PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF

PHOENIX LAMPS LIMITED

Registered Office: 59-A, Noida Special Economic Zone, Phase-II, Noida, District Gautam Budh Nagar, Uttar Pradesh - 201 305

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS / BENEFICIAL OWNERS

This Public Announcement ("PA") is being issued by YES BANK Limited ("YBL"), [hereinafter referred to as the "Managers to the Offer"] on behalf of (a) Argon India Limited (b) Argon South Asia Limited [hereinafter referred to as "Acquirers"] along with (c) Actis India Fund 2 LP ("AIF"), (d) Actis South Asia Fund 2 LP ("ASAF") and (e) Actis Executive Co-Investment Plan LP ("ACIP") [hereinafter referred to as the "Persons Acting in Concert"/"PACs"], pursuant to and in compliance with among others, Regulation 10 & 12 of Chapter III of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "SEBI Takeover Regulations" or the "Regulations").

1. The Offer

1.1. This Public Announcement is being made pursuant to a Warrant Subscription and Share Purchase Agreement dated July 3, 2006 (hereinafter referred to as "WSSPA") entered into by Argon India Limited and Argon South Asia Limited (hereinafter referred to as "Acquirers") with the promoters of Phoenix Lamps Limited (the "Company" / "PLL") viz. Mr. Bhushan Kumar Gupta, Mr. Hulas Rahul Gupta, Ms. Priya Desh Gupta and Ms. Abha Gupta (the "Sellers") to acquire their total existing holding of 87,35,727 fully paid up equity shares representing 36.63% of the current paid-up equity share capital of the Company (11,360 shares, 46,63,618 shares, 35,00,000 shares and 5,60,749 shares respectively – collectively, the "Sale Shares") at a price of Rs. 152.00 per share (the "Negotiated Price"). Additionally, the sellers are being paid a Non-Compete Consideration aggregating to Rs 33,19,57,626 (Rs Thirty three crores nineteen lakhs fifty seven thousand six hundred twenty six only), which translates into an amount of Rs. 38/- per equity share, which is 25% of the Negotiated Price per Sale Share. The Negotiated Price per Sale Share shall be paid in the form of cash. The WSSPA also entails an allotment to the Acquirers of 41,70,000 warrants ("the Warrants"), each of which is convertible into one equity share of a face value of Rs. 10/- each at a premium of Rs.92/- per equity share i.e. at a price of Rs.102/- per converted share within 18 months from the date of allotment. The Warrants are allocated among the Acquirers in the following proportion: - (a) 33,36,000 Warrants to Argon India Limited and (b) 8,34,000 Warrants to Argon South Asia Limited. The Warrants shall represent 14.88% of the fully diluted paid up equity share capital of the Company while the Sale Shares shall represent 31.18% of such fully diluted paid up equity share capital of the Company (i.e. upon complete exercise of all the Warrants).

1.2. The Sellers, the Acquirers, the Sellers' Depositary Participant, the Acquirers' Depositary Participant and ABN Amro Bank NV acting as an Escrow Agent have entered into an Agreement dated July 3, 2006 in relation to the mechanism for completing the transfer of the shares agreed to be acquired from the Sellers by the Acquirer under the WSSPA and the payment of the Negotiated Price per share and the non compete consideration upon completion of the Acquirer's obligations under the SEBI Takeover Regulations.

1.3. Pursuant to the WSSPA, the Board of Directors of the Company at the meeting held on July 3, 2006 has allotted the Warrants to the Acquirers in the proportion set out in Paragraph 1.1 above. Each Warrant is convertible into one equity share of a face value of Rs. 10/- each at a premium of Rs.92/- per equity share i.e. at a price of Rs.102/- per converted share. Such conversion may be effected by the Acquirers within 18 months from the date of allotment of the Warrants i.e. on or prior to January 2, 2008, in terms of Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended. ("SEBI DIP Guidelines"). The aggregate consideration payable by the Acquirers upon exercise of the Warrants (which would translate into 14.88% of the fully diluted paid up equity share capital of the Company upon conversion) amounts to Rs. 42,53,40,000/- [Rupees Forty Two Crores Fifty Three Lakhs Forty Thousand only]. The Acquirers have paid 10% of the exercise price payable upon conversion of the Warrants, which shall be adjusted against the balance price payable upon conversion, in accordance with the SEBI DIP Guidelines.

