

# S.R. BATLIBOI & ASSOCIATES

Chartered Accountants

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## Limited Review Report

### Review Report to The Board of Directors Lumax Industries Limited

1. We have reviewed the accompanying statement of unaudited financial results of Lumax Industries Limited ('the Company') for the quarter ended December 31, 2010 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *The company on July 17, 2010 concluded its agreement for lease rights for use of land for 35 years commencing from effective date of 5 May 2009. These lease rights, in accordance with the provisions of Accounting Standard 26 issued by the Institute of Chartered Accountants of India on "Intangible Assets", are required to be capitalized and amortized over the primary life of the lease rights. Had these lease rights been capitalized, the intangible assets would have been higher by Rs. 23.29 crores, the amortization/depreciation charge would have been higher by Rs. 1.11 crores and the profits for the quarter ended 31 December 2010 would have been lower by Rs. 1.11 crores.*
4. Based on our review conducted as above, *subject to our comments in paragraph 3 above on non-capitalization of lease rights for use of land amounting to Rs. 23.29 crores and non amortization thereof amounting to Rs. 1.11 crores as a consequence whereof the reported profits would have been lower by Rs. 1.11 crores in the accompanying statement of unaudited financial results*, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results is not prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

*S.R. Batliboi & Associates*  
For S.R. BATLIBOI & ASSOCIATES  
Firm registration number: 101049W  
Chartered Accountants

*Sanjay Vij*  
per Sanjay Vij  
Partner  
Membership No.: 95169



Place: Gurgaon  
Date: January 29, 2011