LETTER OF OFFER ("Letter of Offer"/"LOO")

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as Equity Shareholder(s) of Lumax Industries Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrars to the Offer. In case, you have sold your Equity Shares in Lumax Industries Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the purchaser of the Equity Shares or the member of stock exchange through whom the said sale was effected.

CASH OFFER BY

STANLEY ELECTRIC CO., LTD. (THE "ACQUIRER"/ "STANLEY")

(Principal place of business: 2-9-13, Nakameguro, Meguro-ku, Tokyo, 153-8636, Japan .
Tel No.: 81-3-3710-2580, Fax No.: 81-3-3791-1718)

to the shareholders of

LUMAX INDUSTRIES LIMITED (THE "TARGET COMPANY"/ "LUMAX")

(Registered Office: B-86, Mayapuri Industrial Area, Phase-I, New Delhi 110064.
Tel No: +91- 11 28 11 1777 Fax No: +91 - 11 28 11 5779)

for purchase of 1,869,547 equity shares of Rs. 10/- each representing 20% of the outstanding voting equity share capital at a price of Rs. 540.03/- per fully paid-up equity share (the "Offer").

The Offer is being made by Stanley Electric Co., Ltd. pursuant to and in accordance with Regulations 11(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "Regulations").

The Offer is subject to the Acquirer obtaining approval from the Reserve Bank of India (the "RBI") under the Foreign Exchange Management Act, 2000 for opening and operation of Escrow Account and Special Account. The Acquirer had applied for the said approval by its application dated May 9, 2007. This approval has since been received from RBI vide their letter dated May 29, 2007 bearing the number FE/CO/FID/27044/10.21.064/2006-07 and FE/CO/FID/27043/10.21.064/2006-07

As on the date of this Letter of Offer, there are no other statutory approvals required to implement this Offer.

Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to three working days (i.e. December 31, 2007) prior to the date of the Closing of the Offer (i.e. January 3, 2008).

The Acquirer is permitted to revise the Offer Price of Equity Shares/ No. of Equity Shares upward any time up to seven working days prior to the date of the Closing of the Offer. If there is any upward revision in the Offer Price of Equity Shares/ No. of Equity Shares by the Acquirer till the last date of revision viz. December 24, 2007 or in case of withdrawal of the Offer, the same would be informed by way of a Public Announcement in the newspapers mentioned in Clause 2.2.1 of this Letter of Offer and the same revised price would be payable by the Acquirer to all shareholders who tendered their Equity Shares at any time during the Offer and which are accepted by the Acquirer under the Offer. This Offer is not conditional on any minimum level of acceptance.

If there is a competitive offer/ bid:

- **The Public offers under all the subsisting bids shall close on the same day;**
- **As the Offer Price cannot be revised during seven working days prior to the date of closing of the Offer/bids, it would therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each offer/ bid and tender their acceptance accordingly.**

The Public Announcement, this Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) are available on SEBI's web-site (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ENAM SECURITIES PVT. LTD. 801/802 Dalamal Tower, Nariman Point, Mumbai 400 021. Tel.: +91 - 022- 6638 1800 Fax.: +91 - 022- 2284 6824 Email: lumax@enam.com Contact Person: Ms. Lakha Nair	**KARVY COMPUTERSHARE PRIVATE LIMITED,** Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081. Tel No.: +91 1 800 345 4001 Fax No.: +91 (40) 2342 0814 Email id: einward.ris@karvy.com Contact Person: Mr. M. Muralikrishna
OFFER OPENS ON : DECEMBER 15, 2007	**OFFER CLOSES ON : JANUARY 3, 2008**

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

ACTIVITY	SCHEDULE	REVISED SCHEDULE
Public Announcement	Monday, May 14, 2007	Monday, May 14, 2007
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	Friday, June 8, 2007	Friday, June 8, 2007
Last date for a Competitive Bid	Monday, June 4, 2007	Monday, June 4, 2007
Date by which Letter of Offer will be posted to shareholders	Saturday, June 23, 2007	Monday, December 10, 2007
Date of Opening of the Offer	Wednesday, July 4, 2007	Saturday, December 15, 2007
Last date for revising the Offer Price / No. of Equity Shares	Thursday, July 12, 2007	Monday, December 24, 2007
Last date of withdrawal of tendered application by the shareholders of Lumax	Wednesday, July 18, 2007	Monday, December 31, 2007
Date of Closing of the Offer	Monday, July 23, 2007	Thursday, January 3, 2008
Date by which acceptance/rejection under the Offer would be intimated and the corresponding payment for the acquired Equity Shares and/or the unaccepted Equity Shares/Share Certificate(s) will be dispatched /credited.	Tuesday, August 7, 2007	Friday, January 18, 2008

RISKS IN RELATION TO THE OFFER

Given below are the risks related to the proposed Offer and in association with the Acquirer.

1. The Offer involves acquiring 20.00% of fully paid-up equity share capital of Lumax Industries Limited from its shareholders. Where the number of shares tendered by the shareholders is more than the shares agreed to be acquired by the Acquirer, acceptance would be determined on proportionate basis as per the Regulations and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.

2. In the event that either

    a. a statutory and regulatory approval is not received in a timely manner,

    b. there is any litigation leading to a stay of the Offer, or

    c. SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of the Target Company whose shares have been accepted in the Offer as well as the return of the shares not accepted by the Acquirer may be delayed. In case of delay, due to non-receipt of the statutory approvals, as per Regulation 22(12) of the Regulations, SEBI may, if satisfied that the non receipt of approvals was not due to the willful default or negligence or failure to diligently pursue on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders, as may be specified by SEBI. Further, shareholders should note that after the last date of withdrawal i.e. December 31, 2007, the shareholders who have lodged the shares would not be able to withdraw them even if the acceptance of shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrars to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

3. The shares tendered in the Offer will be held in trust by the Registrars to the Offer, till the completion of the Offer formalities. Accordingly, the Acquirer makes no assurance with respect to the market price of the shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders of the Target Company on whether to participate or not to participate in the Offer.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of the Target Company or any other matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders of the Target Company are advised to consult their stockbrokers or investment consultant, if any, for further risks with respect to their participation in the Offer.

CONTENTS

DEFINITIONS

Acquirer / Stanley	Stanley Electric Co., Ltd.
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Ltd.
DP or Depository Participant	HDFC Bank Limited
Eligible Shareholder	Shareholders, including M. K. Jain Group, to whom the Offer is made (shareholders other than the Acquirer and the Promoters/Promoter group)
FEMA	The Foreign Exchange Management Act, 1999
FII(s)	Foreign Institutional Investors registered with SEBI
Form of Acceptance	Form of Acceptance-cum-Acknowledgement accompanying this Letter of Offer
Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
Foreign Escrow Agent	Citibank N.A., 3 Temasek Avenue, #12-00 Centennial Tower Singapore 039190
Indian Escrow Agent	Citibank, N.A. Plot C-61, Bandra-Kurla Complex, G-Block, Bandra (East), Mumbai 400 051 acting through its branch office in India at 4th Floor, Fort House, Fort, Mumbai 400001
Manager or Manager to the Offer or Enam	Enam Securities Pvt. Ltd.
M.K. Jain Group	Mr. Mahesh K. Jain, Smt. Pushpa Jain, Mr. Rajan Jain, Lumax Filters Pvt. Ltd., Lumax International Pvt. Ltd. Rajan Auto Anciliaries Pvt. Ltd and Kriner Services Pvt Ltd. Earlier forming part of the Promoter/Promoter Group of Target Company and have been subsequently declassified as Promoters with effect from June 30, 2007. The M. K. Jain Group will now be eligible to participate in the Offer.
NRI(s)	Non-Resident Indians
Non-Resident Shareholders	NRIs, OCBs and FIIs holding the Equity Shares of Lumax
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB(s)	Overseas Corporate Bodies
Offer or Open Offer	Open Offer to acquire 1,869,547 equity shares of Rs. 10/- each representing 20% of the outstanding voting equity share capital of Lumax at a price of Rs. 540.03/- per share
Offer Period	From May 14, 2007 to January 18, 2008
Offer Price	Rs. 540.03/- per fully paid-up Equity Share of Lumax
Public Announcement or PA	Public Announcement for the Open Offer issued on behalf of the Acquirer on May 14, 2007
Registrars or Registrars to the Offer	Karvy Computershare Private Limited
RBI	The Reserve Bank of India constituted under the Reserve Bank of India Act, 1934
The Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
Specified Date	June 8, 2007
Target Company or Lumax or the Company	Lumax Industries Limited

1 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF LUMAX TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE COMPANY WHOSE EQUITY SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, ENAM SECURITIES PVT. LTD, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 25, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2 DETAILS OF THE OFFER

2.1 Background to the offer

The Board of Directors of the Target Company has issued and allotted on preferential basis 1,000,000 equity shares of Rs. 10/- each for cash at a price of Rs. 540.03/- including premium of Rs. 530.03/- per share aggregating Rs. 540,030,000/- to the Acquirer (the "Preferential Issue") in accordance with the guidelines for preferential issues under the SEBI (Disclosure and Investor Protection) Guidelines, 2000 and the subsequent amendments thereto ("Guidelines").

The Preferential Issue has been duly authorised by a resolution passed by the Board of Directors of the Target Company at its meeting held on March 26, 2007 and by the special resolution under section 81(1A) of the Companies Act, 1956 and other applicable provisions passed by the shareholders of the Target Company at the duly convened Extraordinary General Meeting ("EGM") held on April 24, 2007 authorising the Board Directors of the Target Company to issue and allot the above equity shares.

Pursuant to the subscription money received from the Acquirer, the Preferential Issue Committee of Board of Directors of the Target Company allotted 1,000,000 fully paid up equity shares to the Acquirer representing 10.70% of the post preferential fully paid-up voting equity share capital of the Target Company on May 8, 2007. The said equity shares will be subject to "lock-in" as per the Guidelines.

2.1.1 The Offer to the shareholders of the Target Company is being made consequent to the Preferential Issue and is being made in accordance with Regulation 11(1) of the SEBI (SAST) Regulations. Simultaneously with the allotment of the equity shares as mentioned in paragraph 2.1 above, a Share Subscription Agreement ("SSA") dated May 8, 2007 was entered into between (a) The Target Company and (b) the Acquirer solely for the purpose of the Preferential Issue.

2.1.2 The Acquirer belongs to the Promoter group of the Target Company and is categorised under "Foreign Promoter". Prior to the aforementioned Preferential Issue the Acquirer held 1,458,165 equity shares of the Target Company representing 17.47% of the fully paid-up equity share capital of the Target Company. Upon the allotment of 1,000,000 equity shares, the Acquirer holds 2,458,165 equity shares representing 26.30% of the post preferential fully paid-up equity share capital of the Target Company.

2.1.3 The Acquirer has not sold any shares of Lumax from the date of the PA to the date of the LOO.

2.1.4 As on the date of the PA, the Promoter group in aggregate along with the Acquirer held 5,880,801 equity shares representing 62.91% of the post Preferential Issue fully paid-up equity share capital of the Target

Company. Post declassification of M. K. Jain Group from the Promoter category (with effect from June 30, 2007), the Promoter group in aggregate along with the Acquirer holds 5,017,833 Equity Shares representing 53.68% of the post Preferential Issue fully paid-up Equity Share capital of the Target Company.

2.1.5 The Acquirer and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions under Section 11B of SEBI Act or under any of the regulations made under the SEBI Act.

2.1.6 The Acquirer may seek a reconstitution of the Board of directors of the Target Company post completion of the Open Offer formalities. As on date the person (nominee of the Acquirer) to be appointed as the director of the Target Company is yet to be identified by the Acquirer.

2.2 THE OFFER

2.2.1 The PA, as per regulation 15(1) of the Regulations was made in the following newspapers on May 14, 2007

Newspaper	Language	Editions
The Financial Express	English	All editions
Janasatta	English	All Editions
Navashakti	English	Mumbai Edition

A copy of the PA is also available on SEBI's website (www.sebi.gov.in).

If there is any upward revision in the Offer Price of Equity Shares/ No. of Equity Shares by the Acquirer till the last date of revision viz. December 24, 2007, or in case of withdrawal of the Offer, the same would be informed by way of a public announcement in the newspapers in which the original PA was published on May 14, 2007 and the same revised price would be payable by the Acquirer to all shareholders who tendered their Equity Shares at any time during the Offer and which are accepted by the Acquirer under the Offer.

The Offer is subject to the terms and condition set out herein in the Letter of Offer ("LOO").

2.2.2 This Offer is subject to receipt of the statutory approvals mentioned in paragraph 9 of the LOO. In terms of regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

2.2.3 The Acquirer is making an offer to the Eligible Shareholders (other than to the Acquirer and the Promoters/ Promoter group) of the Target Company to acquire 1,869,547 fully paid-up equity shares of Rs. 10/- each of the Target Company ("Equity Shares"), representing 20% of the outstanding voting equity share capital (post-Preferential Issue) of the Target Company, at a price of Rs. 540.03/- per fully paid-up Equity Share payable in cash in terms of regulations 20 and 21 of the Regulations. The Offer is in accordance with regulation 11 (1) of the Regulations, consequent to the Preferential Issue referred to in paragraph 2.1.1 above, on account of proposed substantial acquisition of equity shares. There are no partly paid-up equity shares of the Target Company.

2.2.4 As on the date of the PA, the Acquirer held 2,458,165 equity shares representing 26.30% of the post Preferential Issue fully paid-up equity share capital of the Target Company. The Acquirer has not acquired any equity share of the Target Company during the 12 months preceding the date of the PA except for the allotment of 1,000,000 equity shares made in the Preferential Issue on May 8, 2007

2.2.5 For the purpose of this Offer, there is no Person Acting in Concert with the Acquirer.

2.2.6 The Offer is not conditional on any minimum level of acceptance.

2.2.7 This is not a Competitive Bid.

2.2.8 The Equity Shares tendered and accepted pursuant to the Offer will be acquired by the Acquirer. The Equity Shares will be acquired by the Acquirer free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

2.2.9 As on the date of the LOO, the Manager to the Offer does not hold any share in the Target Company.

3 RATIONALE FOR THE ACQUISITION AND OFFER

3.1 This Offer to the Eligible Shareholders of Lumax (other than to the Acquirer and the Promoters/Promoter group) is made pursuant to regulations 11(1) of the Regulations consequent to the Preferential Issue of equity shares to the Acquirer as explained in paragraph 2.1.1 above and for substantial acquisition of Equity Shares.

3.2 The Target Company has made a Preferential Issue of 1,000,000 equity shares of Rs. 10/- each to the Acquirer with a view to further strengthening the financial and technical know-how, co-operation between the Indian Promoters and the Acquirer, a world leader in vehicle lighting and illumination products for the automobile industry with the object to mobilize funds for modernisation of plants with a view to absorbing the latest technology available and for expansion of existing plant capacities, setting up of new manufacturing facilities and meeting long term working capital requirements of the Target Company due to growth of business.

4 INFORMATION ON STANLEY ELECTRIC CO., LTD. (THE "ACQUIRER"/"Stanley")

4.1.1 Stanley was founded in December 1920 and was re-organised as a Company under the Laws of Japan on May 5, 1933.

4.1.2 Stanley has its registered and corporate office at 2-9-13, Nakameguro, Meguro-ku, Tokyo, 153-8636, Japan .Telephone Number: 81-3-3710-2580, Fax Number: 81- 3- 3791-1718.

4.1.3 Shares of Stanley are listed on Tokyo Stock Exchange. Stanley has one outstanding Straight Bonds for 1000 crore Yen listed on the Tokyo Stock Exchange issued in November 2003 for a period of 5 years.