The Company has allotted these Warrants pursuant to a special resolution passed by the Members of the Company in the Extraordinary General Meeting held on June 19, 2006, which was convened by a resolution passed by the Directors in their meeting held on May 19, 2006. Consequently, May 19, 2006, being the date falling 30 days prior to the date of the Extraordinary General Meeting was the "Relevant Date" for the purpose of determination of the minimum issue price pursuant to the preferential allotment as per Clause 13.1.1 of SEBI DIP Guidelines i.e., 30 days prior to the date of the EGM. The average of the weekly high and low of the closing prices of the equity shares of PLL on The National Stock Exchange of India Limited ("NSE") as per the certificate dated May 19, 2006 of M/s. Arun K. Gupta & Associates, Statutory Auditors of the Company was: (a) for the 6 months ended on May 19, 2006 was Rs.92.98 per share and (b) for the 2 weeks ended on May 19, 2006 was Rs.101.69. Therefore, the conversion price of Rs.102/- per warrant is not less than the higher of above mentioned (a) and (b).

1.4. As the aggregate equity stake of the Acquirers in the paid up equity share capital of PLL, after the transfer of shares and the conversion of the Warrants provided for in the WSSPA will be more than the stipulated threshold of 15%, in compliance with Regulation 10 and 12 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendment thereof ("Takeover Regulations"), the Acquirers are hereby making a public announcement of an open offer to acquire upto 47,69,860 equity shares of Rs.10/- each, representing 20% of the voting rights in PLL, computed in accordance with Regulation 21(5) of the Takeover Regulations, from the remaining equity shareholders of PLL, at a price of Rs. 152.00 per share ("Offer Price") payable in cash ("Offer") subject to the terms and conditions mentioned hereinafter.

1.5. The Offer is not conditional on any minimum level of acceptance and the Acquirers will be obliged to acquire all the equity shares tendered in response to the Offer, subject to a maximum of 47,69,860 Equity Shares that are tendered in the valid form in terms of this Offer subject to the terms and conditions mentioned in this PA and the Letter of Offer ("LOF") to be mailed to the equity shareholders of PLL.

1.6. Acquirers do not hold any shares in PLL as on the date of this Public Announcement, save and except for the Warrants (which are covered by the definition of the term "shares" in terms of Regulation 2(1)(k) of the Takeover Regulations). Further, the Acquirers have not acquired directly or through any person, any shares in PLL during the twelve months preceding the date of Public Announcement other than the shares acquired through the WSSPA as specified in this Public Announcement.

1.7. In accordance with the terms of the WSSPA, the Acquirers may exercise their right to nominate a majority of the Directors at any time after a period of 21 (twenty one) days of this Public Announcement. In accordance with the second provisio to Regulation 22 (7) of the Takeover Regulations, the Acquirers have deposited in escrow 100 (one hundred) % of the purchase consideration payable to the public shareholders assuming full acceptance of the all the shares offered to be purchased in the Open Offer.

1.8. YES BANK Limited, the Managers to the Offer, do not hold any equity shares in PLL as on the date of this Public Announcement.

1.9. This is not a competitive bid.

2. The Offer Price

2.1 The equity shares of PLL are presently listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

2.2 The annualized trading turnover based on the trading volume in the shares of PLL on each of the above mentioned stock exchanges during January 2006 to June 2006 (six months preceding the date of this Public Announcement) is as under:

Stock Exchange	Total no. of shares traded during the six months	Total no. of shares listed	Annualized trading turnover (%)
Bombay Stock Exchange Limited	1,23,15,317	2,38,49,300	103.28
National Stock Exchange of India Limited	1,88,48,242	2,38,49,300	158.06

Source: www.nseindia.com; www.bseindia.com

As the annualized trading turnover is more than 5% of the total number of listed shares, the equity shares are deemed to be frequently traded on BSE & NSE within the meaning of the Explanation (i) of clause 20(5) of the Takeover Regulations.

2.3 The Offer price of Rs. 152.00 per share is justified in terms of Regulation 20(4) of the Takeover Regulations in view of being the highest of following:

(a)	Negotiated Price in the WSSPA	152.00
(b)	Highest Price contracted to be paid by the Acquirers or persons acting in concert with them for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of PA	102.00
(c)	Average of weekly high and low of the closing prices of PLL 26 weeks preceding the date of the Public Announcement on the stock exchange, where shares are most frequently traded i.e. NSE	98.85
(d)	Average of daily high and low prices of PLL 2 weeks preceding the date of public announcement on the stock exchange, where shares are most frequently traded i.e. NSE	128.58

3. Information on the Acquirers and Persons Acting in Concert

Argon India Limited and Argon South Asia Limited are the Acquirers.

3.1 **Argon India Limited:**

3.1.1 Argon India Limited was incorporated as a Private Limited Company 'Actis Investment Holdings No. 27 Limited' on March 23, 2006 in the Republic of Mauritius under the (Mauritius) Companies Act, 2001; having its registered office at Les Cascades, Edith Cavell Street, Port Louis, Mauritius. Its name was changed to 'Argon India Limited' vide fresh certificate of incorporation on change of name dated May 30, 2006.

