PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF THE SHAREHOLDERS OF

BAJAJ ELECTRICALS LIMITED

Registered Office: 45 - 47, Veer Nariman Road, Mumbai - 400 001.

CASH OFFER OF RS. 389/- PER SHARE FOR ACQUISITION OF UPTO 12,10,000 EQUITY SHARES FROM SHAREHOLDERS / BENEFICIAL OWNERS ("OFFER")

This Public Announcement ("**PA**") is being issued by YES BANK Limited ("**YBL**"), [hereinafter referred to as the "**Manager to the Offer**"] on behalf of Mr. Rahul Bajaj, Mr. Shekhar Bajaj, Mr. Madhur Bajaj and Mr. Niraj Bajaj [hereinafter collectively referred to as the "**Acquirers**"], pursuant to and in compliance with among others, Regulation 11(2A) of Chapter III of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "**Takeover Regulations**" or the "**Regulations**"). No person / individual / entity is acting in concert with the acquirers for the purposes of this Offer. This is not a competitive bid. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of Bajaj Electricals Limited.

1. The Offer

Promoters, as on the date of this PA, hold 1,16,51,690 fully paid up equity shares of Rs. 10/- each representing 67.41% of the voting paid up equity share capital of Bajaj Electricals Limited [hereinafter referred to as "BEL"/" Company"].

Acquirers form part of the promoter group of BEL and as on the date of this PA, the acquirers hold 24,26,128 fully paid up equity shares of Rs. 10/- each representing 14.04% of the voting paid up equity share capital of BEL. Except above, the Acquirers do not hold any equity shares carrying voting rights in BEL as on the date of this PA

Acquirers have not acquired any equity shares of BEL from the open market through the stock exchange mechanism during the twelve months preceding the date of this PA. The Acquirers have not acquired directly or through any person, any equity shares in BEL during the twelve months preceding the date of this PA except 12,13,064 equity shares allotted on September 10, 2007 by way of bonus issue in the ratio of 1:1. The Acquirers have not acquired any equity shares in BEL during the last 26 weeks period prior to the date of this PA by way of (a) allotment in public issue or (b) allotment in rights issue or (c) preferential allotment.

The Acquirers are hereby making this voluntary open offer, in compliance with Regulation 11(2A) of Takeover Regulations, to acquire upto 12,10,000 fully paid up equity shares of Rs.10/- each, representing 7.00% of the voting rights in BEL, from the equity shareholders of BEL, at a price of Rs. 389/- per share ("**Offer Price**") payable in cash subject to the terms and conditions mentioned hereinafter as the promoters are desirous of consolidating their holding in BEL while ensuring that the public shareholding in BEL does not fall below the minimum level permitted by the listing agreement i.e. 25%. This offer is voluntary and has not been triggered by any agreement of the acquirers with any person for the purpose of the acquisition of shares in BEL.

Equity shares that would be tendered in the valid form in terms of this Offer will be transferred in favour of the acquirers i.e. Mr. Rahul Bajaj 50.00 %, Mr. Shekhar Bajaj 16.66%, Mr. Madhur Bajaj 16.67 % and Mr. Niraj Bajaj 16.67 %.

Mr. Shekhar Bajaj and Mr. Madhur Bajaj are on the board of BEL. Therefore, they have recused themselves from all decisions of the board of BEL with regard to this offer and are not participating in any matters concerning or relating to the offer including any preparatory steps leading to the offer in terms of Regulation 22(9) of Takeover Regulations except to the extent of funding / financing the acquisition of their respective portion of shares that may be tendered under the open offer.

Due to the operation of Regulation 2(1)(e) of SEBI Takeover Regulations, there may be persons who could be deemed to be persons acting in concert. However, they are not acting in concert with the acquirers for the purpose of this offer.

Equity shares of the Company are listed on the Bombay Stock Exchange Ltd ("**BSE**"), Delhi Stock Exchange Association Ltd ("**DSE**") and the National Stock Exchange of India Ltd. ("**NSE**") but most frequently traded only on the BSE during the period of 6 months preceding this PA.