4.1.4 Stanley has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

4.1.5 Stanley has duly complied with the provisions of Chapter II of the Regulations.

4.1.6 Stanley is in the business of manufacturing of electronic equipment and automotive equipment. Stanley was founded by Mr. Takaharu Kitano. The current President is Mr. Takanori Kitano. He became President in 1999 as the fifth President. Currently there is no identifiable promoter of Stanley.

The top five shareholders of Stanley as on September 30, 2007 are:

Shareholder	Number of shares	%
Japan Trustee Services Bank Ltd.	15,288,600	8.12%
The Master Trust Bank of Japan Ltd	14,056,400	7.47%
Honda Motor Co., Ltd	9,235,527	4.91%
Sumitomo Mitsui Banking Corporation	8,111,411	4.31%
Nippon Life Insurance Company	7,651,606	4.06%

4.1.7 Details of the Board of Directors of Stanley are as below:

Name and Designation	Address	Qualification & Experience	Date of Appointment
Mr. Takanori Kitano President	C/o, Stanley Electric Co., Ltd. 2-9-13, Nakameguro, Meguro-ku, Tokyo, 153 8636, Japan . Telephone Number: 81-3-3710-2580, Fax Number: 81-3-3791-1718	Graduated from Keio University in faculty of Law Exp- 24 years in the field of electronic component business and in overall management	June 28, 1985

Name and Designation	Address	Qualification & Experience	Date of Appointment
Mr. Yuji Nitta Executive Vice President	—same as above—	Graduated from Tokyo University of Science Exp-46 years in the field of electronic component business, automotive lighting equipment business, management of overseas subsidiary and overall management,	June 26, 1987
Mr. Ryuta Yamaguchi Senior Managing Director	—same as above—	Graduated from Keio University in faculty of Law Exp- 22 years in the field of automotive lighting equipment business.	June 26, 1992
Mr. Akihiro Nakamura Senior Managing Director	2-25-12, Parkhomes 502 Sakura-shin-machi, Setagaya-ku, Tokyo, Japan 154-0015	Graduated from Tokyo Denki University under faculty of Electronic Communication Exp- 35 years in the field of corporate management/ administration global operations, automotive lighting equipment business and management of overseas subsidiary	June 29, 1993
Mr. Sueo Kaneda Senior Managing Director	C/o, Stanley Electric Co., Ltd. 2-9-13, Nakameguro, Meguro-ku, Tokyo, 153-8636, Japan .	Telephone Number: 81-3-3710-2580, Fax Number: 81-3-3791-1718 Graduated from Hakui Technical High School Exp-42 years in the field of manufacturing, quality control and information systems	June 29, 1995
Mr. Toshio Uchikawa Managing Director	—same as above—	Graduated from Hosei University under faculty of Business Administration Exp-40 years in the field of corporate management/ administration, accounting and finance and management of overseas subsidiary	June 27, 1997
Mr. Shinichi Katano Managing Director	—same as above—	Graduated from Hosei University under Faculty of Engineering Exp-37 years in the field of electronic component business, research and development	June 26, 1998

Name and Designation	Address	Qualification & Experience	Date of Appointment
Mr. Makio Natsusaka Managing Director	—same as above—	Graduated from Hachinohe Technical High School under Faculty of Engineering Exp-40 years in the field of automotive lighting , equipment business and management of overseas subsidiary	June 26, 1998
Mr. Tetsuji Arita Director	—same as above—	Graduated from Kyushu University under Faculty of Engineering Exp-37 years in the field of electronics component business, corporate management and administration and as a governmental official	June 26, 1992
Mr. Toshiro Koizumi Director	—same as above—	Graduated from Meiji University under Faculty of Engineering Exp-37 years in the field of electronic component business	June 25, 2004
Mr. Shigeki Muto Director	—same as above—	Graduated from Kanazawa University under Faculty of Engineering Exp-28 years in the field of electronic component business	June 25, 2004
Mr. Hidenari Yamazaki Director	—same as above—	Graduated from Shibaura Institute of Technology under Faculty of Engineering Exp-36 years in the field of electronic component business and management of overseas subsidiary	June 24, 2005
Mr. Katsumi Kondo Director	—same as above—	Graduated from Komazawa University under Faculty of Engineering Exp-30 years in the field of automotive lighting equipment business	June 27, 2006

Out of the above directors, Mr. Akihiro Nakamura is also on the board of directors of Lumax and therefore as required under regulation 22(9) of the Regulations, he has recused himself from the Offer and has not/will not participate in any matter concerning or relating to the Offer in his capacity as director of Lumax. Stanley has one more nominee

Director Mr. Yasuhiro Muraga on the Board of Lumax. Mr. Yasuhiro Muraga is not an insider within the meaning of SEBI (Insider Trading) Regulations, 1992 and has recused himself from the Offer and has not/will not participate in any matter concerning or relating to the Offer.

Subsequent to the PA on June 26, 2007, Mr. Ryuta Yamaguchi, Mr. Toshio Uchikawa , and Mr. Tetsuji Arita have resigned from the Board of Acquirer.

4.1.8 Relevant extracts of the report by KPMG AZSA & Co., an audit corporation incorporated under the Japanese Certified Public Accountants Law, in the Japanese member firm of KPMG International, a Swiss cooperative ,vide their report dated May 22, 2007 are as under:

Financials of Stanley Electric Co., Ltd on Consolidated Basis

(Unit: hundred thousands of Japanese yen & lakhs of rupee unless specified otherwise)

Particulars (Year ended March 31)	2005		2006		2007	
Months	12		12		12	
Rate of rupee on March 31 (1 rupee=yen)	2.49		2.67		2.72	
Profit and loss statement	**Yen**	**Rs**	**Yen**	**Rs**	**Yen**	**Rs**
Income from operations	2,932,597	1,177,749	3,117,850	1,167,734	3,386,808	1,245,150
Other income	47,543	19,093	42,841	16,045	43,034	15,821
Total income	**2,980,140**	**1,196,843**	**3,160,691**	**1,183,779**	**3,429,842**	**1,260,971**
Unrealised gain on investments	-	-	-	-	-	-
Total expenditure	**2,500,805**	**1,004,339**	**2,624,085**	**982,803**	**2,793,163**	**1,026,898**
Profit before depreciation, interest and tax	**479,335**	**192,504**	**536,606**	**200,976**	**636,679**	**234,073**
Depreciation	185,756	74,600	200,970	75,269	212,487	78,120
Interest	3,190	1,281	3,040	1,138	2,758	1,013
Profit before tax (before extraordinary item)	**290,389**	**116,622**	**332,596**	**124,567**	**421,434**	**154,938**
Extra ordinary item	-	-	-	-	-	-
Profit before tax (after extraordinary item)	**290,389**	**116,622**	**332,596**	**124,567**	**421,434**	**154,938**
Provision for tax	101,778	40,874	108,425	40,608	132,849	48,841
Profit after tax	**188,611**	**75,747**	**224,171**	**83,959**	**288,585**	**106,097**
Minority Interest	11,755	4,720	17,981	6,734	25,746	9,465
Profit after tax after minority interest	**176,856**	**71,026**	**206,190**	**77,224**	**262,839**	**96,631**
Sources of funds						
Paid up equity share capital	603,401	242,329	603,403	225,993	603,407	221,840
Preference share capital	-	-	-	-	-	-
Reserves and surplus (excluding revaluation reserve)	816,373	327,860	985,708	369,179	1,206,036	443,395

Unrealised gains on other securities	130,662	52,474	198,120	74,202	214,080	78,705
Foreign currency translation adjustment	-54,081	-21,719	-11,364	-4,256	18,873	6,938
Treasury stocks	-35,828	-14,388	-36,089	-13,516	-86,382	-31,758
Net worth	**1,460,527**	**586,557**	**1,739,778**	**651,602**	**1,956,014**	**719,122**
Secured loans	-	-	-	-	-	
Unsecured loans and corporate bond	197,430	79,289	186,341	69,790	184,603	67,868
Deferred tax liability	28,594	11,483	61,282	22,952	70,616	25,961
Accrued severance indemnities	237,551	95,402	231,528	86,714	227,743	83,729
Other non-current liabilities	11,532	4,631	28,162	10,547	27,795	10,218
Other current liabilities	668,863	268,619	716,755	268,447	842,979	309,918
Minority interest in consolidated subsidiaries	57,405	23,054	78,536	29,414	98,411	36,180
Total	**2,661,902**	**1,069,036**	**3,042,382**	**1,139,468**	**3,408,161**	**1,253,000**
Use of funds						
Net fixed assets	938,029	376,718	1,001,010	374,910	1,142,186	419,921
Investments	308,116	123,741	437,099	163,707	495,151	182,040
Deferred tax assets	51,179	20,553	55,603	20,825	61,829	22,731
Other non-current assets	77,495	31,122	74,647	27,957	69,321	25,485
Other current assets	1,287,083	516,900	1,474,023	552,068	1,639,674	602,821
Total	**2,661,902**	**1,069,036**	**3,042,382**	**1,139,468**	**3,408,161**	**1,253,000**
Other Financial Data						
Dividend % (dividend/net profit)	16.9%	16.9%	18.1%	**18.1%**	17.6%	17.6%
Earning per share (yen & rupee)	94.44	37.92	110.22	41.28	142.12	52.25
Net Asset Value (yen & rupee)	765.2	307.31	856.5	320.79	986.4	362.66
Return on Net worth %	12.8%	12.8%	12.9%	12.9%	14.2%	14.2%

The financial information was extracted and/or calculated from the audited consolidated financial statements of the company as of and for the years ended March 31, 2005, 2006 and 2007, presented in conformity with generally accepted accounting principles in Japan ("Japanese GAAP"), in accordance with the corporate accounting regulations under the Corporate Law of Japan and certain other information

Agreed-upon procedures

The procedures performed and our findings thereon are summarized as follows:

1. Profit and Loss Statement accounts

   We compared the following profit and loss statement accounts in the Schedules on consolidated basis for the years ended March 31,2005, 2006 and 2007, to the corresponding amounts or to the corresponding sum of the relevant amounts appearing in the audited consolidated financial statements of the Company for the years ended March 31, 2005, 2006 or 2007, as appropriate, and found them to be in agreement.

Amount appearing in the Schedules	**Corresponding amount included in the audited financial statements**
Income from operations	Operating income
Other income	A sum of Non-operating income and Extraordinary gains
Unrealized gain on investments	Not applicable
Total expenditure	A sum of Cost of sales, Selling, general and administrative expenses, Non-operating expenses and Extraordinary losses, reduced by a sum of Depreciation expense, and Interest expense
Profit before depreciation, interest and tax	A sum of Income before income taxes and minority interest, Depreciation expense and Interest expense
Depreciation	Depreciation expense
Interest	Interest expense
Profit before tax (before extraordinary item)	Income before income taxes and minority interest
Extraordinary item	Not applicable
Profit before tax (after extraordinary item)	Income before income taxes and minority interest
Provision for tax	A sum of Income taxes (current) and Income taxes (deferred)
Profit after tax	Income before minority interest
Minority interest	Minority interest in earnings of consolidated subsidiaries
Profit after tax after minority interest	Net income

2. Balance Sheet accounts

We compared the following balance sheet accounts in the Schedules on consolidated basis as of March 31, 2005, 2006 and 2007, to the corresponding amounts or to the corresponding sum of the relevant amounts appearing in the audited consolidated financial statements of the Company as of March 31, 2005,2006 or 2007, as appropriate, and found them to be in agreement.

Amount appearing in the Schedules	**Corresponding amount included the audited financial statements**
Paid up equity share capital	A sum of Common stock and Additional paid-in capital
Preference share capital	Not applicable
Reserves and surplus (excluding revaluation reserve)	Retained earnings
Unrealized gains on other securities	Unrealized gains on other securities
Foreign currency translation adjustment	Foreign currency translation adjustments
Treasury stocks	Treasury stock
Net worth	Total shareholders' equity
Secured loans	Not applicable
Unsecured loans and corporate bond	A sum of Short-term loans, Current portion of long-term debt, Long-term debt and Corporate bond

Deferred tax liability	A sum of Deferred tax liabilities - current and Deferred tax liabilities - non-current
Accrued severance indemnities	A sum of Accrued severance indemnities for employees and Accrued severance indemnities for directors and statutory auditors
Other non-current liabilities	Other non-current liabilities
Other current liabilities	Total current liabilities, reduced by Short-term loans, Current portion of long-term debt and Deferred tax liabilities - current
Minority interest in consolidated subsidiaries	Minority interest in consolidated subsidiaries (B/S)
Net fixed assets	Property, plant and equipment, net
Investments	Investment securities
Deferred tax assets	A sum of Deferred tax assets - current and Deferred tax assets - non-current
Other non-current assets	A sum of Intangible assets and Other investments
Other current assets	Total current assets reduced by Deferred tax assets - current

3. Other Financial Data

Dividend % (dividend/net profit)

We compared Dividend % (dividend/net profit) in the Schedules on consolidated basis for the years ended March 31, 2005,2006 and 2007, to the corresponding ratio as calculated by dividing dividend for the years ended March 31, 2005,2006 and 2007 by net income for the years ended March 31, 2005, 2006 or 2007, respectively, appearing in the audited consolidated financial statements of the Company as of March 31, 2005, 2006 or 2007, as appropriate, and found them to be in agreement.

Earning per share

We compared Earning per share in the Schedules on consolidated basis for the years ended March 31,2005,2006 and 2007, to the corresponding amount of earnings per share (basic) appearing in the audited consolidated financial statements of the Company as of and for the years ended March 31, 2005, 2006 or 2007, as appropriate, and found them to be in agreement.

Net Asset Value

We compared Net Asset Value in the Schedules on consolidated basis for the years ended March 31, 2005, 2006 and 2007, to the corresponding result as calculated by dividing a sum of common stock, additional paid-in capital and retained earnings by the number of common shares outstanding at the year-end, each appearing in the audited consolidated financial statements of the Company as of and for the years ended March 31, 2005, 2006 or 2007, as appropriate, and found them to be in agreement.

Return on Networth %

We compared Return on Networth % in the Schedules on consolidated basis for the years ended March 31, 2005, 2006 and 2007, to the corresponding percentage as calculated by dividing net income by the average of beginning-of-year and end-of- year amounts of shareholders' equity, each appearing in the audited consolidated financial statements of the Company as of and for the years ended March 31, 2005, 2006 or 2007, as appropriate, and found them to be in agreement.

4. Other Information

Rate of Rupee on Closing Date

We compared Rate of Rupee on Closing Date in the Schedules as of March 31, 2005, 2006 and 2007, to the corresponding TTM rate quoted by The Bank of Tokyo Mitsubishi UFJ Ltd. as of March 31, 2005, 2006 or 2007, as appropriate, and found them to be in agreement.

Translated Rupee Amounts

We recomputed, on the basis described in Note 1 to the Schedules, each of the translated Rupee amounts appearing in the Schedules on consolidated basis for the years ended March 31, 2005, 2006 and 2007, and found no exceptions

Note 1: The translations of the Japanese yen amounts into Indian Rupee are included solely for the convenience of readers, using the prevailing exchange rates at the respective year-ends which were ¥2.49, ¥2.67 and ¥2.72 to Rs 1 (one Indian Rupee) for the years ended March 31, 2005, 2006 and 2007, respectively. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into Indian Rupee at these or any other rate of exchange.

4.1.9 Reasons for rise and fall in Total income and Profit after tax in relevant years is as follows:

Stanley's business is dependent on the automobile industry and the electronic equipment industry. In 2005, the sales of both business rose marginally in line with the industry growth. In 2006, in the automobile industry, global production volume rose only slightly over the previous fiscal year. However, the electronic equipment industry showed no significant growth caused by sluggish sales of some products that suffered demand saturation. In 2007, Stanley's income and profit increased with the rise in demand for high-value-added products both in Japan and other Asian countries. The growth in 2007 was also higher on account of increased focus on growth through product development, focus on market needs and improvement in productivity through innovation in production, as well as, investment on improving efficiency.