3.1.2 Argon India Limited was granted a Global Business Licence Category 1 certificate under the Financial Services Development Act, 2001 on June 21, 2006 to be involved in investment holding activities.

3.1.3 The paid-up equity capital of the company consist of 1 ordinary equity share of USD1 held by Actis India Fund 2 LP, a broad-based limited partnership under the laws of England, which is one of the PACs, and this share is not listed on any stock exchange.

3.1.4 Since Argon India Limited was incorporated on March 23, 2006; there are no audited/ un-audited accounts or historical financial information available as on date.

3.2 Argon South Asia Limited:

3.2.1 Argon South Asia Limited was incorporated as a Private Limited Company 'Actis Investment Holdings No. 28 Limited' on May 16, 2006 in the Republic of Mauritius under the (Mauritius) Companies Act, 2001; having its registered office at Les Cascades, Edith Cavell Street, Port Louis, Mauritius. Its name was changed to 'Argon South Asia Limited' vide fresh certificate of incorporation on change of name dated May 30, 2006.

3.2.2 Argon South Asia Limited was granted a Global Business Licence Category 1 certificate under the Financial Services Development Act, 2001 on June 21, 2006 to be involved in investment holding activities.

3.2.3 The paid-up equity capital of the company consist of 1 ordinary equity share of USD1 held by Actis South Asia Fund 2 LP, a broad-based limited partnership under the laws of England, which is one of the PACs and this share is not listed on any stock exchange.

3.2.4 Since Argon South Asia Limited was incorporated on May 16, 2006; there are no audited/ un-audited accounts or historical financial information available as on date.

Persons Acting in Concert/ PACs

Actis India Fund 2 LP (which holds the entire capital of Argon India Limited), Actis South Asia Fund 2 LP (which holds the entire capital of Argon South Asia Limited) and Actis Executive Co-Investment Plan LP are acting in concert with the Acquirers for the purpose of this open offer.

3.3 Actis India Fund 2 LP ("Actis India")

3.3.1 Actis India Fund 2 LP, holds the entire equity share capital of Argon India Limited, having its registered office at 2 More London Riverside, London SE1 2JT, was established by a Limited Partnership Agreement dated July 7, 2004 under the Limited Partnership Act 1907 in England. The Primary purpose of Actis India is to make investments in the developing Indian markets, which will typically be medium to long term in nature with the principal object of generating capital growth.

3.3.2 Since it is a Limited Partnership, it is not listed on any stock exchange. The ownership of Actis India is broad-based and its limited partners comprise international banks, mutual funds, pension funds and other such institutional investors.

3.3.3 Financial Information of Actis India as per the audited financial results for the year ended December 31, 2005 is as under:

	Rs. in Lakhs
Total Income	533.51
Total Expenditure (including provision against unrealized investments)	3,784.03
Profit After Tax	(3,250.52)
Partner's annual priority share in profit	0.45
Profit/ (Loss) allocable to partners	(3,250.97)

Conversion Rate as on December 30, 2005: 1USD= Rs.45.07 (www.rbi.org.in)

3.4 Actis South Asia Fund 2 LP ("Actis South Asia")

3.4.1 Actis South Asia Fund 2 LP, which holds the entire capital of Argon South Asia Limited, having its registered office at 2 More London Riverside, London SE1 2JT, established by a Limited Partnership Agreement dated July 7, 2004 under the Limited Partnership Act 1907 in England. The primary purpose of Actis South Asia is to make investments in the developing South Asia markets, notably India, Pakistan, Bangladesh and Sri Lanka, which will typically be medium to long term in nature with the principal objective of generating capital growth.

3.4.2 Since it is a Limited Partnership, it is not listed on any stock exchange. The ownership of Actis South Asia is broad-based and its limited partners comprise international banks, mutual funds, pension funds and other such institutional investors.

3.4.3 Financial Information of Actis South Asia as per the audited financial results for the year ended December 31, 2005 is as under:

	Rs. in Lakhs
Total Income	337.49
Total Expenditure (including provision against unrealized investments)	1,505.65
Profit After Tax	(1,168.16)
Partner's annual priority share in profit	0.45
Profit/ (Loss) allocable to partners	(1,168.61)

Conversion Rate as on December 30, 2005: 1USD= Rs.45.07 (www.rbi.org.in)

3.5 Actis Executive Co-Investment Plan LP ("ACIP")

3.5.1 Actis Executive Co-Investment Plan LP, having its registered office at Alexander House , 13-15 Victoria Road, St. Peter Port, Guernsey, Channel Islands, GY 1 3ZD, was registered as a Guernsey Limited Partnership on July 29, 2005 under The Limited Partnership (Guernsey) law , 1995, as amended in Guernsey, Channel Islands. The Primary purpose of ACIP is to provide a facility for eligible investors (select members and employees of Actis Capital LLP) to co-invest alongside certain private equity funds managed by Actis Capital LLP.