As on March 31, 2007 the paid up equity share capital of BEL was Rs. 8,64,28,800/- comprising of 86,42,880 equity shares of Rs. 10/- each. However, the Committee of the Board of Directors, in their meeting held on September 10, 2007 allotted, pursuant the resolution passed by the directors in their meeting held on May 29, 2007 and the members of the company in the Annual General Meeting held on July 26, 2007, 86,42,880 equity shares of Rs. 10/- each as bonus shares in the ratio of one fully paid up equity share of Rs. 10/- each for every one fully paid up equity share of Rs. 10/- each held as on August 29, 2007 i.e. the Record Date. Therefore, while determining 7.00% of the paid up equity share capital for the purpose of this public offer, paid up equity share capital of Rs.17,28,57,600/- comprising of 1,72,85,760 equity shares of Rs. 10/- each is to be considered in terms of Regulation 21(3)(b) of Takeover Regulations.

Regulation 21(3)(b) of Takeover Regulations provides that the minimum size of the public offer made under to Regulation 11(2A) of Takeover Regulations shall be lesser of (a) twenty per cent of the voting capital of the company; or (b) such other lesser percentage of the voting capital of the company as would, assuming full subscription to the offer, enable the acquirers, to increase their holding to the maximum level possible, which is consistent with the target company meeting the requirements of minimum public shareholding laid down in the Listing Agreement.

There are no outstanding partly paid up equity shares or any other instruments convertible into equity shares at a future date, in the books of BEL. However, the Remuneration and Compensation Committee of the Directors, in their meeting held on October 25, 2007 granted options exercisable into 7,46,200 equity shares of Rs. 10/- each to the employees under Employees Stock Option Scheme 2007 in terms of the resolution passed by the Board of Directors in their meeting held on May 29, 2007 and the shareholders in the Annual General Meeting held on July 26, 2007.

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 12,10,000 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 BEL.

Acquirers shall not acquire any shares of BEL from the open market or through negotiation or in any other manner, during the offer period, as stipulated in Regulation 20(7) of Takeover Regulations.

YBL, the Manager to the Offer, does not hold any equity shares in BEL as on the date of this PA.

2. The Offer Price

The equity shares of BEL are presently listed on BSE, NSE and DSE. As on the date of this PA, the paid up equity share capital of BEL is Rs. 17,28,57,600/- comprising of 1,72,85,760 equity shares of Rs. 10/- each.

The annualized trading turnover based on the trading volume in the shares of BEL on BSE during May 2007 to October 2007 i.e. six months preceding the date of this PA, was 24.54% as during the said period 21,20,704 shares were traded on BSE. [*Source: Bloomberg*] As the annualized trading turnover is more than 5% of the total number of listed shares on BSE, the equity shares are deemed to be frequently traded on BSE within the meaning of the Explanation (i) of Regulation 20(5) of the Takeover Regulations. Consequently, the minimum offer price to be computed for this Offer would be governed by Regulation 20(4) of the Takeover Regulations as per the following parameters.

(a)	Negotiated price	Not Applicable
(b)	Highest price paid by the Acquirer 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.	Not Applicable
(c)	Average of weekly high and low of the closing prices of BEL for the 26 weeks period ended on November 29, 2007 i.e., the date preceding the PA, on the stock exchange, where shares are most frequently traded i.e. BSE.	Rs. 315.64 per share
(d)	Average of daily high and low prices of BEL for the 2 weeks period ended on November 29, 2007 i.e., the date preceding the PA, on the stock exchange, where shares are most frequently traded i.e. BSE.	Rs. 387.15 per share

Equity shares of the Company are listed on DSE but shares are deemed to be infrequently traded within the meaning of the Explanation (i) of Regulation 20(5) of the Takeover Regulations. Equity shares of the Company were listed on NSE with effect from November 2, 2007. Consequently, the minimum offer price to be computed for this Offer would also be governed by Regulation 20(5) of the Takeover Regulations.