4.1.10 Significant accounting policies are as follows:

(a) Principles of Consolidation

The consolidated financial statements include the accounts of the company and all of its subsidiaries. At March 31, 2007, 2006 and 2005, the company had 34, 33 and 32 subsidiaries, respectively.

All significant inter-company balances, transactions and profits have been eliminated. Goodwill is amortized by the straight-line method over a five-year period. Investments in affiliates are accounted for by the equity method. Investments in certain affiliates are stated at cost because the effect of application of the equity method would be immaterial.

(b) Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statements of cash flows comprise cash in hand, bank deposits able to be withdrawn on demand and short-term investments with an original maturity of three months or less and for which there is a minor risk of material fluctuations in value.

(c) Financial Instruments

1. Derivatives

Derivatives designated as hedging instruments by the company are forward exchange contracts. The related hedged items are accounts receivable denominated in foreign currencies.

The company has a policy of utilizing the above hedging instruments in order to reduce the company's exposure to the risk of foreign currency fluctuations. Thus, the company's purchases of hedging instruments are limited to, at maximum, the amounts of the hedged items. Gains or losses resulting from forward exchange contracts were principally deferred as an asset or a liability.

2. *Securities*

Securities except for investments in unconsolidated subsidiaries and affiliates are classified as 'Held-to-maturity securities' or 'Other securities'. Held-to-maturity securities are carried at amortized cost. Other securities, for which fair values are available, are stated at fair value with any unrealized gains or losses reported as a separate component of shareholders' equity at a net-of-tax amount. Other securities, for which fair values are unavailable, are stated at cost. Cost of securities sold is determined by the moving average method.

(d) Allowance for Doubtful Accounts

The allowance for doubtful accounts has been provided based upon estimated uncollectible amounts for individually identified doubtful accounts and historical loss experience for other accounts.

(e) Inventories

Inventories are principally stated at cost, which is determined by the average method.

(f) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

The straight-line method is used for the following property, plant and equipment;

- All buildings (excluding attached structures) of the company and its domestic subsidiaries
- Molds and tools of the company and its domestic subsidiaries
- Yamagata plant
- Property, plant and equipment of foreign subsidiaries

The depreciation of other property, plant and equipment of the Company and its domestic subsidiaries is computed using the declining-balance method at rates based on the estimated useful lives of the assets.

The range of useful lives is as follows

- Buildings: 3-to-50 years
- Machinery and equipment: 4-to-15 years

(g) Intangible Assets

Software development costs for those that are purposed for internal own use is capitalized and amortized. Amortization of such software is done using the straight-line method over a five-year period.

(h) Leases

Finance leases of the company and its domestic subsidiaries, other than those which transfer the ownership of the leased assets, are accounted for using a method similar to that applicable to ordinary operating leases.

(i) Research and Development Costs

Research and development costs are entirely charged to income as incurred.

(j) Accrued Severance Indemnities

Accrued severance indemnities represent the estimated present value of projected benefit obligations in excess of the fair value of the plan assets and unrecognized actuarial differences. Prior service costs are amortized on a straight-line basis within the average remaining service period of 7 to 15 years. Unrecognized actuarial differences are amortized on a straight-line basis within the average remaining service period of 7 to 15 years from the following year in which they arose.

(k) **Income Taxes**

Income taxes are determined using the asset and liability method, whereby deferred tax assets and liabilities are recognized for temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements.

(l) **Accounting for Consumption Taxes**

In Japan, consumption taxes are imposed at a flat rate of 5 per cent on all domestic consumption of goods and services with certain exceptions. Consumption taxes imposed on the domestic sales of the company and its domestic subsidiaries are withheld by the companies at the time of sale and are paid to the national government and the local public body subsequently. The consumption tax withheld upon sale and the consumption tax paid by the companies on the purchases of goods and services are not included in the related amounts in the accompanying consolidated statements of income.

(m) **Foreign Currency Translation**

All monetary assets and liabilities denominated in foreign currencies, whether long-term or short-term, are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Resulting gains and losses are included in net profit or loss for the period. All accounts on the balance sheets of the foreign subsidiaries and affiliates are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Profit and loss accounts for the year are translated into Japanese yen using the average exchange rate during the year. Differences in yen amounts arising from the use of different rates are presented as "foreign currency translation adjustments" in shareholders' equity.

(n) **Net Income and Dividends per Share**

Net income per share of common stock is calculated by dividing net income available to common shareholders by the weighted average number of shares of common stock outstanding during each year.

Cash dividends per share shown for each year in the accompanying consolidated statements of income represent dividends declared for each respective year.

4.1.11 The shareholding pattern of Stanley as on September 30, 2007 is as follows:

Particulars	**Number of shares**	**Percentage held**
Government/Local Authority	195,313	0.10%
Banking Institution	91,023,223	48.35%
Securities Company	540,369	0.29%
Other Company	21,182,439	11.25%
Foreign Corporation/Individuals	54,373,614	28.89%
Individual/Others	16,104,951	8.56%
Treasury Stock	4,820,347	2.56%
Total	**188,240,256**	**100.00%**

The share capital structure of Stanley as on September 30, 2007 is as under;

Paid up Equity Capital	**No. of Shares/voting rights**	**% of shares/voting rights**
Fully paid up equity capital	188,240,256	100%
Partly paid up equity capital	0	0%
Total paid up capital	188,240,256	100%
Total voting rights	1,831,802	97.31%

4.1.12 According to the audited financial statements of Stanley for the year ended March 31, 2007, Stanley had the following contingent liability: Guarantee to certain financial institutions in respect of employees' housing, for Yen 34 million (Rs 125 lakhs) - (*Source: TTM rate quoted by The Bank of Tokyo Mitsubishi UFJ Ltd.)*

4.1.13 Stanley has acquired the following shares in Lumax other than the Preferential Issue.

Name of Acquirer	No.of Shares Acquired	Acquisition Price (Rs.)	Date of Acquisition	Nature of Considera-tion Paid	% of Share-holding	Mode of Acquisition	Compliance Status of
Stanley Electric Co., Ltd.	600,000	74.00	October 28, 1994	Cash	10.09	Preferential Allotment to Collaborator	Complied
Stanley Electric Co., Ltd.	750,000	125.00	October 10, 1997	Cash	18.00	Preferential Allotment to Collaborator	Complied
Stanley Electric Co., Ltd.	108,165	N.A.	December 15, 2003	As per Swap ratio of Scheme of Demerger	17.47	Demerger Scheme approved by the Hon'ble High Court of Delhi	Complied

4.1.14 Stanley has a separate department for adhering to Corporate Governance called Corporate Governance Promotion Department. Stanley has necessary internal systems to monitor the same. Mr. Setsuya Okubo, Nakameguro, Meguro-ku, Tokyo, 153-8636, Japan Ph: 81-3-3710-2758 is the General Manager of the said department.

4.1.15 There are no pending litigations against Stanley.

4.1.16 Stanley has not been involved in any merger/demerger, spin off during last 3 years.

4.1.17 Stanley's name was changed from "Kitano Shokai" to "Stanley Electric Co., Ltd." in May 1933. It was further changed to "Kitano Electric Industrial Co., Ltd." in May 1943. The name was changed to its current name "Stanley Electric Co., Ltd." in October 1949.

4.1.18 Stanley, as a result of the acquisition, intends to have a closer relationship with Lumax. Stanley plans to provide Lumax with advanced technology and modern management methods available to Stanley so that its operation level meets global standards and it expands its business with motorcycle manufacturers and automobile manufacturers in India.

To the extent required and to optimize value to all shareholders, Stanley may, subject to applicable shareholders' consent, enter into any compromise or arrangement, reconstruction, restructuring, merger, rationalizing and/or streamlining of various operations, assets, liabilities, investments, businesses or otherwise of Lumax. The Board of Directors of Lumax will take appropriate decisions in these matters.Stanley does not have any plan to dispose off or otherwise encumber any asset of Lumax in the next two years except in the ordinary course of business of Lumax and except to the extent mentioned above. However, Stanley undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of Lumax except with the prior approval of the shareholders of Lumax.

4.1.19 Stanley plans to provide Lumax with advanced technology and modern management methods available to Stanley in order that Lumax can acquire greater trust and business from motorcycle manufacturers and automobile manufacturers in India and can secure and maintain its position in the Indian market.

5 OPTION IN TERMS OF REGULATION 21(2) OF THE REGULATIONS

The Offer will not result in public shareholding being reduced to a level below the limit specified in the Listing Agreement with the Stock Exchanges for the purpose of listing on continued basis.

6 INFORMATION ON LUMAX INDUSTRIES LIMITED (THE "TARGET COMPANY"/ "LUMAX")

6.1.1 Lumax started the business of automotive parts as a trading concern named "Globe Auto Industries" in 1949. It started manufacturing auto lighting equipments in 1957. Lumax Industries Private Limited incorporated on December 10, 1981 took over the partnership business. The name of the Company was changed to Lumax Industries Limited on April 17, 1984 and a fresh Certificate of Incorporation was issued by the Registrar of Companies upon conversion of the Company into a Public Limited Company.

6.1.2 Its registered and corporate office is at B-86, Mayapuri Industrial Area, Phase-I, New Delhi 110064. Tel No.: 011 28 11 1777 Fax No.: 011 28 11 5779.

6.2 Lumax is engaged in the business of manufacturing Auto Components mainly automotive lighting solutions.

Lumax has seven manufacturing facilities in India namely at Gurgaon, Dharuhera (both in Haryana), three plants in Pune and one assembly plant each in Chennai and NOIDA (Uttar Pradesh).

6.3 The subscribed and paid-up equity share capital of Lumax was 8,347,732 equity shares prior to Preferential Issue and as at the date of the Public Announcement, pursuant to the Preferential Issue comprises of 9,347,732 fully paid up equity shares of Rs 10/- each. There were no partly paid-up equity shares of Lumax as at the date of the PA.

The Pre-Preferential Issue and Post Preferential Issue details of Lumax are as under:

Pre-Preferential Issue:

Issued and paid-up equity share Capital	**No. of equity shares (Face Value - Rs. 10/-) Voting Rights**	**% of equity shares/ Voting Rights**
Fully paid-up equity shares (a)	8,347,732	100.00
Partly paid-up equity shares (b)	-	-
Total Issued and paid-up equity shares (a+b)	8,347,732	100.00
Total Voting Rights	8,347,732	100.00

Post Preferential Issue and as on date of the PA

Issued and paid-up equity share Capital	**No. of equity shares (Face Value - Rs. 10/-)/ Voting Rights**	**% of equity shares/ Voting Rights**
Fully paid-up equity shares (a)	9,347,732	100.00
Partly paid-up equity shares (b)	-	-
Total Issued and paid-up equity shares (a+b)	9,347,732	100.00
Total Voting Rights	9,347,732	100.00

6.3.1 There are no outstanding convertible instruments of the Lumax as on date of the PA.

6.3.2 The capital build-up of Lumax since its inception is as follows:

Date of Allotment	Number of shares Issued	% of shares Issued To Cumulative Capital	Cumulative Paid Up Capital (Rs.)	Mode Of Allotment	Identity Of Allottees (Promoters Or Ex-Promoters Or Others)	Status of Compliance
*December 12, 1981	1,000	100.00	100,000	By way of subscription to memorandum of association at the time incorporation.	Promoters/ Subscribers of memorandum of association	Complied with provisions of Companies Act, 1956
* March 31, 1982.	22,000	95.65	2,300,000	Further Issue of Shares.	Promoters/ Relatives	Complied with provisions of Companies Act, 1956
January 3, 1985	1,49,500	39.39	3,795,000	Bonus Issue (13:20)	Then existing Shareholders.	Complied with provisions of Companies Act,1956
March 31, 1985	570,000	60.03	9,495,000	Public Issue/ Equity	Public	Complied with provisions of Companies Act, 1956 and all SEBI/Exchange requirements relevant to the public issue.
April 5, 1991	949,500	50.00	18,990,000	Bonus Issue (1:1)	Then existing Shareholders.	Complied with provisions of Companies Act, 1956 and all Exchange requirements relevant to the bonus issue.
October 1, 1994	2,848,500	60.00	47,475,000	Bonus Issue (3:2)	Then existing Shareholders.	Complied with provisions of Companies Act, 1956 and all Exchange requirements relevant to the bonus issue.
October 28, 1994	1,200,000	20.18	59,475,000	Preferential Issue	Foreign Collaborator/ MFs	Complied with provisions of Companies Act, 1956 and all

Date of Allotment	Number of shares Issued	% of shares Issued To Cumulative Capital	Cumulative Paid Up Capital (Rs.)	Mode Of Allotment	Identity Of Allottees (Promoters Or Ex-Promoters Or Others)	Status of Compliance
						SEBI/Exchange regulation relevant to preferential issue
April 16, 1997	400,000	6.30	63,475,000	Conversion of convertible Preference Shares/Warrant	Promoters/ Associates	Complied with provisions of Companies Act, 1956 and all SEBI/Exchange regulation relevant to such conversion
June 21,1997	400,000	5.92	67,475,000	Conversion of convertible Preference Shares/Warrant	Promoters/ Associates	Complied with provisions of Companies Act, 1956 and all SEBI/Exchange regulation relevant to such conversion
October 10, 1997	750,000	10.00	74,975,000	Preferential Issue	Foreign Collaborator	Complied with provisions of Companies Act, 1956 and all SEBI/Exchange regulation relevant to preferential issue
June 8, 1998	850,232	10.19	83,477,320	Merger-LLHL**	Promoter/ Public	Complied with provisions of Companies Act, 1956
May 8, 2007	1,000,000	10.70	93,477,320	Preferential Issue	Foreign Promoter/ Stanley Electric Co., Ltd.	Complied with provisions of Companies Act, 1956 and all SEBI/Exchange regulation relevant to preferential issue

* The nominal value of the equity shares of the Lumax at the time of incorporation was Rs. 100/- per share which was sub divided into Rs. 10/- per share in the extra ordinary general meeting of the shareholders held on March 26, 1984 in accordance with the provisions of Companies Act, 1956.

** Laser Lamps (Haryana) Limited – The Shares issued under the scheme of Amalgamation of Laser Lamps (Haryana) Ltd. with the Lumax pursuant to the Order of the High Court of Punjab & Haryana at Chandigarh on March 26, 1998.

6.3.3 All the Equity Shares of Lumax (including the Equity Shares issued to the Acquirer on preferential basis on May 8, 2007) are listed and are frequently traded on BSE and NSE. . The trading approval for the Equity Shares allotted on preferential basis was received on July 24, 2007 from BSE and on July 3, 2007 from NSE.

6.3.4 Lumax has duly complied with the provisions of Chapter II of the Regulations from time to time except for certain delays in filing disclosure statements under Regulation 6(2), 6(4), 8(3) and 7(3). BSE, vide their letter dated January 19, 2004, had enquired about these delays to which Lumax has given necessary explanation and in addition refiled the disclosures under Regulation 8(3) in the revised format. SEBI vide its letter dated September 20, 2004 informed Lumax that it has appointed an adjudicating officer to adjudicate and enquire into certain violation of takeover regulations purported to be committed by Lumax. Lumax submitted necessary explanation to SEBI vide their letter dated October 11, 2004. The Promoters of Lumax have duly complied with the provisions of Chapter II of the Regulations from time to time. There are no major shareholders (other than Indian Promoters and Acquirer) requiring compliance of Chapter II of the Regulations as on the date of the Letter of Offer.