3.5.2 ACIP entered into a co-investment agreement with Actis India Fund 2 LP on February 06 , 2006, under which ACIP will have a relevant portion of the total permitted investments . ACIP entered into a co-investment agreement with Actis South Asia Fund 2 LP on April 10, 2006, under which ACIP will have a relevant portion of the total permitted investments.

3.5.3 Actis Executive Co-Investment Plan LP is not listed on any stock exchange. The ownership of ACIP is broad-based.

3.5.4 Financial Information of ACIP from the date of its registration upto December 31, 2005 as per the audit report is as under:

	Rs. in Lakhs
Total Income	46.31
Total Expenditure (including provision against unrealized investments)	(653.62)
Total recognized gain for the period	699.93

Conversion Rate as on December 30, 2005: 1USD=Rs.45.07 (www.rbi.org.in)

Information on the Target Company: Phoenix Lamps Limited

4.1. PLL was incorporated as a public limited company by the name of 'Phoenix Lamps India Limited' on March 26, 1991 in Noida, Uttar Pradesh, India, by Mr. B.K. Gupta the core promoter, in technical and foreign collaboration with two Japanese Companies namely Phoenix Electric Co. Ltd. and Soei Tsusho Company Ltd together with the Pradeshiya Industrial Investment Corporation of U.P. Ltd. [PICUP], to manufacture halogen automotive lamps, compact fluorescent lamps and other general lighting lamps.

4.2. During 1996-97, Phoenix Electric (India) Ltd., a group company amalgamated with Phoenix Lamps India Limited under a scheme of amalgamation approved by the High Court of Allahabad in 1997.

4.3. After the amalgamation, Phoenix Lamps India Limited restructured its share capital in the manner discussed briefly as under:

(i) Phoenix Lamps India Limited repurchased 5.340 Million of equity shares held by PICUP in share capital of Phoenix Lamps India Limited at an average rate of Rs. 21.17 per equity share. This process was completed in March 2003 in terms of a Scheme of Arrangement of share capital under Section 391 of the Companies Act, 1956.

(ii) Thereafter, Phoenix Lamps India Limited converted 13,160,000 equity shares of face value of Rs. 10/- each aggregating to Rs. 131,600,000/- held by the foreign collaborator, Phoenix Electric Co. Ltd, Japan, into 1,316,000 Zero Coupon Redeemable Preference Shares of Rs. 100/- each in terms of a Scheme of Arrangement of share capital under section 391 of the Companies Act, 1956. Out of this, 766,000 redeemable preference shares will be redeemed at par after 31st March 2007 and 550,000 redeemable preference shares will be redeemed at par after 1st April, 2012, on such date as the board of directors may determine after the 2,000,000 preference shares held by IDBI are redeemed in full.

4.4. The name of Phoenix Lamps India Limited was changed to 'Phoenix Lamps Limited' vide fresh certificate of incorporation dated October 8, 2003.

4.5. Registered Office of the Company is situated at 59-A, Noida Special Economic Zone, Phase-II, Noida, District Gautam Budh Nagar, Uttar Pradesh - 201 305.

4.6. The Company is engaged in manufacturing of Halogen Automotive Lamps, Compact Fluorescent Lamps and other General Lighting Lamps, Components, parts and fittings thereof. Its Two plants are located in the Special Economic Zone at Noida, U.P. The Third plant is located outside SEZ area in Noida, U.P. The Fourth plant is located at Dehradun, Uttaranchal. Now the Company is in the process of setting up its Fifth plant at Haridwar, Uttaranchal.

The company's products include automobile head lamps under the Halonix brand, H3 type halogen lamps for fog lamps, J-type halogen lamps for general lighting applications, compact fluorescent lamps (single/double H-type), etc.

The Company has quality system compliance for all the units namely ISO 9001:2000 and TS 16949 : 2002 certified by RWTUV, Germany. The Company's various locations comply with the environmental, occupational health & safety standards i.e. ISO 14001 : 2004 and OHSAS 18001 : 1999 and are certified by RWTUV Germany.

4.7. Listing: The equity shares of the company are presently listed on Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. Pursuant to the approval of shareholders in the General Meeting held on July 30, 2004, the equity shares of the Company were voluntarily de-listed from The U.P. Stock Exchange Association Limited, The Calcutta Stock Exchange Association Limited and The Delhi Stock Exchange Association Limited vide letter no. UPSE/LC/2004-2005/3360 dated October 28, 2004; letter no. CSE/LD/716/2005 dated July 4, 2005 and letter no. DSE/LIST/332 dated December 10, 2004 respectively.

