Currently, LIL is engaged in manufacturing and marketing of innerwear, thermals and casuals under various brands, with 'LUX' being its flagship brand. LIL is the flagship company of the LUX group. Other major companies of the group engaged in similar line of business, include Todi Hosiery Ltd (THL; rated CARE A-) and Ebel Fashions Pvt Ltd (EFPL; rated CARE A-(SO)).

The company earned PAT of Rs.45.23 crore on total income of Rs.909.08 crore in FY15 (refers to the period April 1 to March 31) vis-à-vis PAT level of Rs.31.38 crore on total income of Rs.871.13 crore in FY14.

On a group basis, the PAT level stood at Rs.52.32 crore on total income of Rs.1188.87 crore in FY15 vis-à-vis PAT level of Rs.37.16 crore on total income of Rs.1047.99 crore in FY14.

Analyst Contact

Name: Mr. Ayush Poddar

Tel: 033-40181637

Email: ayush.poddar@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CONTACT

Head Office Mumbai

Mr. D.R. Dogra

Managing Director
Mobile: +91-98204 16002
E-mail: dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director
Mobile: +91-98204 16001
E-mail: rajesh.mokashi@careratings.com

Ms. Meenal Sikchi

Vice President - Bank Loan & Instrument Rating
Mobile: +91-9819009839
E-mail: meenal.sikchi@careratings.com

Mr. Ankur Sachdeva

Vice President - Bank Loan & Financial Services
Mobile: +91-9819698985
E-mail: ankur.sachdeva@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

Other Office:

503, Kaledonia, Sahar Road, Near Andheri Railway Station, Andheri (E), Mumbai - 400 069
Tel: +91-22-6144 3456 | Fax: +91-22-6144 3556

AHMEDABAD**Mr. Mehul Pandya**

32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015
Cell: +91-98242 56265
Tel: +91-79-4026 5656
E-mail: mehul.pandya@careratings.com

JAIPUR**Mr. Harsh Raj Sankhla**

304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.
Cell: +91 – 94139 69100
Tel: +91-141-402 0213 / 14
E-mail: harshraj.sankhla@careratings.com

BENGALURU**Mr. Dinesh Sharma**

Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.
Cell: +91-99000 41975
Tel: +91-80-4115 0445, 4165 4529
E-mail: dinesh.sharma@careratings.com

KOLKATA**Ms. Priti Agarwal**

3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.
Cell: +91-98319 67110
Tel: +91-33- 4018 1600
E-mail: priti.agarwal@careratings.com

CHANDIGARH**Mr. Sajan Goyal**

2nd Floor, S.C.O. 196-197, Sector 34-A,
Chandigarh - 160 022.
Cell: +91 99888 05650
Tel: +91-172-5171 100 / 09
Email: sajan.goyal@careratings.com

NEW DELHI**Ms. Swati Agrawal**

13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.
Cell: +91-98117 45677
Tel: +91-11-4533 3200
E-mail: swati.agrawal@careratings.com

CHENNAI**Mr. V Pradeep Kumar**

Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.
Cell: +91 98407 54521
Tel: +91-44-2849 7812 / 0811
Email: pradeep.kumar@careratings.com

PUNE**Mr. Rahul Patni**

9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.
Cell: +91-78754 33355
Tel: +91-20- 4000 9000
E-mail: rahul.patni@careratings.com

HYDERABAD**Mr. Saikat Roy**

401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.
Tel: +91-40-4010 2030
E-mail: saikat.roy@careratings.com

CIN - L67190MH1993PLC071691