As the Equity Shares are deemed to be infrequently traded as per the details given above, so as to ascertain fair value of the equity shares of BEL, in terms of the provisions of Regulation 20(5) of SEBI Takeover Regulations, the Acquirers have obtained a share valuation certificate dated November 29, 2007 from Mr. Dinesh C Bangar, Partner, (Membership No. 36247), Dinesh Bangar & Co, Chartered Accountants, 201, Rehman House, Nadirshah Sukhia Street, Off: Cawasji Patel Street, Fort, Mumbai 400001, an independent Chartered Accountant, keeping in view the decision of the Hon'ble Supreme Court of India in the case of *Hindustan Lever Employee Union* v. *Hindustan Lever Limited*, (1995) 83 Comp Case 30. The said valuation report, prepared on the basis of Net Asset Value [Rs. 62.40 per share], Profit Earning Capacity Value [Rs. 244.30 per share] and Market Value [Rs. 387.15 per share] as per the erstwhile guidelines of the Controller of Capital Issues, indicated that the fair value of the equity share of BEL based on the financial statements as on September 30, 2007 is Rs. 265.06 per equity share.

The Offer price of Rs. 389/- per share is therefore justified in terms of Regulation 20(4) of the Takeover Regulations, applicable for companies whose shares are frequently traded and Regulation 20(5) of the Takeover Regulations, applicable for companies whose shares are infrequently traded, in view of this price being more than the highest of the above parameters.

The Acquirers are permitted to revise this Offer upward upto seven working days prior to the date of closure of the Offer. In the event of such revision, an announcement will be made in the same newspapers where this PA has appeared and the revised offer price would be paid for all the shares tendered anytime during the Offer.

This PA is being released, as per Regulation 15(1) of the SEBI Takeover Regulations, in Financial Express [English national daily – all editions], Jansatta [Hindi national daily – all editions] and Navashakthi [Marathi regional language daily – Mumbai edition] - as the registered office of BEL is situated in Mumbai and the equity shares of BEL are most frequently traded on BSE.

3. Information on the Acquirers

Mr. Rahul Bajaj, Mr. Shekhar Bajaj, Mr. Madhur Bajaj and Mr. Niraj Bajaj and are the Acquirers for the purposes of this Offer.

The Acquirers, in their capacities as the promoters / co promoters / joint promoters of BEL have promoted some entities. However, none of these entities are participating / interested / associated with this Offer.

Mr. Rahul Bajaj, aged 69 years, son of Late Shri Kamalnayan Bajaj, resides at C/o Bajaj Auto Ltd., Mumbai- Pune Road, Akurdi , Pune 411035. He has degrees in Economics and Law and an MBA from Harvard Business School, U.S.A. He is the Chairman of Bajaj Auto Limited, the flagship company of Bajaj Group and has over 45 years of extensive industrial experience. He is now a Member of Parliament, Rajya Sabha and has been the recipient of numerous awards, including the "Padma Bhushan" conferred by the Government of India. He has twice been the President of Confederation of Indian Industry (CII). He is a member of and former Chairman of International Business Council of the World Economic Forum. He is a member of and former Co-Chairman of the Commonwealth Business Council. He has also been the Chairman of the Board of Governors of the Indian Institute of Technology, Mumbai. His networth is Rs. 281.97 crores as on September 30, 2007 as certified by Mr. Jagdish P. Lakhani, Partner, [Membership No 111396], M/s Gandhi & Lakhani, 4D, Kakad House, 11, New Marine Lines, Mumbai 400020, Tel No : 22006528 / 22001054, Fax : 22086898 and email : gandhilakhani@yahoo.com. He is also the Chairman of Bajaj Auto Finance Ltd, Bajaj Allianz General Insurance Company Ltd and Bajaj Allianz Life Insurance Company Ltd besides being a Director on the board of Mukand Ltd. He is holding 7,77,640 equity shares in BEL representing 4.50% of the paid up equity capital of the Company as on the date of this PA.