4.8. The share capital of the Company comprises of

Total Share Capital

(a)	**Preference Share Capital**	
	13,16,000 Redeemable Preference Shares of Rs.100/- each	13,16,00,000
	8,99,500 7.5% Cumulative Redeemable Preference Shares of Rs.100/- each	8,99,50,000
(b)	**Equity Share Capital**	
	2,38,49,300 Equity Shares of Rs.10/- each fully paid-up	23,84,93,000
(c)	**Equity Warrants**	
	41,70,000 Equity Warrants	4,17,00,000

Note: None of the preference share capital is convertible.

In accordance with Regulation 21(5) of the Takeover Regulations, for the purpose of calculating 20% of post-Offer capital, preference share capital and the Warrants have been ignored since these instruments do not carry voting rights, as specified in the said provision.

4.9. Financial Information: Financial Information of PLL for the year ended March 31, 2006 as per the Annual Report as under:

	Rs in Lakhs
Income from Operations	23,603.99
Total Income	23,939.12
Profit After Tax	2,497.63
Paid up share capital	
2,38,49,300 equity shares of Rs.10/- each	2,384.93
9,74,500 7.5% Cumulative Preference Shares of Rs.100/- each	974.50
13,16,000 Redeemable Preference Shares of Rs.100/- each	1,316.00
Reserves and Surplus (excluding revaluation reserve)	3,158.45
Net Worth	7,833.88
Return on Net Worth (%)	31.88%
Earnings per share (Rs.)	9.67
Book Value per share (Rs.)	23.24
P/E Multiple (Market Price: Rs. 124.00 on NSE on July 06, 2006]	12.82

4.10 The promoters of the Company in terms of Regulation 2(1)(h) of SEBI Takeover Regulations are:

PROMOTERS

Promoters

B K Gupta
H R Gupta
Priya Desh Gupta
Abha Gupta
Anand Kumar Agarwal

Foreign Collaborators

SOEI Tsusho Company Limited

5. Reasons for the acquisition, rationale for the offer and future plans

5.1. The Acquirers propose to do a substantial acquisition of shares accompanied with a change in control/management. This offer of 20% of the voting capital i.e. 47,69,860 equity shares is being made in terms of Regulation 10 & 12 of the Takeover Regulations.

5.2. The acquirers do not currently have any plans to dispose off or otherwise encumber any assets of PLL in the two years from the date of the closure of this Offer except in the ordinary course of business.

5.3. The Acquirer shall not sell, dispose off or otherwise encumber any substantial asset of PLL except with the prior approval of the shareholders, to the extent required by applicable laws.

5.4. The Board of Directors of PLL or their authorized representatives, as the case may be, would take appropriate decisions in these matters, as per the requirements of business and in line with opportunities or changes in the economic scenario, from time to time.

6. Statutory Approvals & Conditions of the Offer

6.1. Government of India reviewed the policy on FDI and vide Press Note.4 (2006 Series) dated February 10, 2006 [issued by Ministry of Commerce & Industry, Department of Industrial Policy & Promotion] decided to allow, under automatic route, transfer of shares from residents to non residents where SEBI Takeover Regulations are attracted but subject to sectoral FDI policy. Therefore, no approvals are required for the Acquirers, from FIPB, to acquire shares pursuant to WSSPA, pursuant to open offer and acquisition of equity shares consequent to conversion of Warrants.

6.2. Presently, the Acquirers have opened an offshore escrow account with Standard Chartered Bank, Port Louis, Mauritius [For details please refer to clause 8.2 of this Public Announcement] and shall make an application to RBI for their requisite permission (a) to open and fund the cash escrow account in India/transfer of funds from the aforesaid offshore escrow account in terms of the provisions of SEBI Takeover Regulations and (b) to open a special account in India for the purpose of releasing payment of purchase consideration to eligible shareholders, as per RBI requirements and rules.

6.3. In case of delay in receipt of statutory approvals, as explained above, SEBI has power to grant extension of time to the acquirers for payment of purchase consideration to eligible shareholders of the Company, subject to the Acquirers agreeing to pay interest at the rate of 10% p.a. or as directed by SEBI, for the delayed period in terms of Regulation 22(12) of the SEBI Takeover Regulations. If the delay occurs due to willful default of the Acquirers in obtaining requisite approvals, Regulation 22(13) of the SEBI Takeover Regulations will become applicable.

6.4. No approvals from banks/financial institutions are required for the Acquirer to make this Offer. To the best of the Acquirers' knowledge, no such approval from banks / financial institutions of the Company is required for the Acquirers to make this Offer.