6.3.5 Equity Shares of Lumax have not been refused listing on any Stock Exchanges. There has been no suspension of trading in the shares of Lumax on any Stock Exchange(s).

6.3.6 Lumax has duly complied with the various requirements under the Listing Agreement with the Stock Exchanges from time to time. No penal actions have been initiated by the Stock Exchanges or SEBI against Lumax except as stated in paragraph 6.3.4 above.

6.3.7 Lumax has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.

6.3.8 As on the date of the Public Announcement, the Board of Directors of Lumax was as below:

Name	**Designation**	**Qualification & Experience (No. Of Years)**	**Date Of Appointment**	**Residential Address**
Mr. Dhanesh Kumar Jain	Chairman & Managing Director	BA., MBA Exp. - He has the work experience of 42 years in automotive industry and has experience in public relation, management and administration skills. Since 1962 he has been closely involved in the manufacturing of automotive parts (lighting equipment etc.)	December10, 1981	L1/26, Akashneem Marg, DLF City, Phase-II, Gurgaon - 122002
Mr. Deepak Jain	Executive Director	BBA, Illiniosis Institute of Technology, U.S.A with specialization in Operation Management and International Business. Exp. -. He has 10 years of experience in the manufacturing of automotive components	February 1, 2001	L1/26, Akashneem Marg, DLF City, Phase-II, Gurgaon - 122002

Name	Designation	Qualification & Experience (No. Of Years)	Date Of Appointment	Residential Address
Mr. Anmol Jain	Executive Director	BA (Hon), Michigan University, U.S.A Exp. - He has 8 years of experience in the manufacturing of automotive components.	July 23, 2004	L1/26, Akashneem Marg DLF City, Phase-II, Gurgaon - 122002
Mr. Y. Muraga	Executive Director (Nominee of Stanley)	High School Graduate with Specialisation in Electronics Exp. - He has a total experience of 39 years covering tool designing and production planning of tool manufacture, tool room production, engineering, tool manufacture and product development.	July 27, 2001	Flat No. 616-B, Hamilton Court, DLF, Gurgaon.
Mr. A. Nakamura	Director (Nominee of Stanley)	Faculty of Electronic Communication from Tokyo Denki University Exp.- He has 35 years of experience in manufacturing of automotive lighting equipments	May 26, 2006	2-25-12, Parkhomes 502 Sakura-shin-machi, Setagaya-ku, Tokyo, Japan 154-0015
Mr. A.P. Gandhi	Independent Director	BE Mechanical Exp.- He has over 45 years of professional work experience in automobile industry which includes working as President of Hyundai Motors India Ltd and is presently on the Board of Directors of various companies	July 31, 2002	C-2/14, Safdarjung Development Area, New Delhi-110016.
Mr. Deep Kapuria	Independent Director	BE (Hon) Exp. - He 34 years of business and industrial experience to his credit in the auto component manufacturing business.	July 31, 2002	M/s Hi-Tech Gears Ltd., Unit No.1205 Millenium Plaza, 12th Floor, Tower-B Sector-27, Gurgaon-122002
Mr. Suman Jyoti Khaitan	Independent Director	BA (Hon) Econ. LLB Exp. - He has 30 years of experience as a practicing lawyer. Presently, he is also a Managing Partner in Khaitan & Co. (Advocate and Notaries) specializing in Corporate Restructuring	January 30, 2003	W-13, Greater Kailash Part-II, New Delhi - 110048

Name	Designation	Qualification & Experience (No. Of Years)	Date Of Appointment	Residential Address
Mr. Gursaran Singh	Independent Director	Matriculation. Exp.- He has experience of around 52 years in the business of manufacturing of automotive parts and presently is the Managing Director of GNA Axles Limited	January 30, 2003	GNA Axles Limited GNA House, Village & P.O Bundala, Dist. Jalandhar, Punjab – 144034

As on date of the PA, Mr Y. Muraga and Mr A. Nakamura were the Nominee Directors of the Acquirer on the Board of Lumax. Further, except Mr A. Nakamura none of the Directors of Lumax were on Board of the Acquirer..

Subsequent to the PA, on June 19, 2007, Mr. M. C. Gupta has been appointed as an independent director on the Board of Target Company.

6.3.9 No merger / demerger /spin off has taken place in Lumax during the last three years.

6.3.10 Details of change of name since inception as follows:

Date	Change of name
December 10, 1981	Lumax Industries Private Limited.
April 17, 1984	Lumax Industries Limited.

6.3.11 The audited financial highlights of Lumax for the last four years are as follows;.

(Rs. in lacs except ratio & per share data)

	12 Months	12 Months	12 Months	12 Months
Profit & Loss Statement	**31-Mar-04**	**31-Mar-05**	**31-Mar-06**	**31-Mar-07**
Income from Operations	23,088.32	30,528.61	41,206.83	53,538.39
Other Income	185.14	423.78	455.21	735.45
Total Income	**23,273.46**	**30,952.39**	**41,662.04**	**54,273.84**
Total Expenditure	**20,538.79**	**27,519.86**	**37,981.72**	**49,363.45**
Profit Before Depreciation Interest and Tax	2,734.67	3,432.53	3,680.32	4,910.39
Depreciation	1,416.01	1,404.75	1,847.12	1,653.96
Interest	462.99	391.07	448.37	455.41
Profit Before Tax and After Prior Period Adjustments	855.67	1,636.71	1,384.83	2,801.02
Provision for Tax	(63.00)	916.82	462.11	972.64
Profit After Tax	**918.67**	**719.89**	**922.72**	**1,828.38**

(Rs. in lacs except ratio & per share data)

	12 Months	12 Months	12 Months	12 Months
Balance Sheet Statement	**31-Mar-04**	**31-Mar-05**	**31-Mar-06**	**31-Mar-07**
Sources of Fund				
Paid up Share Capital	834.77	834.77	834.77	834.77
Reserves and Surplus (excluding revaluation reserves)	4,026.36	4,461.62	5,153.11	6,489.35
Shareholders' Funds	**4,861.13**	**5,296.39**	**5,987.88**	**7,324.12**
Revaluation Reserve	1,002.12	1,001.20	831.30	822.46
Secured Loans	3,827.25	3,912.11	3,392.27	5,943.30
Unsecured Loans	2,605.06	3,073.29	3,495.51	3,795.39
Deferred Tax Liability	1,058.81	1,845.51	1,845.47	1,898.54
Total	**13,354.37**	**15,128.50**	**15,552.43**	**19,783.81**
Uses of Funds				
Net Fixed Assets	10,518.11	13,348.26	13,423.27	14,629.82
Investments	449.48	439.48	344.95	344.50
Net Current Assets	2,336.37	1,288.38	1,762.88	4,803.04
Total miscellaneous expenditure not written off	50.41	52.38	21.33	6.45
Total	**13,354.37**	**15,128.50**	**15,552.43**	**19,783.81**
Other Financial Data	**31-Mar-04**	**31-Mar-05**	**31-Mar-06**	**31-Mar-07**
Dividend (%)	22.00	30.00	35.00	45.00
Earning Per Share	11.01	8.62	11.05	21.90
Return on Networth (RONW)	19.21	13.73	15.47	24.99
Book Value Per Share (B.V.)	57.31	62.81	71.47	87.66

Financial statements for the year ended March 31, 2004 and March 31, 2005 were audited by another firm of Chartered Accountants. The auditor's report on the financial statements for the years ended March 31, 2004 and March 31, 2005 contained certain qualifications as follows:

For the year ended March 31, 2004, the opinion of the Auditor is subject to :

a) 'Note No.1(d) of Notes on Accounts regarding bifurcation of sales, expenses, assets and liabilities of Lumax Automotive Systems Limited from accounts of the company's Dharuhera unit after the effective date of demerger, i.e. 3rd October, 2003, certain operations, e.g. assembly and sales of air cleaner at the Company's Dharuhera unit have continued after the effective date. It is informed to us that a formal agreement between the two companies to give effect to the exclusion of transactions from the books of the company is under negotiation.'

b) 'Note No. 3(iii), regarding non-provision of liability in respect of sales tax and ESIC amounting to Rs.0.10 million.'

c) 'Note No.3(iv) for non-provision of excise liability under dispute amounting to Rs.9.88 million.'

d) 'Note No .2(b) regarding excess charge of earned leave encashment on account of provision of earlier years amounting to Rs.20.30 million.'

e) 'Note No.24 regarding the regrouping and recast of accounts for the previous year pursuant to the Scheme of Arrangement approved by the Hon'ble High Court of Delhi, vide its order dated 15-09-2003, the figures for the financial year 2002-03 relating to Lumax Automotive Systems Limited (previously known as 'Lumax Air Cleaners Limited'), have been separated from the previous year audited figures in the current year statement.'

For the year ended March 31, 2005, the opinion of the Auditor is subject to:

a) 'Note No.1 of Notes on Accounts regarding bifurcation of sales, expenses, assets and liabilities of Lumax Automotive Systems Limited from the accounts of the Company's Dharuhera unit after the effective date of demerger, where certain operations, e.g. assembly and sales of air cleaner at the Company's Dharuhera unit had continued in the current year. It is informed to us that a final transfer of operations has been completed during the year.'

b) 'Note 3(iii) for non-provision of excise duty, sales tax and LADT liability in dispute under appeal amounting to Rs.14.27 million.'

6.3.12 The reasons for rise in Total income and PAT for the above period are as follows:

2004-05: The Income from Operation of the Company for the year ended March 31, 2005 has increased from Rs. 23,088.32 lakhs to Rs. 30,528.61 lakhs registering a growth of 32.22% over the previous year, mainly due to growth in automobile sector in general and consequent increase in supplies of automotive lighting systems by the Company to its Customers. Further, the PAT of the Company for the same period decreased by 21.67% from Rs. 918.67 lakhs to Rs. 719.89 lakhs, which was mainly due to provision for Deferred Tax amounting to Rs. 786.70 lakhs in accordance with the Accounting Standard'22(Accounting for Taxes on Income).

2005-06: The Income from Operation of the Company for the year ended March 31, 2006 has increased from Rs. 30,528.61 lakhs to Rs. 41,206.83 lakhs, registering a growth of 34.97% over the previous year, mainly due to growth in automobile sector in general and consequent increase in supplies of automotive lighting systems by the Company to its Customers. Further, the PAT of the Company for the same period increased by 28.23% from Rs. 719.89 lakhs to 922.72 lakhs , which was mainly due to general increase in the business income of the Company and lower incidence of provision for tax during the said period as compared to previous period.

2006-07: The Income from Operation of the Company for the year ended March 31, 2007 has increased from Rs. 41,206.83 lakhs to Rs. 53,538.39 lakhs , registering a growth of 29.92% over the previous year, mainly due to growth in Automobile Sector in general and consequent increase in supplies of automotive lighting systems by the Company to its Customers Further, the PAT of the Company for the same period increased by 98.26% from Rs. 922.72 lakhs to Rs. 1,828.38 lakhs , which was mainly due to general increase in the business income of the Company , reduction in depreciation charge and other operational expenses

6.3.13 Pre and post-Offer shareholding pattern of Lumax, as on December 5, 2007 is as follows:

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and offer		Shares /voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights held after allotment of Preferential Issue but before Open Offer		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer. i.e.	
	(A)		(B)*		(C)*		(D)*		(E)=(C)+(D)*	
	No.	%	No.	%	No.	%	No.	%	No.	%
1) Promoter group										
a Parties to Agreement	-	-	-	-	-	-	-	-	-	-

Shareholders' category			Shareholding & voting rights prior to the agreement/ acquisition and offer		Shares /voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights held after allotment of Preferential Issue but before Open Offer		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer. i.e.	
			(A)		(B)*		(C)*		(D)*		(E)=(C)+(D)*	
			No.	%	No.	%	No.	%	No.	%	No.	%
b	**Indian promoters other than (a) above**											
	I	DK Jain & Family	2,079,280	24.91	-	-	2,079,280	22.24	-	-	2,079,280	22.24
	II	SC Jain	181,122	2.17	-	-	181,122	1.94	-	-	181,122	1.94
	III	Others	137,248	1.64	-	-	137248	1.47	-	-	137,248	1.47
	Foreign Promoter											
	Thai Stanley Electric Public Co. Ltd.		162,018	1.94	-	-	162,018	1.73	-	-	162,018	1.73
	Total 1 (a+b)		**2,559,668**	**30.66**	-	-	**2,559,668**	**27.38**	-	-	**2,559,668**	**27.38**
2)	**Acquirer**											
a	Main Acquirer											
	Stanley Electric Co., Ltd.		1,458,165	17.47	1,000,000	10.7	2,458,165	26.30	1,869,547	20	4,327,712	46.3
	Total Promoter Holding(1+2)		**4,017,833**	**48.13**			**5,017,833**	**53.68**			**6887380**	**73.68**
3)	**Parties to agreement other than (1)(a) & (2)**		-	-	-	-	-	-	-	-	-	-
4)	**Public (other than parties to agreement, Acquirers)**											
	I	Mutual Funds/UTI	1940	0.02	-	-	1940	0.02			2,460,352	26.32
	II	FIs/Banks	400	0.00	-	-	400	0.00				
	III	FIIs	1,274,644	15.27	-	-	895,767	9.59	(1,869,547)			
	IV	Bodies Corporate	996,699	11.94	-	-	1,291,048	13.81	(20%)			
	V	NRIs,OCBs	154,308	1.85	-	-	147,901	1.58				
	VI	Indian Public	1,901,908	22.78	-	-	1,992,843	21.32				
	Total 4		**4,329,899**	**51.87**		**-**	**4,329,899**	**46.32**	**-**	**-**	**2,460,352**	**26.32**
	Grand Total 1+2+3+4		**8,347,732**	**100**	**1,000,000**	**10.70**	**9,347,732**	**100**	**-**	**-**	**9,347,732**	**100**

* The percentage under column B, C, D and E are based on expanded capital of the Target Company

The Public Shareholding includes shares held by M.K. Jain Group, who were forming part of Indian Promoters Group and has been subsequently declassified as Promoters with effect from June 30, 2007. The M. K. Jain Group will now be eligible to participate in the Offer.

Total number of public shareholders was 14,515 as on December 5, 2007.