Mr. Shekhar Bajaj, aged 59 years, son of Late Shri Ramkrishna Bajaj, resides at Flat No. 211, Maker Tower A, Cuffe Parade, Mumbai 400005. He is a Science Graduate and an MBA from New York University, U.S.A. He is the Chairman & Managing Director of Bajaj Electricals Ltd and has over 38 years of extensive industrial experience. He is the past President of Electric Lamp & Component Manufacturers' Association of India (ELCOMA), Indian Merchant's Chamber, ASSOCHAM, Council for Fair Business Practices (CFBP) and Past Chairman of Indian Fans Manufacturers' Association (IFMA). His networth is Rs. 125.27 crores as on September 30, 2007 as certified by Mr. Jagdish P. Lakhani, Partner, [Membership No 111396], M/s Gandhi & Lakhani, 4D, Kakad House, 11, New Marine Lines, Mumbai 400020, Tel No : 22006528 / 22001054 , Fax : 22086898 and email : gandhilakhani@yahoo.com. He is also the Chairman of Hercules Hoists Ltd, Hind Musafir Agency Ltd, Hind Lamps Ltd, Bajaj Ventures Ltd, Bajaj International Pvt. Ltd besides being a Director on the board of Bajaj Auto Ltd and various other Bajaj Group of Companies. He is holding 6,97,720 shares in BEL representing 4.04% of the paid up equity capital of the Company as on the date of this PA which includes 1,28,880 shares held as Trustee of Bajaj Electricals Ltd Employee's Welfare Funds.

Mr. Madhur Bajaj, aged 55 years, son of Late Shri Ramkrishna Bajaj, resides at C/o Bajaj Auto Ltd, Mumbai- Pune Road, Akurdi, Pune 411035. He is a Commerce Graduate and an MBA from International Institute of Management Development (IMD), Lausanne, Switzerland. He is the Chairman of Maharashtra Scooters Ltd and Vice Chairman of Bajaj Auto Ltd and has over 30 years of extensive industrial experience. He is a member of the National Council Member of Confederation of Indian Industry (CII) and the Past-Chairman of its Western Region. He is the President of Maratha Chamber of Commerce, Industries and Agriculture (MCCIA), the apex Industries Association of Pune and the immediate President of SIAM, the apex association of Indian Automobile manufacturers. His networth is Rs. 249.70 crores as on September 30, 2007 as certified by Mr. Jagdish P. Lakhani, Partner, [Membership No 111396], M/s Gandhi & Lakhani, 4D, Kakad House, 11, New Marine Lines, Mumbai 400020, Tel No: 22006528 / 22001054, Fax: 22086898 and email: gandhilakhani@yahoo.com. He is also a Director of Bajaj Electricals Ltd, Bajaj Auto Finance Ltd, Bajaj Auto Holdings Ltd and various other companies of the Bajaj Group. He is holding 4,79,144 shares in BEL representing 2.77% of the paid up equity capital of the Company as on the date of this PA which includes 80,000 shares held as Trustee of Bajaj Auto Ltd Employee's Welfare Funds.

Mr. Niraj Bajaj aged 53 years, son of Late Shri Ramkrishna Bajaj, resides at Flat No. 97, Mount Unique, 62-A, Dr. G. Deshmukh Marg, Mumbai 400026. He is a Commerce Graduate and an MBA from Harvard Business School, U.S.A. He is now the Chairman & Managing Director of Mukand Ltd and has over 28 years of extensive industrial experience. He is presently the President of Indian Merchant's Chamber and is also a member of the Managing Committee of ASSOCHAM. He was Chairman of Alloy Steel Producers' Association of India, President of Indian Stainless Steel Development Association and Chairman of the India-Russian Federation – Joint Business Councils. His networth is Rs. 168.68 crores as on September 30, 2007 as certified by Mr. Jagdish P. Lakhani, Partner, [Membership No 111396], M/s Gandhi & Lakhani, 4D, Kakad House, 11, New Marine Lines, Mumbai 400020, Tel No: 22006528 / 22001054, Fax: 22086898 and email: gandhilakhani@yahoo.com. He is on the Board of Directors of Bajaj Auto Ltd, Bajaj Allianz General Insurance Company Ltd, Bajaj Hindusthan Ltd, Mukand Engineers Ltd and various other Bajaj Group of Companies. He is holding 4,71,624 shares in BEL representing 2.73% of the paid up equity capital of the Company as on the date of this PA.

Relation between the Acquirers

Mr. Shekhar Bajaj, Mr. Madhur Bajaj and Mr. Niraj Bajaj are brothers and Mr. Rahul Bajaj is their cousin brother. The Acquirers have not entered into any formal agreement with respect to the acquisition of shares of BEL through this Offer.