6.5. To the best of our knowledge, other than the approvals mentioned aforesaid, no other statutory or regulatory approval is required for the acquirer to proceed with the offer. If any other approvals are required, become applicable subsequently, the Offer would be subject to such approvals. The Acquirers will have a right not to proceed with the Offer in the event the approvals are refused in terms of Regulation 27(1)(b) of the Regulations.

7. Delisting Provision

7.1. The minimum public shareholding required for continuous listing of the Equity Shares of PLL is 25% (twenty five) of the total issued equity share capital. Pursuant to this Offer, there will be no violation of Clause 40A of the listing agreement of PLL with the stock exchanges on which its Equity Shares are listed and the Equity Shares will continue to be listed as the public shareholding of PLL is not expected to fall to a level below the limit for continuous listing specified in the listing agreement.

8. Funding Arrangement

8.1. The maximum purchase consideration payable by the acquirers in case of full acceptance of this Offer would be Rs. 72,50,18,720/- [Rupees Seventy two crores fifty lakhs eighteen thousand seven hundered twenty only].

8.2. Acquirers have opened an offshore cash escrow account with Standard Chartered Bank, Level 8 Happy World House, 37 Sir William Newton Street, Port Louis, Mauritius (hereinafter referred to as "CashEscrow") under the name and style of "Argon Escrow A/C Phoenix Lamps Open Offer" and "bearing No. 01/001/10366/00 and deposited USD 16,140,000 equivalent to Rs. 74,29,24,200 (Rupees Seventy four crores twenty nine lakhs twenty four thousand two hundred only) at an exchange rate of Rs. 46.03 per USD [RBI Reference Exchange Rate as on July 5, 2006] being more than 100% of the total purchase consideration payable under the Offer assuming full acceptance at the aforesaid offer price. Acquirers have confirmed that the funds lying in the above mentioned offshore cash escrow accounts will be utilized exclusively for the purpose of the Offer. Further, Managers to the Offer have been empowered to operate the offshore cash escrow account.

8.3. On receipt of RBI approval, the Acquirers shall open an escrow account in India, as per the provisions of the SEBI Takeover Regulations. The Acquirers have authorized the Managers to the Offer to transfer the funds lying in the above mentioned offshore cash escrow accounts to the said domestic cash escrow account. The Acquirers have authorized the Managers to the Offer to operate the domestic cash escrow account in compliance with Regulation 28 of the SEBI Takeover Regulations. The Acquirers have undertaken to mark a lien thereon in favor of the Managers to the Offer.

8.4. Mr. Heerdaye Jugbandhan, Chartered Accountants, [Membership No: 0125329] Les Cascades, Edith Cavell Street, Port Louis, Mauritius, Tel No: (230) 212 9800, Fax No: (230) 212 9833, Email ID: heerdaye.jugbandhan@imm.mu have certified vide their letter dated July 04, 2006 that Acquirers have adequate financial resources to finance the above mentioned acquisition of 47,69,860 Equity Shares to the extent of their obligations of the Offer.

8.5. In view of above, the Managers to the Offer are satisfied that firm arrangements for financial resources required to implement the Offer i.e., funds and money for payment through verifiable means are in place to fulfill the obligations of the Acquirers under the Offer and are satisfied that the Acquirers have adequate resources to meet the financial requirements of the Offer and ability to implement the Offer in accordance with the SEBI Takeover Regulations.

8.6. In the event of any short fall in the cash escrow amount arising on account of exchange rate fluctuations, the Acquirers have undertaken to provide additional funds to ensure that the escrow account has adequate funds to the extent of at least 100% of the total purchase consideration payable under the Offer, to discharge their offer obligations irrespective of fluctuations in the exchange rate.

9. Other Terms of the Offer

9.1. The Letter of Offer ("LOF") with Form of Acceptance cum Acknowledgement ("Acceptance Form") will be mailed to the shareholders of PLL (except parties to the WSSPA i.e., (a) the Acquirers and (b) the Promoters, as defined therein) whose names appear on the Register of Members of PLL and beneficial owners of the Equity Shares, whose names appear as beneficiaries on the records of the respective depositories i.e., National Securities Depository Limited and Central Depository Services (India) Limited, at the close of business hours on Saturday - July 8, 2006 ("Specified Date").