6.3.14 There has been change in the promoters' holding in Lumax since inception requiring compliance with the provisions of the SEBI (SAST) Regulations/other applicable Regulations under the SEBI Act and other statutory requirements the details of which are mentioned below

Year / Period	Details of changes of Shareholding of Promoters	Number of Shares	Percent-age of Equity Capital	Cumulative Number of Shares	Percent-age of Equity Capital	Status of Compliance
1985	Shareholding of Promoters after initial public offering in the year 1985	384,750	40.52	384,750	40.52	Not Applicable
1987	Shares purchased through market	400	0.04	385,150	40.56	Not Applicable
1988	Shares purchased through market	4,400	0.46	389,550	41.03	Not Applicable
1989	Shares purchased through market	9,350	0.98	398,900	42.01	Not Applicable
1990	Shares purchased through market	6,650	0.70	405,550	42.71	Not Applicable
1991	Interse transfers among promoters	1,200	0.13	405,550	42.71	Not Applicable
1991	Shares acquired through bonus issue of shares	405,550	21.36	811,100	42.71	Complied with Companies Act 1956 and other applicable provisions
1992	Shares purchased through market	2,450	0.13	813,550	42.84	Not Applicable
1993	Interse transfers among promoters	38,850	2.04	813,550	42.84	Not Applicable
1993	Shares sold in the market	(24,250)	(1.28)	789,300	41.56	Not Applicable
1994	Shares acquired through bonus issue of shares	1,209,350	20.33	1,998,650	33.60	Complied with Companies Act 1956 and other applicable provisions
1994	Interse transfers among promoters	200	0.00	1,998,650	33.60	Not Applicable
1995	Shares sold in the market	(5,200)	(0.09)	1,993,450	33.52	Not Applicable
1996	Interse transfers among promoters	6000	0.10	1,993,450	33.52	Not Applicable
1996	Shares purchased through Market	15,875	0.27	2,009,325	33.78	Not Applicable

Year / Period	Details of changes of Shareholding of Promoters	Number of Shares	Percent-age of Equity Capital	Cumulative Number of Shares	Percent-age of Equity Capital	Status of Compliance
1997	Interse transfers among promoters	45,225	0.76	2,009,325	33.78	Not Applicable
Jan 1 1997 to March 31 1998	4,00,000 Shares acquired through Conversion of CCCP on April 16, 1997 and 4,00,000 warrants on June 21, 1997 and purchases from market	843,300	11.25	2,852,625	38.05	Complied with SEBI Guidelines for Preferential Issue.*
April 1 1998 to March 31 1999	Shares acquired during amalgamation of Laser Lamps (Haryana) Limited with Lumax	155,130	1.86	3,007,755	36.03	Complied with the Scheme of Arrangement as sanctioned by the Hon'ble High Court of Delhi vide its order dated March 26, 1998.
April 1 1998 to March 31 1999	Shares purchased through market	172,700	2.07	3,180,455	38.10	Not Applicable
April 1 1999 to March 31 2000	Interse transfers among promoters	325,100	3.89	3,180,455	38.10	Not Applicable
April 1 1999 to March 31 2000	Shares purchased through market	164,000	1.96	3,344,455	40.06	Not Applicable
April 1 2000 to March 31 2001	Shares purchased through market	21,200	0.25	3,365,655	40.32	Not Applicable
April 1 2001 to March 31 2002	Shares purchased through market	6,740	0.08	3,372,395	40.40	Not Applicable

Year / Period	Details of changes of Shareholding of Promoters	Number of Shares	Percent-age of Equity Capital	Cumulative Number of Shares	Percent-age of Equity Capital	Status of Compliance
April 1 2002 to March 31 2003	Shares purchased through market	11,400	0.14	3,383,795	40.54	Not Applicable
April 1 2002 to March 31 2003	Interse transfers among promoters	177,915	2.13	3,383,795	40.54	Not Applicable
April 1 2003 to March 31 2004	Resultant change after acquisition/ exchange of shares amongst promoters pursuant of Scheme of Demerger sanctioned by Hon'ble High Court	(118,983)	(1.43)	3,264,812	39.11	Complied with the Scheme of Arrangement as sanctioned by the Hon'ble High Court of Delhi vide its order dated September 15, 2003.
2005	Reclassification of Foreign Collaborator as Foreign promoters under the Regulations.	1,620,183	19.41	4,884,995	58.52	Regulation 8(2) and (3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
April 1 2005 to March 31 2006	Acquisition of shares	40	0	4,885,035	58.52	Transfer of Shares in terms of Merger of Panatech Consultants Pvt Ltd with Kriner Services Pvt Ltd (Promoter Group Co,) as per Order of Delhi High Court dated March 15 2002.
2006	Interse transfers among promoters	12,000	0.14	4,885,035	58.52	Complied with Regulation 13(3),13(4),13(6) of SEBI Insider Trading.*
2006	Interse transfers among promoters	617,324	7.40	4,885,035	58.52	Complied with Regulation 3(1)(e), 3(3),3(4) & 3(5) of SEBI(SAST)Regulations 1997 and Reg 13(3)and 13(4) & 13(6) of SEBI Insider Trading Regulations.
2007	Interse transfers among promoters	31,122	0.37	4,885,035	58.52	*Refer Note below
2007	Sale of Shares in market	(3,734)	(0.04)	4,881,301	58.47	Not Applicable
2007	Sale of Shares in market	(500)	(0.01)	4,880,801	58.47	Not Applicable

Year / Period	Details of changes of Shareholding of Promoters	Number of Shares	Percent-age of Equity Capital	Cumulative Number of Shares	Percent-age of Equity Capital	Status of Compliance
2007	Shares subscribed through Preferential Issue on May 8, 2007	1,000,000	10.7	5,880,801	62.91	Complied with Companies Act, 1956 and Guidelines on the Preferential Issue of SEBI and SAST Regulations.

* Note: There have been certain non-compliances for post acquisition reporting formalities to SEBI/Stock Exchanges under SEBI SAST Regulation during January 1, 1997 to March 31, 1998 with regard to conversion CCPs and warrant, inter-se transfer of shares among promoters in 2006 of 12,000 shares and in 2007 for 31,122 shares. Appropriate actions against them may be initiated by SEBI in this regard.

6.3.14.1- Details of changes in the shareholding of Indian promoters is mentioned below

Year / Period	Details of changes of Shareholding of Promoters	Number of Shares	Percent-age of Equity Capital	Cumulative Number of Shares	Percent-age of Equity Capital	Status of Compliance
1985	Shareholding of Promoters after initial public offering in the year 1985	384,750	40.52	384,750	40.52	Not Applicable
1987	Shares purchased through market	400	0.04	385,150	40.56	Not Applicable
1988	Shares purchased through market	4,400	0.46	389,550	41.03	Not Applicable
1989	Shares purchased through market	9,350	0.98	398,900	42.01	Not Applicable
1990	Shares purchased through market	6,650	0.70	405,550	42.71	Not Applicable
1991	Interse transfers among promoters	1,200	0.13	405,550	42.71	Not Applicable
1991	Shares acquired through bonus issue of shares	405,550	21.36	811,100	42.71	Complied with Companies Act 1956 and other applicable provisions
1992	Shares purchased through market	2,450	0.13	813,550	42.84	Not Applicable
1993	Interse transfers among promoters	38,850	2.04	813,550	42.84	Not Applicable
1993	Shares sold in the market	(24,250)	(1.28)	789,300	41.56	Not Applicable
1994	Shares acquired through bonus issue of shares	1,209,350	20.33	1,998,650	33.60	Complied with Companies Act 1956 and other applicable provisions
1994	Interse transfers among promoters	200	0.00	1,998,650	33.60	Not Applicable

Year / Period	Details of changes of Shareholding of Promoters	Number of Shares	Percent-age of Equity Capital	Cumulative Number of Shares	Percent-age of Equity Capital	Status of Compliance
1995	Shares sold in the market	(5,200)	(0.09)	1,993,450	33.52	Not Applicable
1996	Interse transfers among promoters	6,000	0.10	1,993,450	33.52	Not Applicable
1996	Shares purchased through Market	15,875	0.27	2,009,325	33.78	Not Applicable
1997	Interse transfers among promoters	45,225	0.76	2,009,325	33.78	Not Applicable
Jan 1 1997 to March 31 1998	4,00,000 Shares acquired through Conversion of CCCP on April 16, 1997 and 4,00,000 warrants on June 21, 1997 and purchases from market	843,300	11.25	2,852,625	38.05	*Complied with SEBI Guidelines for Preferential Issue.
April 1 1998 to March 31 1999	Shares acquired during amalgamation of Laser Lamps (Haryana) Limited with Lumax	155,130	1.86	3,007,755	36.03	Complied with the Scheme of Arrangement as sanctioned by the Hon'ble High Court of Delhi vide its order dated March 26, 1998.
April 1 1998 to March 31 1999	Shares purchased through market	172,700	2.07	3,180,455	38.10	Not Applicable
April 1 1999 to March 31 2000	Interse transfers among promoters	325,100	3.89	3,180,455	38.10	Not Applicable
April 1 1999 to March 31 2000	Shares purchased through market	164,000	1.96	3,344,455	40.06	Not Applicable
April 1 2000 to March 31 2001	Shares purchased through market	21,200	0.25	3,365,655	40.32	Not Applicable

Year / Period	Details of changes of Shareholding of Promoters	Number of Shares	Percent-age of Equity Capital	Cumulative Number of Shares	Percent-age of Equity Capital	Status of Compliance
April 1 2001 to March 31 2002	Shares purchased through market	6,740	0.08	3,372,395	40.40	Not Applicable
April 1 2002 to March 31 2003	Shares purchased through market	11,400	0.14	3,383,795	40.54	Not Applicable
April 1 2002 to March 31 2003	Interse transfers among promoters	177,915	2.13	3,383,795	40.54	Not Applicable
April 1 2003 to March 31 2004	Resultant change after acquisition/ exchange of shares amongst promoters pursuant of Scheme of Demerger sanctioned by Hon'ble High Court	(118,983)	(1.43)	3,264,812	39.11	Complied with the Scheme of Arrangement as sanctioned by the Hon'ble High Court of Delhi vide its order dated September 15, 2003.
April 1 2005 to March 31 2006	Acquisition of shares	40	0	3,264,852	39.11	Transfer of Shares in terms of Merger of Panatech Consultants Pvt Ltd with Kriner Services Pvt Ltd (Promoter Group Co,) as per Order of Delhi High Court dated March 15 2002.
2006	Interse transfers among promoters	12,000	0.14	3,264,852	39.11	*Complied with Regulation 13(3), 13(4), 13(6) of SEBI Insider Trading.
2006	Interse transfers among promoters	617,324	7.40	3,264,852	39.11	Complied with Regulation 3(1)(e), 3(3),3(4) & 3(5) of SEBI(SAST)Regulations 1997 and Reg 13(3)and 13(4) & 13(6) of SEBI Insider Trading Regulations.

Year / Period	Details of changes of Shareholding of Promoters	Number of Shares	Percent-age of Equity Capital	Cumulative Number of Shares	Percent-age of Equity Capital	Status of Compliance
2007	Interse transfers among promoters	31,122	0.37	3,264,852	39.11	*Refer Note below
2007	Sale of Shares in market	(3,734)	(0.04)	3,261,118	39.06	Not Applicable
2007	Sale of Shares in market	(500)	(0.01)	3,260,618	39.05	Not Applicable

*Note: There have been certain non-compliances for post acquisition reporting formalities to SEBI/Stock Exchanges under SEBI SAST Regulation during January 1, 1997 to March 31, 1998 with regard to conversion CCPs and warrant, inter-se transfer of shares among promoters in 2006 of 12,000 shares and in 2007 for 31,122 shares. Appropriate actions against them may be initiated by SEBI in this regard.

6.3.14.2- Details of changes in the shareholding of the Foreign promoters is mentioned below

Year / Period	Details of Changes of Shareholding of Promoters	Number of Shares	Percent-age of Equity Capital (%)	Cumulative Number of Shares	Percent-age of Equity Capital (%)	Status of Compliance
1994	Shares allotted to Foreign Collaborator/Promoter through Preferential Allotment.	750,000	12.61	750,000	12.61	Complied with SEBI Guidelines for Preferential Allotment of Shares and provisions of Companies Act, 1956.
1997	Shares allotted to Foreign Collaborator/Promoter through Preferential Allotment.	750,000*	10.00	1,500,000	20.00	*Complied with SEBI Guidelines for Preferential Allotment of Shares and provisions of Companies Act, 1956.
2003	Acquisition of Shares in the Scheme of Arrangement approved by the Hon'ble High Court of Delhi.	120,183	1.44	1,620,183	19.41	Complied with the provisions of Companies Act, 1956 and Scheme of Arrangement.
2007	Acquisition of Shares through Preferential Allotment of Shares	10,00,000	10.70	2,620,183	28.03	Complied with SEBI (DIP) Guidelines, 2000 on Preferential Issue, provisions of Companies Act, 1956, SEBI (SAST) Regulations, 1997.

*There have been certain non-compliances for reporting formalities to SEBI/Stock Exchanges under SEBI SAST Regulation during 1997-98 pursuant to preferential allotment to the foreign promoter. Appropriate actions against them may be initiated by SEBI in this regard.

6.3.15 Lumax has duly complied with all provisions under Clause 49 of the listing agreement relating to corporate governance.

6.3.16 The details and financial impact, if any, of the pending litigations against the Company are as follows:

Summary of cases filed against the Company

Nature	Number of cases	Amount involved (Rs. Lakhs)
Excise	05	131.27
Labour laws	24	1.77
Civil laws	04	12

Summary of cases filed by the Company

Nature	Number of cases	Amount involved (Rs. Lakhs)
Civil laws	10	63.65
Criminal complaints (filed for violation of IPR)	03	Nil
Income tax	02	45

6.3.17 The name and details of the Compliance Officer are as under:

Mr. B.S. Bhadauriya,
Vice President (Legal) & Company Secretary
B-86 Mayapuri phase I,
Industrial Area, New Delhi, 11 0064
Tel: +91 011-2811 1110
Fax: +91-011-2811 1110

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification for the Offer Price

7.1.1 The Equity Shares of Lumax are listed on the Bombay Stock Exchange Limited ("BSE"), and the National Stock Exchange of India Limited ("NSE").

7.1.2 The annualized trading turnover in the equity shares of Lumax on each of the above mentioned Stock Exchanges based on trading volume during November 2006 to April 2007 (six calendar months preceding the month in which the PA was made) is as given below:

Stock Exchange	Total No. of Shares traded during 6 calendar months preceding the month in which the PA is made	Total No. of Listed Shares	Annualized Trading Turnover (as % of Total Shares Listed)
BSE	2,670,998	8,347,732	63.99
NSE	2,125,311	8,347,732	50.91

(Source: BSE and NSE website)

The Equity Shares of Lumax are frequently traded on BSE and NSE within the meaning of explanation (i) to regulation 20(5) of the Regulations.