4. Information on the Target Company - BEL

BEL is a public limited company incorporated as Radio Lamp Works Limited on July 14, 1938 under the Indian Companies Act, 1913. Name of the Company was changed from Radio Lamp Works Limited to Bajaj Electricals Limited with effect from October 1, 1960. Registered Office of the Company is situated at 45 - 47, Veer Nariman Road, Mumbai – 400 001. The Company has been in the business of manufacture and marketing of various industrial and consumer goods. The equity shares of BEL are presently listed on BSE, DSE and NSE.

Matchwel Electricals (India) Limited, a manufacturer of electric fans became the subsidiary of the Company in the year 1964 and with effect from 1st July, 1984, this subsidiary of the Company was amalgamated with the Company. This Unit of the Company was also engaged in the manufacture of die-cast components, Fans and magneto assemblies.

In the financial year 1993-94, the Company entered into a 50:50 joint venture with the Black & Decker Corporation of USA for manufacture and marketing of power tools, household appliances and its accessories and established a separate Company called "Black & Decker Bajaj Pvt. Ltd." In the financial year 1999-2000, this Joint Venture Company became a 100% subsidiary of the Company, as the Company purchased the balance 50% of investment in the said joint venture Company from the other partner viz. Black & Decker Corporation of USA. Thereafter, this subsidiary Company was renamed as 'Bajaj Ventures Ltd.' in the financial year 2002-03, Bajaj Ventures Ltd ceased to be a 100% subsidiary of the Company, since the Company divested 50% of its holding in Bajaj Ventures Ltd.

The Company established a new Unit in January, 1998 at Chakan near Pune in Maharashtra and commenced the operations of manufacture of die-cast components and Fans. The production of Fans was gradually shifted to this Unit from the Matchwel Unit. In September, 1999, the Company set up and commissioned a Wind Farm with an installed capacity of 2.8 MW at Village Vankusawade, Taluka Patan, District Satara in Maharashtra to manufacture/generate electricity by using wind energy for captive use. In the year 2000-01, the Company set up the manufacturing facilities at Ranjangaon, near Pune in Maharashtra for manufacture of Highmasts, Lattice Towers & related products and a state-of-the-art Galvanizing Plant. This factory commenced commercial production with effect from 1st April 2001. In November 2002, the Company launched a new brand "Morphy Richards" under an arrangement with M/s. Morphy Richards of UK, the leading small appliances Company. In the Financial Year 2002-03, the Company discontinued the business of manufacture of die-cast components due to lack of orders. The Die-casting divisions at the Matchwel and Chakan Units have been thus closed. In the Financial Year 2003-04, the Company entered into a Memorandum of Understanding with a developer for sale / development of land of Matchwel Unit, Pune for a total consideration of Rs. 23 crores.

As on the date of this PA, the paid up equity share capital of BEL is Rs. 17,28,57,600/- comprising of 1,72,85,760 equity shares of Rs. 10/- each. There are no partly paid up equity shares. As per the audited accounts of the Company for the year ended March 31, 2007, the financials of the Company are as follows:

(a) Total Income Rs. 1,08,316.54 lakhs, (b) Net profit after tax and adjustments Rs. 3,852.74 lakhs, (c) Paid up equity share capital Rs. 864.29 lakhs, (d) Reserves and Surplus (Net of Deferred Revenue Expenditure) Rs.10,818.15 lakhs, (e) Secured loans Rs. 16,903.09 lakhs, (f) Unsecured Loans of Rs. 6,813.97 lakhs, (g) Net Deferred Tax Liability Rs. 726.45 lakhs, (h) Net fixed assets [including capital work in progress] Rs. 9,142.76 lakhs, (i) Investments Rs. 2,229.53 lakhs and (j) Net Current Assets Rs. 24,750.79 lakhs. Relevant ratios are EPS Rs. 44.41, BV Rs. 123.56 and RONW 36.08%.

For the purpose of determination of EPS, BV and RONW, ratios used are (a) EPS = Profit After Tax excluding preferred shareholders' dividend and corresponding dividend tax / Number of common equity shares and (b) Net worth = Paid up equity share capital + Preference Capital + Free Reserves – Miscellaneous Expenditure, (c) BV = Net worth / (Common equity shares + Preference shares), (d) RONW = Profit After Tax/Net worth.

