LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as an Equity Shareholder of Bajaj Electricals Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer / Registrar to the Offer. In case you have recently sold your Shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement [which includes Form of Withdrawal] and transfer deed to the purchaser of Shares or the member of the stock exchange through whom the said sale was effected.

CASH OFFER
BY

Mr. Rahul Bajaj, C/o Bajaj Auto Ltd., Mumbai Pune Road, Akurdi, Pune 411035
Tel Nos : 91 22 2202 3626 / 91 22 2202 3725 Fax No : 91 22 2202 5160

Mr. Shekhar Bajaj, Flat No. 201, Maker Tower A, Cuffe Parade, Mumbai 400005 .
Tel Nos : 91 22 2202 3626 / 91 22 2202 3725 Fax No : 91 22 2202 5160

Mr. Madhur Bajaj, C/o Bajaj Auto Ltd., Mumbai Pune Road, Akurdi, Pune 411035
Tel Nos : 91 22 2202 3626 / 91 22 2202 3725 Fax No : 91 22 2202 5160

and

Mr. Niraj Bajaj, Flat No. 97, Mount Unique, 62-A, Dr. G. Deshmukh Marg, Mumbai 400026
Tel Nos : 91 22 2202 3626 / 91 22 2202 3725 Fax No : 91 22 2202 5160

[Acquirers"]

to acquire

upto 12,62,287 fully paid up equity shares of the face value of Rs. 10/- (Rupees Ten only) each, representing 7.00% of the expanded voting paid up equity share capital in terms of Regulation 21(5) of SEBI Takeover Regulation, at a price of Rs. 389.00 (Rupees Three Hundred and Eighty Nine only) per fully paid up equity share **("Offer Price")** payable in cash, of

BAJAJ
Bajaj Electricals Limited
Inspiring Trust

BAJAJ ELCTRICALS LIMITED

["the Company" / "BEL"]

Regd Office: 45 - 47, Veer Nariman Road, Mumbai 400 001.
Tel No: 91 22 2204 3841/5046/5341; Fax No: 91 22 2285 1279

Notes:

1. This Offer is being made pursuant to 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 ["**SEBI Takeover Regulations**"] as 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.
2. 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 there under for the acquisition of equity shares by the Acquirers from the aforesaid category of shareholders under the Offer and other related matters. RBI, vide their letter dated January 28, 2008 granted approval to the Acquirers to acquire upto 12,10,000 shares of BEL through open offer from the eligible non resident shareholders. Manager to the Offer, vide their letter dated September 26, 2008 filed an application with RBI for approval to the Acquirers to acquire additional 52,287 equity shares of BEL through open offer from the eligible non resident shareholders, as the number of shares to be acquired pursuant to the open offer have been revised upwards to ensure that the offer size is 7% of the expanded capital, in compliance with Regulation 21(5) of the SEBI Takeover Regulations.
3. The Shareholders who have accepted the Offer by tendering the requisite documents in terms of the PA/ Letter of Offer can withdraw the same up to three working days prior to the date of the closure of the Offer i.e. up to Tuesday – October 21, 2008.
4. The Acquirer is permitted to revise the Offer Price upwards any time up to seven working days prior to the date of closure of the Offer i.e. up to Wednesday – October 15, 2008. If there is an upward revision of the Offer Price in terms of Regulation 26 of SEBI Takeover Regulations, the same would be informed by way of a PA in the same newspapers where the original PA has appeared as mentioned in para no. 2.2.10 of this Letter of Offer. Such revised Offer Price would be payable by the Acquirers for all the Shares tendered anytime during the Offer.
5. This Offer is not conditional upon any minimum level of acceptances.
6. **There has been no competitive bid.**
7. **As the Offer Price cannot be revised during seven working days prior to the closing date of the Offer, it would be in the interest of the Shareholders to wait till the commencement of that period to know the final Offer Price and tender their acceptance accordingly.**
8. The Form of Acceptance cum Acknowledgement together with the Form of Withdrawal is enclosed with this Letter of Offer.
9. A copy of the PA and Letter of Offer (including Form of Acceptance-cum-Acknowledgement which includes Form of Withdrawal) are also available on SEBI's website at www.sebi.gov.in from the date of opening of the Offer i.e., Monday – October 6, 2008.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
YES BANK EXPERIENCE OUR EXPERTISE **YES BANK Limited** 12th Floor, Discovery of India Building Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018 Tel No: 91 22 6669 9000 Fax No: 91 22 2497 4158 Email ID: merchantbanking@yesbank.in SEBI Reg No: MB / INM 0000 10874 Contact : Dhanraj Uchil / Ajay Shete	INTIME SPECTRUM REGISTRY LIMITED **Intime Spectrum Registry Ltd.** 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