The weekly high and low of the closing prices of the equity shares of Lumax, during the 26 weeks period ending March 23, 2007 (being the last trading day before March 26, 2007, the date of the Board meeting authorizing the Preferential Issue), as recorded on the BSE are given below:

Week No	Week Ending	Weekly High (Rs.)	Weekly Low (Rs.)	Average (Rs.)	Volume
1.	25/09/06 -29/09/06	232.45	220.75	226.60	99,181
2.	03/10/06 -06/10/06	244.60	226.05	235.33	69,514
3.	09/10/06 -13/10/06	311.70	243.10	277.40	252,140
4.	16/10/06 -21/10/06	354.30	311.30	332.80	593,264
5.	23/10/06 -27/10/06	381.65	363.50	372.58	268,187
6.	30/10/06 -03/11/06	429.50	398.00	413.75	747,500
7.	06/11/06 -10/11/06	434.60	421.95	428.28	300,883
8.	13/11/06 -17/11/06	456.35	441.80	449.08	285,985
9.	20/11/06 -24/11/06	483.05	445.10	464.08	214,256
10.	27/11/06 -01/12/06	507.20	484.85	496.03	132,085
11.	04/12/06 -08/12/06	539.85	520.70	530.28	60,628
12.	11/12/06 -15/12/06	495.00	478.30	486.65	28,680
13.	18/12/06 -22/12/06	490.80	470.90	480.85	35,107
14.	26/12/06 -29/12/06	526.35	490.15	508.25	41,526
15.	02/01/07 -05/01/07	569.60	519.90	544.75	66,134
16.	08/01/07 -12/01/07	569.75	553.35	561.55	22,033
17.	15/01/07 -19/01/07	561.60	539.90	550.75	21,876
18.	22/01/07 -25/01/07	545.00	535.55	540.28	20,767
19.	29/01/07 -02/02/07	542.75	535.00	538.88	28,972
20.	05/02/07 -09/02/07	535.75	510.45	523.10	72,938
21.	12/02/07 -15/02/07	510.05	507.00	508.53	24,231
22.	19/02/07 -23/02/07	513.25	488.75	501.00	394,68
23.	26/02/07 -02/03/07	502.00	489.65	495.83	554,984
24.	05/03/07 -09/03/07	511.30	489.40	500.35	61,142
25.	12/03/07 -16/03/07	529.60	521.75	525.68	38,445
26.	19/03/07 -23/03/07	568.80	539.95	554.38	90,111
Average Price			**463.36**		

(Source: BSE website)

The daily high and low of the price of the Equity Shares of Lumax, during the 2 weeks period ending March 23, 2007 (being the last trading day before March 26, 2007, the date of the Board meeting authorizing the

Preferential Issue), as recorded on the BSE are given below:

Week No	Date	Daily High (Rs.)	Daily Low (Rs.)	Average (Rs.)	Volume
1.	12/03/2007	523.00	510.00	516.50	10,960
	13/03/2007	529.00	515.00	522.00	5,905
	14/03/2007	525.00	504.00	514.50	2,298
	15/03/2007	525.00	515.00	520.00	1,855
	16/03/2007	533.00	515.00	524.00	17,427
2	19/03/2007	578.00	528.05	553.03	71,853
	20/03/2007	570.00	550.85	560.43	2,944
	21/03/2007	559.00	540.95	549.98	711
	22/03/2007	560.00	538.00	549.00	5,384
	23/03/2007	545.00	529.00	537.00	9,219
Average Price			**534.64**		

(Source: BSE website)

7.1.3 The Offer Price of Rs. 540.03 /- per equity share is justified in terms of regulation 20 of the Regulation in view of the following:

a.	Negotiated Price under the agreement for acquisition of share or voting rights or deciding to acquire shares or voting rights	Not applicable
b.	Highest Price paid by the Acquirer for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to May 14,2007 (i.e. the date of the Public Announcement)	Rs. 540.03
c.	The highest of the average of the weekly high and low of the closing prices for the Equity Shares of Lumax for the 26 week period and the average of the daily high and low prices of the Equity Shares during the 2 week period prior to March 26, 2007 i.e. the date of the Board Resolution authorizing the Preferential Issue	Rs. 534.64

Mr. Raj Agrawal of S.R. Batliboi and Associates, Chartered Accountants, U & I, Plot No 47, Sector 32 Institutional Area, Gurgaon, Haryana 122001 (Membership No. 82028) have vide their report dated May 10, 2007 stated that the highest of the average of the weekly high and low of the closing prices for the equity shares of Lumax for the 26 week period and the average of the daily high and low prices of the Equity shares during the 2 week period prior to March 26, 2007 is Rs. 534.64/-

In view of the above, the Offer Price of Rs. 540.03/- is justified in terms of regulations 20(4) and 20(5) of the Regulations

7.1.4 The Acquirer has not acquired any equity shares of Lumax from the date of the PA up to the date of Letter of Offer.

7.1.5 There is no non compete agreement.

7.1.6 The Offer Price shall not be less than the highest price paid by the Acquirer for any acquisition of equity shares of Lumax from the date of the PA up to 7 working days (i.e up to December 24, 2007) prior to the date of closing of the Offer.

7.2 Funding Arrangement for the Offer

7.2.1 The Acquirer has made firm financial arrangements for financing the acquisition of Equity Shares under the open Offer, in terms of regulation 16 (xiv) of the Regulations

7.2.2 The maximum fund requirement for the acquisition of fully paid-up Equity Shares of Lumax of Rs. 10/- each at the Offer Price of Rs. 540.03/- per Equity Share assuming full acceptance of the Equity Shares tendered, would be Rs. 1,00,96,11,466/- (Rupees hundred crores ninety six lakhs eleven thousand four hundred and sixty six only)

7.2.3 In accordance with regulation 28 of the Regulations,

The Acquirer has deposited an amount of, Yen 3,43,00,000 (Yen three crores forty three lakhs only) (approx. Rs. 1,16,00,260/- (Rupees one crore sixteen lakhs two hundred and sixty only), as per exchange rate of 100 Yen = Rs. 33.82 as on May 7, 2007 , Source: www.rbi.org.in) (being atleast 1% of the purchase consideration payable under this Offer), with Citibank N.A., 3 Temasek Avenue, #12-00 Centennial Tower Singapore 039190 (the "Foreign Escrow Agent") to be held by the Foreign Escrow Agent in an escrow account (referred to as Foreign Escrow Account) under the terms of the Escrow agreement dated May 8, 2007 entered into among the Acquirer, the Manager to the Offer and the Foreign Escrow Agent (referred to as Escrow Agreement). The Manager to the Offer has been empowered to operate the Foreign Escrow Account.

Upon receipt of the requisite approval from RBI, the amount lying to the credit of the Foreign Escrow Account of Rs. 1,14,39,050 (Rupees One crore fourteen lakhs thirty nine thousand and fifty only)has been transferred into an account in India (referred to as Indian Escrow Account) with Citibank, N.A., 4th Floor, Fort House, Fort, Mumbai 400001 (the "Indian Escrow Agent") under the terms of the Escrow agreement dated May 8, 2007 entered into among the Acquirer, the Manager to the Offer and the Indian Escrow Agent (referred to as Indian Escrow Agreement). A lien is marked in favour of the Manager to the Offer with respect to the Indian Escrow Account.

CITIBANK N.A., a national banking association duly constituted, registered and in existence in accordance with the laws of the United States of America now in force and having its Head Office at 399 Park Avenue, Borough of Manhattan, City of New York and carrying on the business of banking in India as a scheduled commercial bank, and acting, for the purposes of the guarantee through its branch in India located at 4th Floor, Fort House, Fort, Mumbai 400001 has issued a bank guarantee dated May 8, 2007 for Rs. 25,09,61,147 /- (Rupees twenty five crores ninety six lakhs one thousand one hundred and forty seven only) (being 25% upto Rs. 100 crores and 10% thereafter of the Offer size) in favour of Enam, the Manager to the Offer (referred to as Bank Guarantee), on behalf of the Acquirer, to be enforced in the event of the Acquirer failing to meet its obligations under this Offer and the Regulations. The Bank Guarantee is valid latest upto March 21, 2008.

7.2.4 The Manager to the Offer, Enam has been empowered to operate both the Escrow Accounts and realize the value of the Escrow Account. A lien is marked in favour of the Manager to the Offer with respect to the Indian Escrow Account.

7.2.5 Mr. Rakesh Sahu of M/S. Mishra Sahu Jain & Associates, Chartered Accountants, 27, Akbar Road, New Delhi - 110011, Ph: 011- 6630 4706 , Fax: 011- 4356 3690 (Membership no. 096838), has certified vide his letter dated May 11, 2007, that on the basis of necessary information and explanations given by the Acquirer and on verification of assets, liabilities, requirement of funds and availability of funds in the Foreign Escrow Account and the Bank Guarantee dated May 8, 2007 in favour of Enam that the Acquirer has adequate resources to meet the financial requirements of the Open Offer from internal accruals.

7.2.6 Enam, on basis of the above, has satisfied itself that the Acquirer has adequate and firm financial arrangements to implement the Offer in accordance with the Regulations.

8 TERMS AND CONDITIONS OF THE OFFER

8.1 The Acquirer made a Public Announcement on May 14, 2007 for the Offer. This Offer is being made to all the Eligible Shareholders of Lumax (other than to the Acquirer and Promoters/Promoter group of Lumax) whose names appear on the register of members of Lumax or on the beneficial record of the respective depositories, at the close of business on June 8, 2007 (the "Specified Date") and to also those persons (except the Acquirer and Promoters/ Promoter group of Lumax) who own the equity shares at any time prior to Closing of the Offer but are not registered shareholders.

8.2 The Letter of Offer together with the Form of Acceptance, Form of Withdrawal and Transfer Deed (for shareholders holding Equity Shares in the physical form) is being mailed to those shareholders of Lumax whose names appear on the register of members of Lumax and to the beneficial owners of the Equity Shares of Lumax whose names appear as beneficiaries on the beneficial record of the respective Depositories, at the close of business on the Specified Date. Owners of Equity Shares but not registered as shareholder(s) are also eligible to participate in the Offer at any time prior to the Closing of the Offer. No Letter of Offer together with a Form of Acceptance, Form of Withdrawal and Transfer Deed will be mailed to the Acquirer and the promoters of Lumax.

8.3 The Offer is subject to the terms and conditions as set out in the Letter of Offer, the Form of Acceptance, the Form of Withdrawal, the PA and any other public announcements that may be issued about the Offer.

8.4 Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

8.5 The Offer will open on December15, 2007 and close on January 3, 2008.

8.6 The Offer is not subject to any minimum level of acceptance.

8.7 The acceptance of the Offer is entirely at the discretion of the equity shareholders of Lumax. Each shareholder of Lumax to whom the Offer is being made, is free to offer his/her shareholding in Lumax, in whole or in part while accepting the Offer.

8.8 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).

8.9 Equity Shares tendered in the Offer by the shareholders of Lumax shall be free from lien, charges and encumbrances of any kind whatsoever.

8.10 Equity Shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of Lumax may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such Equity Shares are received together with the Equity Shares tendered under the Offer prior to the date of Closing of the Offer.

8.11 Shareholders of Lumax who accept the Offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer can withdraw the same up to 3 working days prior to the date of Closing of the Offer. i.e. December 31, 2007

8.12 If the Acquirer decides to make upward revisions in the Offer Price / number of Equity Shares to be acquired, in accordance with Regulation 26 of the Regulations, such upward revision will be made not later than December 24, 2007 (seven working days prior to the date of Closing of the Offer). Such revisions/amendments would be effected by making an announcement thereof in the same newspapers in which the PA was made.

In case of an upward revision in the Offer Price, the revised price will be payable to all the shareholders (who have validly tendered their shares in the Offer) to the extent of their Equity Shares being accepted.

8.13 The Acquirer will not be responsible in any manner for any loss of Equity Share certificate(s) and other documents during transit. The equity shareholders of Lumax are therefore advised to adequately safeguard their interest in this regard.

9 Statutory/Other Approvals Required for the Offer

9.1 The Offer is subject to the Acquirer obtaining the approval from the RBI under Foreign Exchange Management Act, 1999 ("FEMA") for opening and operation of Escrow Accounts and Special Account. The Acquirer has applied for the said approval by its application dated May 9, 2007. RBI vide its letter dated May 29, 2007 has given the aforesaid permission.

9.1.1 There are no other statutory approvals required for the purpose of this Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.

9.1.2 Non-resident shareholders should also enclose copy of the RBI permission received by them for acquiring equity shares held by them in the Target Company. In case RBI permission is not submitted, the Acquirer reserves the right to reject such equity shares tendered in the offer.

9.1.3 The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the Closing of the Offer.

In case of delay, due to non-receipt of statutory approval, as per regulation 22(12) of the Regulations, SEBI may, if satisfied that the non-receipt of the approvals was not due to willful default or negligence, grant an extension for the purpose of completion of the Offer provided the Acquirer agrees to pay interest to the shareholders beyond 15 days.

If the Acquirer fails to obtain the requisite approvals in time due to willful default or neglect or inaction or non-action on his part, the amount lying in the escrow account shall be forfeited in the manner provided in regulation 28 (12) (e) of the Regulations.

9.1.4 The Acquirer reserves the right to withdraw the Offer in the event of the requisite statutory approvals being refused. In the event of withdrawal, a public announcement will be made in the same newspapers in which this original PA was made.

9.1.5 In case the RBI's approval for acquisition of equity shares from Non-Resident Shareholders is required and is unduly delayed, the Acquirer reserve the right to proceed with the payment to the resident shareholders whose Equity Shares have been accepted by the Acquirer in terms of the Offer pending payment to Non-Resident Shareholders, subject to total consideration payable to the Non-Resident Shareholders being deposited in the escrow/special account with a lien marked in favour of the Manager to the Offer.

10 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

10.1 The offer will be made to the shareholders of Lumax and the Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to those Eligible Shareholders of Lumax (other than the Acquirer and the Promoters/Promoter group of Lumax) whose names appear on the register of members of Lumax and the beneficial owners of the Equity Shares whose names appear on the beneficial records of the respective share depositories, at the close of business hours June 8, 2007 (the "Specified Date").

10.2 The Equity Shares of Lumax are in compulsory demat mode, the minimum marketable lot for such shares is one.

10.3 Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the open offer in any manner whatsoever.

10.4 The Acquirer has appointed M/s. Karvy Computershare Private Limited as Registrars to the Offer.

10.5 M/s. Karvy Computershare Private Limited has set up the following centers to collect the acceptances being tendered in this Offer

Sr.	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax No.	Mode of delivery
1.	Mumbai (Fort)	16-22 Bake House Maharashtra Chamber of Commerce. Lane, Opp. MSC Bank, Fort Mumbai – 400 023	Ms.Nutan Shirke	022-66382666	022-66331135	Hand Delivery
2.	New Delhi	105-108, Arunachal Bldg, 19, Barakhamba Road, Connaught Place, New Delhi 110 001	Mr. Michael George	011-23324401	011-23730743	Hand Delivery

Sr.	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax No.	Mode of delivery
3.	Ahmedabad	201-203 "SHAIL", Opp: Madhusudan House, Behind Girish Cold Drinks, Off. C G Road Ahmedabad~ 380 006	Mr. Edward Raphael	079-26420422/ 26400528	079-26565551	Hand Delivery
4.	Chennai	No. 33/1, Venkataramna Street, T. Nagar, Chennai - 600017.	Mr. Gunashekhar	044 - 28151793 / 1794 / 4781	044-28153181	Hand Delivery
5.	Hyderabad	Plot No 17-24, Vithalrao nagar, Madhapur, Hyderabad 500 081	Ms. Sareen	040-23420818	040-23420814	Hand Delivery/ Regd Post
6.	Mumbai (Andheri)	7, Andheri Industrial Estate, Off. Veera Desai Rd, Andheri West, Mumbai 400 053	Ms. Vishakha Shringarapure	022-26730799	022-26730152	Hand Delivery
7.	Kolkata	49, Jatin Das road, Nr.Deshpriya park, Kolkatta 700 029	Mr. Sujit Kundu/ Mr. Debnath	033-24644891	033-24644866	Hand Delivery
8.	Bangalore	No.59, Skanda, Putana Road, Basavanagudi Bangalore 560 004	Mr. Kishore	080- 26621192	080-26621169	Hand Delivery
9.	Pune	Office No.6, Third Floor, Rachana Trade Estate, Law College Road, Sndt Circle, Cts No.105, Erandwane Pune 411 004	Ms. Sandhya	020 - 66048790 - 93	020-25456842	Hand Delivery
10.	Jaipur	S-16/A, Land Mark, Opp: Jai Club, Mahaveer Marg, C-Scheme Jaipur 302 001	Mr. M B Maheshwari	0141 - 2378703, 2378704	0141- 2378703	Hand Delivery

The documents can be tendered at the above centers between 10.00 am to 1.00 pm and 2.00 pm to 4.00 pm from Monday to Friday and between 10.00 am to 1.00 pm on Saturdays. The centers will be closed on Sundays and public holidays.

10.6 Eligible Shareholders of Lumax, other than the Acquirer and Promoters/Promoter group of Lumax who wish to avail this Offer should forward the under mentioned documents, by hand delivery on days and during the business hours mentioned above, at any of the collection centers listed below, or by registered post to the Registrars to the Offer, Karvy Computershare Private Limited ., at their office at Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500

081 Tel: +91 1 800 345 4001 Fax: +91 (40) 2342 0814 Email id: einward.ris@karvy.com Contact Person: Mr M. Muralikrishna, so as to reach the Registrars on or before January 3, 2008. (i.e. the date of Closing of the Offer).

In case of dematerialised Equity Shares, the shareholders should ensure that the credit to the Special Depository Account mentioned below should be received on or before January 3, 2008 In order to ensure this, Beneficial Owners should tender the Delivery Instructions at least two working days prior to January 3, 2008 (i.e. the date of closing of the Offer). Form of Acceptance of such dematerialised Equity Shares not credited to the Special Depository Account before the date of closing of this Offer is liable to be rejected.