9.2. Alankit Assignments Ltd., having its offices at Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110 055 is acting as the Registrar to the Offer ("Registrar"). The Registrar has opened a special depository account with National Securities Depositories Limited ("NSDL"). Beneficial owners holding equity shares in dematerialized form will be required to send on or before the closure of the offer, along with their Form of Acceptance-cum-Acknowledgment, a photocopy of the delivery instruction slip in "off-market" mode, duly acknowledged by the DP, for transferring the shares in favor of "Argon - Phoenix Lamps – Escrow Demat Account"as per the instructions given below:

Depository	NSDL
DP Name	Alankit Assignments Ltd
Client ID Number	10977858
DP ID Number	IN300118
ISIN	INE 455 B 01016

9.3. Shareholders of PLL having their depository 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.

9.4. Beneficiary owners (holders of shares in dematerialized form) who wish to tender their Equity Shares will be required to send their Acceptance Form along with a photocopy of the delivery instruction slip in "off-market" mode or counterfoil of the delivery instruction slip in "off-market" mode, duly acknowledged by the depository participant in favour of the special depository account, to the Registrar in accordance with the instructions to be specified in the LOF.

9.5. Shareholders of PLL holding equity shares in physical form and who wish to tender their Equity Shares will be required to send the Acceptance Form, original share certificate/s and transfer deed/s, duly signed, to the Registrar on or before the closure of the Offer in accordance with the instructions to be specified in the LOF.

9.6. The equity shareholders of PLL who wish to avail of the Offer will be required to deliver the Acceptance Form with relevant documents to the Registrar on all days (excluding holidays and Sundays) at the collection centres mentioned below, in accordance with the instructions to be specified in the LOF and in the Acceptance Form.

9.7. The collection centres mentioned below would remain open on Monday to Friday from 10.00 am to 1.00 pm and from 2.00 pm to 4.00 pm and on Saturdays from 10.00 am to 1.00 pm.

Address of the Collection Centre	Contact Person	Mode of delivery	Phone/ Fax / Email
Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110 055	Mr. Mahesh Jairath	Hand Delivery/ Regd Post/ Courier	Tel. No: 91 11 23541234 / 42541234; Fax No.: 91 11 41540064 E-mail: mj@alankit.com

9.8. All owners (registered or unregistered) of shares of PLL (except parties to the WSSPA i.e., (a) the Acquirers and (b) the Promoters, as defined herein) who own/hold equity shares at any time before the date of closure of the Offer are eligible to participate in the Offer.

9.9. Unregistered owners can send their written applications to the Registrar, on a plain paper stating (a) the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers and folio number together with the original share certificate/s and valid transfer deeds in the case of Equity Shares held in physical form or (b) DP name, DP ID and client ID (collectively called "Shareholding Details") together with photocopy or counterfoil of the delivery instruction slip in "off-market" mode in the case of Equity Shares held in dematerialized form and (c) the original contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners of Equity Shares.

9.10. In case of non-receipt of the LOF, the eligible persons/shareholders of PLL may send their consent to the Registrar, on a plain paper giving their shareholding details as above and submitting the documents as mentioned above so as to reach the Registrar on or before the date of closure of the Offer. Beneficial owners may send their written application on plain paper to the Registrar, giving their Shareholding Details as above along with beneficiary account number and either a photocopy or counterfoil of the delivery instruction in "off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar, on or before the date of closure of the Offer. Such shareholders of PLL may also obtain a copy of Letter of Offer by writing to the Registrar to the Offer superscribing the envelope "PLL Open Offer".

9.11. The equity shares are traded in dematerialized mode hence, the minimum marketable lot is one Equity Share.

9.12. Equity Shares, if any, that are the subject matter of litigation wherein the shareholder/s is/are/ may be precluded from transferring the Equity Shares during the pendency of the said litigation are liable to be rejected in case directions/ orders from competent authority regarding these Equity Shares are not received together with the equity shares tendered under the Offer. The LOF, in such cases, would be forwarded to the concerned competent authority for further action at their end. In case the equity shares are in the name of tainted persons or the transfer of the equity shares was kept in abeyance due to the inclusion of the tainted persons as declared by the Special Custodian under the Special Act, such shares will not be accepted until the equity shares are cleared by the Special Court appointed for this purpose.

9.13. Shareholders of PLL who have sent their equity shares for dematerialization need to ensure that the process of getting the equity shares dematerialized is completed well in time so that the credit in the special depository account should be received on or before the date of closure of the Offer, else the application would be rejected.

9.14. Shareholders of PLL who have lodged Equity Shares for transfer may either download the Letter of Offer and Acceptance Form from the SEBI's site (www.sebi.gov.in) or request for the Acceptance Form from the Registrar to the Offer. The Acceptance Form, duly completed and signed in accordance with the instructions contained therein or an application in writing on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers and folio number shall be sent to the Registrar to the Offer along with the acknowledgement, if any, received from PLL for having lodged the Equity Shares for transfer. Shareholders of PLL who are attaching the acknowledgement are requested to direct PLL in writing to retain the share certificates for onward submission to the Registrar to the Offer.