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

The acquirers propose to increase their stake in BEL as the promoters of BEL are desirous of consolidating their holding in BEL while ensuring that the public shareholding in BEL does not fall below the minimum level permitted by the listing agreement.

Hence, this offer is being made pursuant to Regulation 11(2A) of Takeover Regulations for consolidation of holdings of the promoters without change in control. Assuming full acceptance, this offer will lead to an increase in the stake of the promoters from 67.41% to 74.41%.

The acquirers do not have any intention to change the board of directors of BEL except in the ordinary course of business subject to applicable laws.

The promoters are in control of the management of the Company and will make decisions regarding the future course of the Company. The Acquirers have no plan of any nature in relation to disposal of the assets of BEL in the next two years. The Acquirers undertake not to sell, dispose of or otherwise encumber any substantial assets of the Company except with the prior approval of the shareholders.

The Board of Directors of BEL 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

The shares that are tendered in the Offer may be those held by Non-Resident Indians or persons resident outside India who are not Non-Resident Indians, including Overseas Corporate Bodies, if any, holding shares in the Company who may be persons not covered by specific provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. The Offer is therefore subject to the receipt of the approval, if any, of the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for the acquisition of equity shares by the Acquirer from the aforesaid category of shareholders under the Offer and other related matters.

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 as directed by SEBI, for the delayed period in terms of Regulation 22(12) of the Takeover Regulations. If the delay occurs due to willful default of the Acquirers in obtaining requisite approvals, Regulation 22(13) of the Takeover Regulations will become applicable.

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

To the best of the Acquirers' knowledge, other than the approvals mentioned aforesaid, no other statutory or regulatory approval is required for the acquirers to proceed with the offer.

If any other approvals are required or 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. Continuous Listing

The minimum public shareholding required for continuous listing of the equity shares of BEL 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 BEL 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 BEL will not fall to a level below the limit for continuous listing specified in the listing agreement as the acquirers propose to acquire only 7.00% of the voting share capital of BEL which along with the existing shareholding of the promoters of BEL of 67.41%, will not exceed 75% of the voting share capital of BEL.

8. Funding Arrangement

The maximum purchase consideration payable by the Acquirers in case of full acceptance of this Offer would be Rs. 47,06,90,000/- for acquisition of 12,10,000 equity shares at the offer price of Rs. 389/- per share.

The Acquirers have opened an cash escrow account with YES Bank Ltd, in their capacity as the Escrow Banker , having their office at 9th Floor, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018 under the name and style of " BEL - Open Offer Escrow Account" and bearing No. 000180200000413 and deposited Rs. 11,81,00,000/- being more than 25% of the total purchase consideration payable under the Offer assuming full acceptance at the aforesaid offer price in accordance with Regulation 28 of the Takeover Regulations. Acquirers have confirmed that the funds lying in the above mentioned cash escrow account will be utilized exclusively for the purpose of the Offer. The Acquirers have authorized the Manager to the Offer to operate the cash escrow account in compliance with Regulation 28 of the Takeover Regulations. The Acquirers and the Escrow Banker have marked a lien on the a/c in favour of the Manager to the Offer.

Mr. Jagdish P. Lakhani, Partner, [Membership No 111396], M/s Gandhi & Lakhani, 4D, Kakad House, 11, New Marine Lines, Mumbai 400020, Tel No: 22006528 / 22001054, Fax: 22086898 and email: gandhilakhani@yahoo.com has certified vide his letter dated November 29, 2007 that Acquirers have adequate financial resources i.e. bank balance, redemption of mutual fund units and sale of investment in shares to finance the above mentioned acquisition of 12,10,000 equity shares to the extent of their obligations of the Offer. Firm arrangement for financial resources required to implement the offer is already in place. No borrowings from banks / financial institutions / foreign sources or otherwise is envisaged.

In view of above, the Manager to the Offer is 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 is 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 Takeover Regulations.