No document should be sent to the Acquirer or to the Manager to the Offer or Lumax.

10.7 Procedure for Equity Shares held in Physical Form

- **Registered shareholders of Lumax should enclose:**
  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the equity share certificate(s) and in the same order in which their name(s) appear in the Register of Members and as per the specimen signature lodged with Lumax;
  - Original Equity Share Certificate(s);
  - Valid Share Transfer Deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with Lumax and duly witnessed at the appropriate place. The Transfer Deed should be left blank, except for the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank. A blank share transfer form is enclosed along with this Letter of Offer.

    Incase of registered shareholder, non receipt of the aforesaid documents, but receipt of the share certificates and the duly completed transfer deed, the Offer shall be deemed to be accepted.

    Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with Lumax or are not in the same order, such Equity Shares are liable to be rejected under this Offer even if the Offer has been accepted by a *bona fide* owner of such Equity Shares.
- **Unregistered owners of Equity Shares of Lumax should enclose:**
  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein;
  - Original Equity Share Certificate(s);
  - Original Broker Contract Note;
  - Valid Share Transfer Deed(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance.
  - The acknowledgement received, if any, from Lumax in case the Equity Shares have been lodged with Lumax.

    Unregistered owners can send their acceptance of the Offer in writing to the Registrars to the Offer, Karvy Computershare Private Limited., at the collection centers as mentioned in paragraph 10.5 above, on plain paper stating Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No., together with the original Share Certificate(s), valid transfer deeds in case of Equity Shares held in physical form or photocopy or counterfoil of the delivery instructions in "Off-market" mode in case of Equity Shares held in dematerialised form and the original contract note issued by the broker through whom they acquired their Equity Shares. No indemnity is required from the unregistered owners.

Unregistered owners if they so desire may also apply on the Form of Acceptance downloaded from the SEBI's website (www.sebi.gov.in).

10.8 Procedure for Equity Shares held in Demat Form

- **Beneficial Owners should enclose:**
  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose names appear in the beneficiary account and in the same order therein. The Form of Acceptance has to be tendered by the beneficial holder of Equity Shares only.

    Incase of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted.
  - A photocopy or counterfoil of the Delivery Instructions in "off market" mode, duly acknowledged by the beneficial owners depository participant and filled as per the details of the Special Depository Account given below.
  - The Registrars to the Offer have for the purpose of this Open Offer, opened a Special Depository Account with National Securities Depository Ltd. ("NSDL") named "KCPL Escrow Account - Lumax Open Offer " with HDFC Bank Limited, the details of which are given below:

DP Name	HDFC Bank Limited
DP ID	IN 301151
Client ID	22097588
Account Name	KCPL Escrow Account - Lumax Open Offer
Depository	National Securities Depository Limited

Shareholders, having their beneficiary account with Central Depository Services (India) Ltd., ("CDSL") have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL. Since the Equity Shares of Lumax are in compulsory demat mode, the minimum marketable lot for such shares is one.

The shareholders tendering equity shares of Lumax in the dematerialised form, will be required to send the Form Of Acceptance Cum Acknowledgement along with counterfoil/photocopy of the delivery instructions (in "Off-market" mode) in favor of special depository account mentioned above, duly acknowledged by the Depository Participant ("DP"), to the Registrar either by hand delivery or by registered post on or before the **Closing** of the offer.

- **Shareholders who have sent their Equity Share Certificates for dematerialization should enclose:**
  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein by the sole/ joint Equity Shareholders whose name appears on the Equity Share Certificate and in the same order in which their name(s) appears in the Register of Members and as per the specimen signature lodged with Lumax.
  - A copy of the dematerialisation request form duly acknowledged by the Equity Shareholders depository participant.

    Such Equity Shareholders should ensure that the credit of their Equity Shares tendered under Offer to the Special Depository Account is made on or before the date of closing of the Offer, otherwise the same are liable to be rejected. Alternatively, if the Equity Shares sent for dematerialisation are yet to be processed by the Equity Shareholders depository participants, the Equity Shareholders can withdraw their dematerialisation request and tender the Equity Share Certificates in the Offer as per procedure mentioned in paragraph 10.7 above.

10.9 Procedure to be adopted in case of non-receipt of the Letter of Offer

- **By Equity Shareholders holding Equity Shares in physical form**

  In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance of the Offer in writing to the Registrars to the Offer, Karvy Computershare Private Limited, at the collection centers as mentioned in paragraph 10.5 above, on plain paper stating their Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No together with the original Share Certificate(s), valid transfer deeds in case of Equity Shares held in physical form, so as to reach the Registrars to the Offer on or before the Closing of the Offer.

  Shareholders who have lodged their Equity Shares for transfer with Lumax must also send the acknowledgement received, if any, from Lumax towards such lodging of Equity Shares.

  Shareholders who have sent their equity share certificates for dematerialisation should send a copy of the dematerialised request form duly acknowledged by their depository participant.

- **By Equity Shareholders holding Equity Shares in dematerialised form**

  Beneficial Owners may send the acceptance of the Offer in writing to the Registrars to the Offer, Karvy Computershare Private Limited at the collection centers as mentioned in paragraph 10.5 above, on plain paper, stating Name, Address, Number of Equity Shares held, Number of Equity Shares offered, DP name, DP ID, beneficiary account number and a photocopy or counterfoil of the delivery instructions in "Off market" mode, duly acknowledged by the beneficial owners depository participant, in favour of the Special Depository Account, the details of which are mentioned in paragraph 10.8 above, so as to reach the Registrars to the Offer on or before the Closing of the Offer.

  Shareholders, having their beneficial account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL.

  No indemnity is required while sending the acceptance of the Offer on plain paper.

  Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Form of Acceptance downloaded from SEBI web site (www.sebi.gov.in).

10.10 The total consideration to be paid to the shareholders shall be subject to deduction of taxes at source as applicable. The consideration received by shareholders for shares accepted in the Offer will be subject to capital gains tax applicable as per Income Tax Act 1961. Further, the securities transaction tax will not be applicable on shares accepted in this offer. As per the provisions of Section 196D(2) of the Income Tax Act, 1961 ("the Income Tax Act), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor ("FII") as defined in section 115 AD of the Income Tax Act. However, while tendering their Equity Shares under the Offer, Non Resident Individuals, Overseas Corporate Bodies and other non-resident shareholders will be required to submit a No Objection Certificate (NOC) or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders.

Non-resident shareholders of Lumax should also enclose a copy of RBI permission received by them for acquiring equity shares held by them in Lumax. Incase the RBI permission is not submitted, the Acquirer reserve the right to reject Equity Shares tendered.

10.11 The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the

Equity Shares in respect of which the acceptance is being sent. Such documents may include, but are not limited to:

i) duly attested death certificate and succession certificate in case of single shareholder;

ii) duly attested Power of Attorney if any person apart from the shareholder has signed the Form of Acceptance and/or transfer deed(s);

iii) in case of companies, the necessary corporate authorization (including Board Resolutions);

iv) any other relevant documentation.

10.12 The Registrars to the Offer will hold in trust the Equity Shares and Equity Share certificates, Form of Acceptance, the transfer form(s) and other documents on behalf of the shareholders of Lumax who have tendered in the Offer, until the cheques/drafts for the consideration and/or the unaccepted Equity Shares/ Equity Share certificates are dispatched/ returned. The Acquirer would not have access to these Equity Shares till such time.

10.13 Equity Shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of Lumax may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such Equity Shares are received together with the Equity Shares tendered under the Offer prior to the date of Closing of the Offer.

10.14 The Acquirer shall accept all valid fully paid up shares tendered (except those which are withdrawn, within the date specified for withdrawal). Equity Shares tendered by the shareholders of Lumax in the offer shall be free from lien, charges and encumbrances of any kind whatsoever and together with all the rights attached thereto including the right to dividend, bonus and rights offer declared thereafter.

10.15 The consideration for the Equity Shares accepted by the Acquirer will be paid by crossed account payee cheques/ demand drafts. Such cheques/demand drafts exceeding Rs. 1,500/- or unaccepted Equity Share certificates, transfer forms and other documents, if any, will be returned by Registered Post/Speed Post at the shareholders'/unregistered owners' sole risk, to the sole/first shareholder/unregistered owner. Cheques/demand drafts for Rs 1,500/- or less will be sent under certificate of posting. All cheques/demand drafts will be drawn in the name of the first holder, in case of joint registered holders.

In case of dematerialised Equity Shares, the Equity Shares would reside in the Special Depository Account as mentioned above. The Registrars to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirer and give instructions for the credit to the beneficial account of the Acquirer. The Equity Shares held in dematerialised form to the extent not accepted as a result of non-payment/ part payment of consideration by the Acquirer under the Offer will be released to the Beneficial Owner's Depository Account with the respective beneficial owners depository participant as per details furnished by the Beneficial Owner in the Form of Acceptance, at the sole risk of the Beneficial Owners.

10.16 In terms of regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of Closing of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrars to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before December 31, 2007.

The withdrawal option can be exercised by submitting the Form of withdrawal as enclosed with the Letter of Offer.

a) Shareholders should enclose the following:

i. For Equity Shares held in demat form:

Beneficial owners should enclose:

- Duly signed and completed Form of Withdrawal. The signature(s) should be attested by the depository participant.
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance cum Acknowledgement submitted by Registered post.

- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

ii. **For Equity Shares held in physical form:**

Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance cum Acknowledgement submitted by Registered post.
- In case of partial withdrawal, valid Share Transfer form(s)duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Lumax and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance cum Acknowledgement submitted by Registered post.

In case of non-receipt of Form of withdrawal, the withdrawal option can be exercised by making a plain paper application alongwith the following details:

- In case of physical shares: Name; Address; Distinctive Numbers; Folio Number, Number of Shares tendered/ withdrawn and
- In case of dematerialized shares: Name; Address; Number of Shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

b) The withdrawal of Shares will be available only for the Share certificates/Shares that have been received by the Registrar to the Offer/Special Depository Escrow Account.

c) The intimation of returned shares to the Shareholders will be at the address as per the records of the Lumax / Depository as the case may be.

d) The Form of Withdrawal should be sent only to the Registrars to the Offer.

e) In case of partial withdrawal of Shares tendered in physical form by the registered shareholder, if the original share certificates are required to be split, the same will be returned on receipt of Equity Share certificates from Lumax.

f) Partial withdrawal of tendered shares can be done only by the Registered shareholders/Beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

g) **Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.**

10.17 Barring unforeseen circumstances and factors beyond their control, the Acquirer intend to complete all procedures relating to the Offer, including payment of consideration to the shareholders who have accepted the Offer, within 15 days from the date of closing of this Offer and for the purpose open a special account as provided under regulation 29 of the Regulations.

Provided that where the Acquirer is unable to make the payment to the shareholders who have accepted the Offer before the said period of 15 days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by SEBI from time to time, in accordance with regulation 22(12) of the Regulations.

11 DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the shareholders of Lumax at the office of Lumax - B-86, Mayapuri Industrial Area, Phase-I, New Delhi 110064, India on all working days, from the date of opening of the Offer till the closing of the Offer, between 10.00 a.m. and 1.00 p.m., except Saturdays, Sundays and Holidays:

1. Articles of Association of the Acquirer.
2. Annual Reports of the Acquirer for the accounting years ended for March 31, 2005, 2006, and Audit report for the year ended March 31, 2007.
3. Certificate from KPMG AZSA & Co., an audit corporation incorporated under the Japanese Certified Public Accountants Law, in the Japanese member firm of KPMG International, a Swiss cooperative vide their report dated May 22, 2007 certifying the financial data of the Acquirers.
4. Certificate from Mr Raj Agrawal Chartered Accountants (Membership no.82028) S. R. Batliboi & Associates, Statutory Auditors , located at 2nd Floor, The Capital Court, LSC Phase III, Olof Palme Marg, Munirka, New Delhi- 110067, India vide their report dated May 18, 2007certifying the financial data of Lumax.
5. Certificate of Incorporation, Memorandum and Articles of Association of Lumax.
6. Annual Reports of the Target Company for the accounting years ended for March 31, 2005, 2006, and Audit report for the year ended March 31, 2007.
7. Copy of the SSA, dated May 8, 2007 entered into by the Acquirer and Lumax.
8. Copy of the Letter of Authorization of Stanley authorizing Mr. Kohei Hiraide to be the authorized signatory to the Letter of Offer.
9. Certificates from Mr. Rakesh Sahu of M/S. Mishra Sahu Jain & Associates, Chartered Accountants, 27, Akbar Road, New Delhi - 110011, Ph: 011- 6630 4706 , Fax: 011- 4356 3690 (Membership no. 096838 vide their letter dated May 11, 2007 regarding the adequacy of financial resources with the Acquirer for the Open Offer.
10. Letters from the Foreign Escrow Agent confirming cash deposit of Yen 34,300,000 Yen approx. Rs. 11,600,260, as per exchange rate of 100 Yen = Rs. 33.82 as on May 7, 2007 deposited in the Foreign Escrow Account.
11. Letters from the Indian Escrow Agent confirming cash deposit of Rs. 11,439,050 deposited in the Indian Escrow Account and a lien marked in favor of the Manager to the Offer.
12. Copy of the observation letter from SEBI, dated November 30, 2007 in terms of proviso to regulation 18(2) of the Regulations.
13. Agreement with depository participant for opening a special depository account.
14. A published copy of Public Announcement issued on May 14, 2007.
15. Certificate from Mr. Raj Agrawal of S.R. Batliboi and Associates, Chartered Accountants, U & I, Plot No 47, Sector 32 Institutional Area, Gurgaon, Haryana 122001 (Membership No. 82028) vide their report dated May 10, 2007 certifying the justification of Offer Price for Lumax.
16. Copy of RBI application dated May 9, 2007 made by the Acquirer for obtaining permission to open and operate the Escrow Accounts and Special Account.
17. Copy of the RBI approval dated May 29, 2007 for obtaining permission to open and operate the Escrow Accounts and Special Account.

12 DECLARATION BY THE ACQUIRER.

The Acquirer and their respective Directors severally and jointly accept full responsibility for the information contained in this Letter of Offer, Form of Acceptance, Form of Withdrawal and also for ensuring compliance with the Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise. Mr. Kohei Hiraide has been authorised by the Board of Directors of the Acquirer to be their authorised signatory to the Letter of Offer.

By Order of the Board,
For Stanley Electric Co., Ltd.

Sd/-
Authorised Signatory
Mr. Kohei Hiraide
General Manager – Global Operations Department

Place: Tokyo
Date: December 7, 2007

Enclosed:

a) Form of Acceptance-cum-Acknowledgement

b) Form of Withdrawal

c) Transfer Deed, if applicable

Tear along this line

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrar to the Offer ONLY at their Collection Centers as mentioned herein)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

OFFER	
OPENS ON	: Saturday, December 15, 2007
CLOSES ON	: Thursday, January 3, 2008
LAST DATE OF WITHDRAWAL	: Monday, December 31, 2007

To,
Karvy Computershare Private Limited,
Plot No. 17-24,
Vithalrao Nagar Madhapur,
Hyderabad 500 081

Dear Sir,

Sub.: Open Offer for purchase of 1,869,547 equity shares of Rs. 10/- each representing 20% of the outstanding voting equity share capital of Lumax at a price of Rs. 540.03/- per share

I/We refer to the Letter of Offer dated December 7, 2007 for acquiring the Equity Shares held by me/us in Lumax.

I/We, the undersigned, have read the Letter of Offer, and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.