Offer Opens : Monday - October 6, 2008	**Offer Closes :** Saturday - October 25, 2008

Schedule of the Activities

Activities	Schedule as per PA	Revised schedule
Specified Date *	Friday – December 7, 2007	Friday – December 7 , 2007
Last date for Competitive Bid	Friday – December 21, 2007	Friday – December 21, 2007
Date by which letter of offer to be dispatched to shareholders	Monday – January 14, 2008	Tuesday – September 30, 2008
Date of opening of the Offer	Thursday – January 24, 2008	Monday – October 6 , 2008
Last date for revising the Offer Price / number of equity shares	Friday – February 1, 2008	Wednesday - October 15, 2008
Last date up to which shareholders may withdraw	Thursday – February 7, 2008	Tuesday- October 21, 2008
Date of Closure of the Offer	Tuesday – February 12, 2008	Saturday– October 25, 2008
Date for communicating acceptance/rejection under the Offer and payment of consideration for applications accepted.	Wednesday – February 27, 2008	Saturday – November 8, 2008

* Specified Date is only for the purpose of determining the names of Shareholders of the Company as on such date to whom the Letter of Offer is sent.

Risk factors (a) relating to the transaction, (b) relating to the Offer and (c) involved in associating with the Acquirers and likely adverse effect of these risk factors on the Shareholders.

This Offer is being made pursuant to Regulations 11(2A) of the SEBI Takeover Regulations as 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.

Risk factors relating to the Offer

1. 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 there under for the acquisition of equity shares by the Acquirers from the aforesaid category of shareholders under the Offer and other related matters. RBI, vide their letter dated January 28, 2008 granted approval to the Acquirers to acquire upto 12,10,000 equity shares of BEL through open offer from the eligible non resident shareholders. Manager to the Offer, vide their letter dated September 26, 2008 filed an application with RBI for approval to the Acquirers to acquire additional 52,287 equity shares of BEL through open offer from the eligible non resident shareholders, as the number of shares to be acquired pursuant to the open offer have been revised upwards to ensure that the offer size is 7% of the expanded capital in compliance with Regulation 21(5) of the SEBI Takeover Regulations.
2. In the event that either (a) there is any litigation leading to a stay on the Offer or (b) SEBI instructing the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders of BEL whose Shares are accepted under this Offer as well as the return of Shares not accepted under this Offer by the Acquirers may get delayed. In case of delay, due to non-receipt of statutory approval(s), as per regulation 22(12) of the SEBI Takeover Regulations, SEBI, may, if satisfied, that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers agreeing to pay interest to the Shareholders.
3. The Shareholders should note that after the last date of withdrawal i.e. Tuesday – October 21, 2008, the Shareholders who have lodged their acceptances would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered Shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders, the payment of consideration and other Offer obligations are completed.

Risk factors involved in associating with the Acquirers

1. The Shares tendered in the Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities and the Shareholders will not be able to trade such Shares. During such period there may be fluctuations in the market price of the Shares. The Acquirers make no assurance with respect to the market price of the Shares both during the Offer period and after completion of the Offer and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
2. The Acquirers make no assurance with respect to the future financial performance of BEL.

   The indicative risk factors set forth above are in relation to the Offer and not in relation to the present or future business or operations of BEL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder in the Offer or in associating with the Acquirers. The Shareholders of BEL are advised to consult their stock broker or investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.