9. Other Terms of the Offer

The **LOF** with Form of Acceptance cum Acknowledgement ("**Acceptance Form**") will be mailed to the shareholders of BEL [except the Acquirers and the Promoters of BEL] whose names appear on the Register of Members of BEL 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 ["**NSDL**"] and Central Depository Services (India) Limited ["**CDSL**"], at the close of business hours on Friday – December 7, 2007 ("**Specified Date**"). All owners (registered or unregistered) of shares of BEL [except the Acquirers and the Promoters of BEL] who own/hold equity shares at any time before the date of closure of the Offer are eligible to participate in the Offer.

Intime Spectrum Registry Limited., having its office at C-13, Kantilal Maganlal Industrial Estate, (Pannalal Silk Mills Compound), L.B.S. Marg, Bhandup West Mumbai 400 078 is acting as the Registrar to the Offer ("**Registrar**"). The Registrar has opened a special depository account with NSDL through Stock Holding Corporation of India Limited, 44/1, Mehra Estate, L.B.S. Marg, Vikhroli (W), Mumbai - 400 078.

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 "**Escrow Account – BEL Offer**" as per the instructions given below:

Depository	NSDL
Depository Participant / DP	Stock Holding Corporation of India Limited
Client ID	20255042
DP ID	IN301330
ISIN	INE 193 E01017

Shareholders of BEL 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.

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.

Shareholders of BEL 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.

The equity shareholders of BEL 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.

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.

Addresses of the Collection Centres	Contact Persons	Mode of delivery	Phone / Fax / Email
Intime Spectrum Registry Limited, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400 078	Awani Thakkar	Hand Delivery/ Regd Post/ Courier	Tel: 022 2596 0320 Fax: 022 2596 0328/29 Email: bel.offer@intimespectrum.com
Intime Spectrum Registry Limited, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai - 400 001	Vivek Limaye	Hand Delivery	Tel: 022 2269 4127 Fax: 022 2596 0329 Email: vivek.limaye@intimespectrum.com

All owners (registered or unregistered) of shares of BEL [except the Acquirers and the Promoters of BEL] who own/hold equity shares at any time before the date of closure of the Offer are eligible to participate in the Offer.

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.

In case of non-receipt of the LOF, the eligible persons / shareholders of BEL 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 BEL may also obtain a copy of LOF by writing to the Registrar to the Offer superscribing the envelope "**BEL Open Offer**".

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

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.

Shareholders of BEL 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.

Shareholders of BEL who have lodged equity shares for transfer may either download the LOF 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 BEL for having lodged the equity shares for transfer. Shareholders of BEL who are attaching the acknowledgement are requested to direct BEL in writing to retain the share certificates for onward submission to the Registrar to the Offer.

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 BEL who have accepted the Offer, till the cheques/ drafts for the consideration and/or the unaccepted equity shares/share certificates are dispatched/returned.

In accordance with Regulation 22(5A) of the Takeover Regulations, shareholders of BEL who have tendered the requisite documents in terms of the PA and LOF 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 centres mentioned above as per the mode of delivery indicated therein on or before Thursday – February 7, 2008.

The withdrawal option can be exercised on submitting (a) the form of withdrawal which will be sent to shareholders of BEL along with the LOF 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.

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. 1,500/- 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 i.e. Wednesday – February 27, 2008.

A schedule of the activities in respect of the Offer is given below:

Activities	Days & Dates
Specified Date *	Friday – December 7, 2007
Last date for Competitive Bid	Friday – December 21, 2007
Date by which letter of offer to reach the shareholders	Monday – January 14, 2008
Date of opening of the Offer	Thursday – January 24, 2008
Last date for revising the Offer Price / number of equity shares	Friday – February 1, 2008
Last date up to which shareholders may withdraw	Thursday – February 7, 2008
Date of Closure of the Offer	Tuesday – February 12, 2008
Date for communicating acceptance/rejection under the Offer and payment of consideration for applications accepted.	Wednesday – February 27, 2008

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

The Offer is not conditional on any minimum level of acceptance. In the event that the Shares tendered in the Offer by the Shareholders of BEL are more than the Shares to be acquired under the Offer, the acquisition of Shares from each Shareholder will be as per the provisions of Regulation 21(6) of the Regulations i.e. on a proportionate basis, to be decided in a fair and equitable manner, in consultation with the Manager to the Offer, irrespective of whether the Shares are held in physical or dematerialized form.