FOR SHARES HELD IN PHYSICAL FORM

I/We accept the Offer and enclose the original Equity Share Certificate(s) and duly signed transfer deed(s) in respect of my/our Equity Shares as detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
Total No. of Certificates			Total No. of Equity Shares		

Please attach an additional sheet of paper if the above space is insufficient.

FOR SHARES HELD IN DEMATERIALISED FORM

I/We accept the Offer and enclose photocopy/counterfoil of the Delivery Instructions duly acknowledged by my/our depository participant in respect of my/our Equity Shares as detailed below:

DP Name	DP ID	Client ID	No. of Equity Shares	Name of Beneficiary

I/We have done an off market transaction for crediting the Equity Shares to the Special Depository Account with NSDL named as "**KCPL Escrow Account - Lumax Open Offer**", whose particulars are:

DP ID Number:	IN 301151	DP Name:	HDFC Bank Limited
Client ID Number:	22097588	Depository:	National Securities Depository Limited

Shareholders of Lumax, having their beneficiary account with Central Depository Services (India) Ltd., ("CDSL"), have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL.

I/We have enclosed the following documents:

Enclosures (Please tick as appropriate) (Refer paragraph 9 of the Letter of Offer):

- ☐ No objection Certificate/Tax Clearance Certificate under Income-tax Act, 1961, for Non-resident shareholders as applicable.
- ☐ Power of Attorney
- ☐ Death Certificate/ Succession Certificate
- ☐ RBI permission obtained by Non-resident Shareholders for holding equity shares of Lumax hereby tendered in the Offer
- ☐ Corporate authorization in case of company
- ☐ Others (please specify): ________

I/We confirm that the Equity Shares of Lumax which are being tendered herewith by me/us under the Offer are free from lien, charges and encumbrances of any kind whatsoever. I/we are not debarred from dealing in shares of Lumax

I/We note and understand that the Equity Shares/ Equity Share Certificate(s) and valid share transfer deed(s) will be held in trust for me/us by the Registrars to the Offer until the time the Acquirer pays the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

I/We authorise the Acquirer to accept the Equity Shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorise the Acquirer to return to me/us, Equity Share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof.

I/We authorise the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares that they may decide to accept in terms of the Letter of Offer and I/we further authorise the Acquirer to split/consolidate the Equity Share Certificates comprising the Equity Shares that are not acquired to be returned to me/us and for the aforesaid purpose the Acquirer is hereby authorised to do all such things and execute such documents as may be found necessary and expedient for the purpose.

I/We authorise the Acquirer to send by registered post/speed post/UCP the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.

The Permanent Account No. (PAN/GIR No.) allotted under the Income Tax Act 1961 is as under:

	Ist Shareholder	2nd Shareholder	3rd Shareholder
PAN/GIR No.			

Yours faithfully,

Signed and Delivered

	Full Name(s) of the Shareholder(s)	Signature
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		
Fourth Shareholder		

Note: In case of joint holdings, all holders must sign. A corporation must affix its rubber stamp and necessary Board Resolution must be attached.

Tel No. ______________________; Fax No. ______________________; Email:________________________________

Place : __________ Date : _________

In order to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For shares that are tendered in electronic form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration payment will be issued with the said bank particulars.

Name of the Bank			
Branch		City	
Account Number	Savings/Current/Others (please specify)		

.... **Tear along this line** ....

Karvy Computershare Private Limited

Acknowledgement Slip

Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081 Unit: Lumax

FOLIO NO. ____________________ **Sr. No.** ________________________

Received from Mr. /Ms. ____

Address ____

____

Form of acceptance cum acknowledgement,# __________________ Number of equity share Certificates for _______________ Equity Shares/ # Copy of Delivered Instruction to (DP) for ____________ Equity Shares

Delete whatsoever is not applicable

Signature of official and Date of Receipt	Stamp of Collection Centre

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling this Form of Acceptance.

2. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Equity Shareholders of Lumax. Each equity shareholder of Lumax to whom this Offer is being made, is free to offer his equity shareholding in Lumax in whole or in part while accepting the Offer.

3. Shareholders should enclose the following:

   Procedure for Equity Shares held in Physical Form

   - **Registered shareholders of Lumax should enclose:**
     - Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the equity share certificate(s) and in the same order in which their name(s) appear in the Register of Members and as per the specimen signature lodged with Lumax;
     - Original Equity Share Certificate(s);
     - Valid Share Transfer Deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with Lumax and duly witnessed at the appropriate place. The Transfer Deed should be left blank, except for the signatures as mentioned above. A blank share transfer form is enclosed along with this Letter of Offer.
   - **Unregistered owners of Equity Shares of Lumax should enclose:**
     - Form of Acceptance duly completed and signed in accordance with the instructions contained therein;
     - Original Equity Share Certificate(s);
     - Original Broker Contract Note;
     - Valid Share Transfer Deed(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance.

   Procedure for Equity Shares held in Demat Form

   - **Beneficial Owners should enclose:**
     - Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose names appear in the beneficiary account and in the same order therein.
     - A photocopy or counterfoil of the Delivery Instructions in "off market" mode, duly acknowledged by the beneficial owners depository participant and filled as per the details of the Special Depository Account given below.

       Registrars to the Offer has for the purpose of this Open Offer, opened a Special Depository Account with National Securities Depository Ltd. ("NSDL") "**KCPL Escrow Account - Lumax Open Offer**", whose particulars are:

       DP ID Number: IN 301151; DP Name: HDFC Bank Limited; Client ID Number: 22097588; Depository: National Securities Depository Limited

       Shareholders, having their beneficiary account with CDSL, have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL. Since the Equity Shares of Lumax are in compulsory demat mode, the minimum marketable lot for such shares is one.

The Beneficial Owners who hold Equity Shares in dematerialised form are required to execute a trade by tendering the Delivery Instructions for debiting their Beneficial Account with beneficial owners depository participant and crediting the above mentioned Special Depository Account. **The credit in the Special Depository Account should be received on or before January 3, 2008. In order to ensure this, Beneficial Owners should tender the Delivery Instructions at least two working days prior to date of closing of the Offer**.

The Delivery Instructions to be given to the depository participant should be in "For Off Market Trade" mode only. For each Delivery Instruction the Beneficial Owner should submit separate Form of Acceptance.

4. Where the number of Equity Shares offered for sale by the shareholders are more than the Equity Shares agreed to be acquired by the Acquirer under this Offer, they shall, accept the offers received from the shareholders on a proportional basis, in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of Equity Shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is under the marketable lot.

5. In case of joint holdings, all the holders whose names appears on the Equity Share Certificate or in the beneficiary account must sign this Form of Acceptance in the same order in which these names appears on the register of members/ beneficial account and as per the specimen signature(s) lodged with Lumax or the beneficial owner's depository participant.

6. In case of physical Equity Shares, the enclosed transfer deed should be duly signed as transferors by all shareholders in the same order and as per specimen signatures lodged with Lumax and should be duly witnessed at the appropriate place. The Transfer Deed should be left blank, excepting the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar Authority holding a Public Office and authorised to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank. PLEASE DO NOT FILL UP ANY DETAILS ON THE TRANSFER FORM. Relevant Equity Share Certificates must be annexed.

7. The shareholders of Lumax who have sent their equity shares certificates for dematerialisation should submit their form of acceptance and other documents, as applicable, along with a copy of the dematerialisation request form duly acknowledged by their DP. Shareholders of equity shares of Lumax who have sent their equity shares for transfer should enclose, Form of Acceptance duly completed and signed, copy of the letter sent to Lumax (for transfer of shares) and valid share transfer form(s).

8. In case of bodies corporate, proper corporate authorization should be enclosed.

9. All owners of Equity Shares, registered or unregistered, who own the Equity Shares of Lumax, except the Acquirer and the Promoters of Lumax, at any time prior to the Closing of the Offer, are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrars to the Offer, Karvy Computershare Private Limited, at the collection centers mentioned hereunder in paragraph 11, on or before the Closing of the Offer, i.e. January 3, 2008 on plain paper stating Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No., together with the original Share Certificate(s), valid transfer deeds in case of Equity Shares held in physical form or photocopy or counterfoil of the delivery instructions in "Off-market" mode in case of Equity Shares held in dematerialised form and the original contract note issued by the broker through whom they acquired their Equity Shares. No indemnity is required from the unregistered owners.

10. **Non-resident shareholders of Lumax should also enclose a copy of the RBI permission received by them for acquiring equity shares held by them in Lumax. Non Resident shareholders will be required to submit a No Objection Certificate (NOC) or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration, otherwise, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders.**

11 Shareholders of Lumax, other than the Acquirer and the Promoter who wish to avail this Offer should forward the under mentioned documents, by hand delivery on days and during the business hours mentioned below, at any of the collection centres listed below, or by registered post to the Registrars to the Offer, Karvy Computershare Private Limited, Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081 Tel: +91 1 800 345 4001 Fax: +91 (40) 2342 0814 Email: einward.ris@karvy.com Contact Person: Mr M. Muralikrishna, so as to reach the Registrars on or before January 3, 2008(i.e. the date of Closing of the Offer).

#	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax	Mode of delivery
1.	Mumbai (Fort)	16-22 Bake House, Maharashtra Chamber of Commerce Lane, Opp. MSC Bank, Fort, Mumbai – 400 023	Ms.Nutan Shirke	022-66382666	022-66331135	Hand Delivery
2.	New Delhi	105-108, Arunachal Bldg, 19, Barakhamba Road, Connaught Place, New Delhi 110 001	Michael George	011-23324621	011-23310616	Hand Delivery
3.	Ahmedabad	201-203 "SHAIL", Opp: Madhusudan House Behind Girish Cold Drinks Off. C G Road, Ahmedabad~ 380 006	Edward Raphael	079-26420422/ 26400528	079-26565551	Hand Delivery
4.	Chennai	No. 33/1, Venkataramna Street, T. Nagar, Chennai - 600017.	Gunashekhar	044 - 28151793 / 1794 / 4781	044-28153181	Hand Delivery
5.	Hyderabad	Plot No 17-24, Vithalrao nagar, Madhapur, Hyderabad 500 081	Ms. Sareen	040-23420818	040-23420814	Hand Delivery/ Regd Post
6.	Mumbai (Andheri)	7, Andheri Industrial Estate, Off. Veera Desai Rd, Andheri West, Mumbai 400 053	Ms. Vishakha Shringarapure	022-26730799	022-26730152	Hand Delivery
7.	Kolkata	49, Jatin Das road, Nr.Deshpriya park, Kolkatta 700 029	Mr. Sujit Kundu/ Mr. Debnath	033-24644891	033-24644866	Hand Delivery
8.	Bangalore	No.59, Skanda, Putana Road, Basavanagudi, Bangalore 560 004	Mr. Kishore	080-26621192	080-26621169	Hand Delivery
9.	Pune	Office No.6, Third Floor, Rachana Trade Estate, Law College Road, Sndt Circle, Cts No.105, Erandwane Pune 411 004	Ms. Sandhya	020 - 66048790 TO 93	020-25456842	Hand Delivery
10.	Jaipur	S-16/A, Land Mark, Opp: Jai Club, Mahaveer Marg, C-Scheme Jaipur 302 001	Mr. M B Maheshwari	0141 - 2378703, 2378704	0141- 2378703	Hand Delivery

The Equity Shares can be tendered at the above centres between Monday to Friday from 10.00 am to 1.00 pm and 2.00 pm to 4.00 pm and on Saturdays from 10.00 am to 1.00 pm. The centres will be closed on Sundays and any other Holidays.

No document should be sent to the Acquirer or the Manager to the Offer.

Note : All future correspondence, if any, should be addressed to Registrars to the Offer: Karvy Computershare Private Limited, Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081 Tel: +91 1 800 345 4001 Fax: +91 (40) 2342 0814. Email: einward.ris@karvy.com Contact Person: Mr M. Muralikrishna

(**Please read paragraph 9 of the Letter of Offer titled "PROCEDURE FOR ACCEPTANCE & SETTLEMENT" before filing this form)**

FORM OF WITHDRAWAL

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

OFFER	
OPENS ON	**: Saturday, December 15,2007**
CLOSES ON	**: Thursday, January 3, 2008**
LAST DATE OF WITHDRAWAL	**: Monday, December 31, 2007**

To,
Karvy Computershare Private Limited,
Plot No. 17-24,
Vithalrao Nagar Madhapur,
Hyderabad 500 081

Dear Sir,

Sub.: Open Offer for purchase of 1,869,547 equity shares of Rs. 10/- each representing 20% of the outstanding voting equity share capital of Lumax at a price of Rs. 540.03/- per share Lumax

I/We refer to the Letter of Offer dated December 7, 2007 for acquiring the Equity Shares held by me/us in Lumax.

I/We, the undersigned, have read the Letter of Offer and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.

I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in Para 10 of the Letter of Offer and unconditionally agree to the terms & condition mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our equity shares from the Offer and I/We further authorize the Acquirer to return to me/us, the tendered equity share certificate(s)/share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our equity shares from the Offer, no claim or liability shall lie against the Acquirer / Manager to the Offer/ Registrars to the Offer.

I/We note that this Form of withdrawal should reach the Registrars to the Offer at any of the collection centres mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal (i.e. December 31, 2007).

I/We note that the Acquirer/Manager to the Offer/Registrars to the Offer shall not be liable for any postal delay/loss in transit of the equity shares held in physical form and also for the non receipt of equity shares held in the dematerialized form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return Original Share Certificate(s), Share Transfer Deed(s) and equity shares only on completion of verification of the documents, signatures and beneficiary position data as available from the Depository from time to time, respectively.

SHARES IN PHYSICAL FORM

The particulars of withdrawal of original shares certificates and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
	TENDERED				
1.					
2.					
3.					
	WITHDRAWN				
1					
2.					
3.					
Total No. of Certificates			**Total No. of Equity Shares**		

Please attach an additional sheet of paper if the above space is insufficient.

Tear along this line

SHARES IN DEMAT FORM

I/We hold the following equity shares in dematerialized Form and tendered the Equity Shares in the Offer and had done an off-market transaction for crediting the Shares to the "**KCPL Escrow Account - Lumax Open Offer**", whose particulars are:

DP ID Number: IN 301151; DP Name: HDFC Bank Limited; Client ID Number: 22097588; Depository: National Securities Depository Limited

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP.

The particulars of the account from which my/our Shares have been tendered are as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares withdrawn

Address of First/Sole Shareholder: ____

____

Tel. No.: ____________________ Fax No.:_ ____________________ E-mail : ______________________________

I/We note that the equity shares will be credited back only to that Depository Account, from which the Equity Shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

In case of dematerialized Shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,

Signed and delivered	Full Name(s)	Signature(s)	Verified and Attested by us. Please affix the stamp of DP (in case of demat Shares)/ Bank (in case of physical Shares)
First/Sole Shareholder			
Second Shareholder			
Third Shareholder			
Fourth Shareholder			

Note: In case of joint holders all must sign. In case of body corporate, stamp of the company should be affixed and necessary Board resolution should be attached.

Place :

Date :

.... **Tear along this line** ....

Acknowledgement Slip

Karvy Computershare Private Limited

Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081 Unit: Lumax

FOLIO NO. ____________________ **Sr. No.** ____________________

Received from Mr. /Ms. ____

Address ____

____

Form of Withdrawal,# Number of share Certificates for ______________________________ Equity Shares/

Copy of Delivered Instruction to (DP) for ____________ Equity Shares

Delete whatsoever is not applicable

Signature of official and Date of Receipt	Stamp of Collection Centre

Note : All future correspondence, if any, should be addressed to Registrars to the Offer: Karvy Computershare Private Limited, Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081 Tel: +91 1 800 345 4001 Fax: +91 (40) 2342 0814 Email id: einward.ris@karvy.com Contact Person: Mr M. Muralikrishna