9.15. The Registrar to the Offer will hold, in trust, the share certificates, Equity Shares lying to the credit of the special depository account, the Acceptance Form, if any and the transfer form/s on behalf of the shareholders of PLL who have accepted the Offer, till the cheques/drafts for the consideration and/or the unaccepted Equity Shares/share certificates are dispatched/returned.

9.16. In accordance with Regulation 22(5A) of the SEBI Takeover Regulations, shareholders of PLL who have tendered the requisite documents in terms of the PA and Letter of Offer shall have the option to withdraw acceptances tendered upto three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions given below so as to reach the Registrar to the Offer at the collection centre mentioned above as per the mode of delivery indicated therein on or before Thursday - September 14, 2006.

9.17. The withdrawal option can be exercised on submitting (a) the form of withdrawal which will be sent to shareholders of PLL along with the Letter of Offer and (b) the copy of the acknowledgement received from the Registrar to the Offer while tendering the acceptances together with (a) name, address, distinctive numbers, folio number, and number of Equity Shares tendered in respect of Equity Shares held in the physical form and (b) name, address, number of Equity Shares tendered, DP name, DP ID, beneficiary account number i.e., client ID and photocopy of the delivery instruction in "off market" mode duly acknowledged by DP, in respect of dematerialized Equity Shares. In case of non-receipt of the form of withdrawal, the above withdrawal application can be made on a plain paper.

9.18. The consideration for equity shares accepted by the Acquirers will be paid by crossed account payee cheques/ demand drafts. Such payments and documents i.e., share certificates etc. in case of unaccepted Equity Shares will be returned by registered post/speed post at the shareholders'/unregistered owners' sole risk. Consideration up to Rs.1500/- will be dispatched "Under Certificate of Posting". Equity Shares held in dematerialized form to the extent not accepted will be credited back to the account of the beneficial owner specified in the Acceptance Form. The payment of consideration for the accepted equity shares will be made by the Acquirers by cheque/demand draft to the shareholders of the accepted Equity Shares within 15 days from the date of closure of the Offer.

9.19. A schedule of some of the major activities in respect of the Offer is given below:

Activities	Days & Dates
Specified Date *	Saturday - July 8, 2006
Last date for Competitive Bid	Friday - July 28, 2006
Date by which letter of offer to be dispatched to shareholders	Monday- August 21, 2006
Date of Opening of the Offer	Thursday- August 31, 2006
Last date for revising the Offer Price / number of equity shares	Friday- September 8, 2006
Last date up to which shareholders may withdraw	Thursday-September 14, 2006
Date of Closure of the Offer	Tuesday- September 19, 2006
Date for communicating acceptance/rejection under the Offer and payment of consideration for applications accepted.	Wednesday - October 4, 2006

** Specified Date is only for the purpose of determining the names of shareholders of PLL as on such date to whom the letter of offer would be sent.*

9.20. While tendering equity shares under the Offer, non resident shareholders (Non Resident Indians/Overseas Corporate Bodies/Foreign shareholder) will be required to submit the previous RBI approval (specific or general) that they would have been required to submit to acquire the shares of the Target Company. In case the previous RBI approvals are not submitted, acquirer reserves the right to reject such shares tendered. While tendering the shares under the Offer, NRI/OCBs/foreign shareholders will be required to submit a Tax Clearance Certificate from Income Tax authorities, indicating the amount of tax to be deducted by acquirers under the Income Tax Act, 1961 (the "Income Tax Act") before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, acquirers will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

9.21. As per the provisions of Section 196D (2) of 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 of the Income Tax Act payable to a Foreign Institutional Investor ("FII") as defined in section 115AD of the Income Tax Act. However the Interest payment for delay in payment of consideration if any shall not be governed by this provision. For interest payments, if any, FIIs shall also have to provide their Tax Clearance Certificate, indicating the amount of tax to be deducted. In absence of the same, acquirers will arrange to deduct tax on the Interest component, at the rate as may be applicable to the category of shareholder under the Income Tax Act.

9.22. The securities transaction tax will not be applicable to the shares accepted in this Offer.

9.23. In case of resident shareholders of PLL, the Acquirers will deduct the tax on the interest component exceeding Rs. 5,000/- at the current prevailing rates, as applicable, if applicable. If the resident shareholder of PLL requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, he will be required to submit No Objection Certificate from the income tax authorities or a self declaration in Form 15H as may be applicable indicating the rate at which tax is to be deducted by the Acquirers. Shareholders of PLL eligible to receive interest component exceeding Rs. 5,000/- would be required to submit their Permanent Account Number for income tax purposes.