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 BEL. 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 the acquirer under the Income-tax Act, 1961 (the "**Income Tax Act**") before remitting the consideration. In case the aforesaid Tax Clearance Certificate("**TCC**") is not submitted, acquirer 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.

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 TCC, 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, 1961.

Securities transaction tax will not be applicable to the shares accepted in this Offer.

In case of resident shareholders of BEL, 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 BEL 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 BEL eligible to receive interest component exceeding Rs. 5,000/- would be required to submit their Permanent Account Number for income tax purposes. Clauses relating to payment of Interest will become applicable only in the event of the Acquirers becoming liable to pay interest for delay in release of purchase consideration.

10. General

Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the PA / LOF, can withdraw the same up to three working days prior to the date of closure of the Offer i.e. upto Thursday – February 7, 2008.

The Acquirers can revise the Offer price upwards up to 7 working days prior to the closure of the Offer i.e. Friday – February 1, 2008 and if there is any upward revision in the Offer Price up to 7 (seven) working days prior to the date of closure of the Offer, the same would be informed by way of a public announcement in the same newspapers where this PA appears and the revised price would be payable to all shareholders of BEL who have tendered their equity shares anytime during the Offer.

The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the Securities and Exchange Board of India Act ("**SEBI Act**") or under any other regulations made under the SEBI Act.

Acquirers shall not acquire any shares of BEL outside this offer i.e. from the open market or through negotiation or in any other manner, during the offer period, as stipulated in Regulation 20(7) of Takeover Regulations.

If there is a competitive Offer / bid, (i) the public offers under all the subsisting bids shall close on the same day and (ii) as the Offer Price cannot be revised during 7 working days prior to the date of closure of the Offer / bids, it would be in the interest of the shareholders of BEL to wait till the commencement of that period to know the final Offer Price of each offer/bid and tender their acceptance accordingly.

Pursuant to Regulation 13 of the Takeover Regulations, the Acquirers have appointed YBL, Mumbai as Manager to the Offer and YBL does not hold any equity shares in the paid up equity share capital of BEL.

The Acquirers, viz, Mr. Rahul Bajaj, Mr. Shekhar Bajaj, Mr. Madhur Bajaj and Mr. Niraj Bajaj accept full responsibility for the information contained in this PA and also for the obligations of the Acquirers to the extent as required and as laid down in the Takeover Regulations and subsequent amendments made thereof.

All financial data contained in this PA have been rounded off to the nearest lakhs except where stated otherwise.

SEBI web site

This PA would also be available on SEBI's website at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of the LOF and Acceptance Form which will be available on SEBI's website from the date of opening of the Offer i.e., Thursday – January 24, 2008 and send their acceptances by filling in the same.

For further details, please refer to the LOF and Acceptance Form.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
YES BANK EXPERIENCE OUR EXPERTISE	INTIME SPECTRUM REGISTRY LIMITED
YES BANK Limited 12th Floor, Discovery of India Building Nehru Centre, Dr. Annie Besant Road Worli, Mumbai - 400 018 Tel. No: 91 22 6669 9000 Fax No: 91 22 2497 4158 E-mail: merchantbanking@yesbank.in SEBI Registration No: MB / INM 0000 10874 Contact: Dhanraj Uchil / Ajay Shete	**Intime Spectrum Registry Limited** C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup West Mumbai - 400 078 Tel No: 91 22 2596 0320 Fax No: 91 22 2596 0329 E-mail: bel.offer@intimespectrum.com SEBI Registration No: INR 00000 3761 Contact: Awani Thakkar

Issued by the Manager to the Offer on behalf of the Acquirers, viz, Mr. Rahul Bajaj, C/o Bajaj Auto Ltd., Mumbai Pune Road, Akurdi, Pune 411035; Mr. Shekhar Bajaj, Flat No. 211, Maker Tower A, Cuffe Parade, Mumbai 400005; Mr. Madhur Bajaj, C/o Bajaj Auto Ltd., Mumbai Pune Road, Akurdi, Pune 411035 and Mr. Niraj Bajaj Flat No. 97, Mount Unique, 62-A, Dr. G. Deshmukh Marg, Mumbai 400026.

Place : Mumbai
Date : November 30, 2007