DEFINITIONS

The Acquirers	Mr. Rahul Bajaj, Mr. Shekhar Bajaj, Mr. Madhur Bajaj and Mr. Niraj Bajaj
Board / Board of Directors / Directors	Board of Directors of BEL
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services India Limited
DP	Depository Participant
Depositories	NSDL and CDSL
DSE	Delhi Stock Exchange Limited
EPS	Earnings Per Share
FIIs	Foreign Institutional Investors
GOI	Government of India
LOF	Letter of Offer
Manager to the Offer/ YES Bank	YES Bank Limited
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
Offer	Offer to acquire upto 12,62,287 Shares representing 7.00% of the expanded voting paid up equity share capital of BEL
Offer Price	Rs. 389.00 (Rupees Three Hundred and Eighty Nine only) per fully paid up equity share
PAT	Profit After Tax
Persons eligible to participate in the Offer	All owners (registered and unregistered) of Shares of BEL except the Acquirers and the Promoters of BEL
Promoters	Promoters of BEL
Public Announcement/ PA	PA for the Offer released on behalf of the Acquirers on November 30 , 2007
Registrar / Registrar to the Offer	Intime Spectrum Registry Ltd
Regulations/ Takeover Regulations/ SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
RBI	Reserve Bank of India
RONW	Return on Net Worth
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
Shares	Fully paid up equity shares of Rs. 10/- (Rupees Ten only) each of BEL
Shareholders / Equity Shareholders	All owners (registered or unregistered) of Shares
Stock Exchanges	BSE, DSE and NSE where the Shares are presently listed
Target Company/ The Company/ BEL	Bajaj Electricals Limited

1 DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF BEL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, YES BANK LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 14, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI TAKEOVER REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

2 DETAILS OF THE OFFER

2.1 Background of the Offer

2.1.1 This Offer is being made pursuant to Regulations 11(2A) of the SEBI Takeover Regulations as 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. The Acquirers will be in control of the management of the Company along with the Promoters. Hence, this offer is being made for consolidation of holdings of the promoters without change in control.

2.1.2 Promoters, hold 1,16,51,690 fully paid up equity shares of Rs. 10/- each representing 67.41% of the current voting paid up equity share capital of the company. Acquirers form part of the promoter group of BEL and together hold 24,13,408 fully paid up equity shares of Rs. 10/- each representing 13.97% of the current voting paid up equity share capital of BEL. Except above, the Acquirers do not hold any equity shares carrying voting rights in BEL.

2.1.3 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 the PA. The Acquirers have not acquired directly or through any person, any equity shares in BEL during the twelve months preceding the date of the 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 the PA by way of (a) allotment in public issue or (b) allotment in rights issue or (c) preferential allotment.

2.1.4 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. The proportion of funding by the Acquirers for their obligation under the Offer is as follows:

(a) Mr. Rahul Bajaj 50.00 %, (b)Mr. Shekhar Bajaj 16.66 %,(c) Mr. Madhur Bajaj 16.67 % and (d)Mr. Niraj Bajaj 16.67 %.

2.1.5 The Acquirers and the Company have not been prohibited by SEBI from dealing in securities in terms of directions issued under section 11B of SEBI Act or under any of the regulations made under the SEBI Act.

2.2 Details of the proposed Offer

2.2.1 The Acquirers are making this voluntary open offer, in compliance with Regulation 11(2A) of Takeover Regulations, to acquire upto 12,62,287 fully paid up equity shares of Rs.10/- each, representing 7.00% of the expanded 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. This is not a competitive bid.

2.2.2 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 7,46,900 equity shares of Rs. 10/- each to the employees under Employees Stock Option Scheme 2007 (ESOP Scheme) 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. As per the terms of the ESOP scheme, the aforesaid options, exercisable into 7,46,900 equity shares of Rs. 10/- each will vest on October 25, 2008. Therefore, while determining the public offer size, paid up equity share capital of Rs.18,03,26,600/- comprising of 1,80,32,660 equity shares of Rs. 10/- each is considered in terms of Regulation 21(5) of SEBI Takeover Regulations which provides that for the purpose of determining the minimum public offer size, voting rights as at the expiration of 15 days after the closure of the proposed public offer shall be reckoned.

2.2.3 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.

2.2.4 This is not a competitive bid. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of BEL

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

2.2.6 Regulation 21(3)(b) of Takeover Regulations provides that "the minimum size of the public offer made under 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." 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.

2.2.7 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. Further, the Remuneration and Compensation Committee of the Directors, in their meeting held on October 25, 2007 granted options exercisable into 7,46,900 equity shares of Rs. 10/- each to the employees under Employees Stock Option Scheme 2007 (ESOP Scheme) 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. As per the terms of the ESOP scheme, the aforesaid options, exercisable into 7,46,900 equity shares of Rs. 10/- each will vest on October 25, 2008. Therefore, while determining the public offer size, paid up equity share capital of Rs.18,03,26,600/- comprising of 1,80,32,660 equity shares of Rs. 10/- each is considered in terms of Regulation 21(5) of SEBI Takeover Regulations which provides that for the purpose of determining the minimum public offer size, voting rights as at the expiration of 15 days after the closure of the proposed public offer shall be reckoned.

2.2.8 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 12,62,287 equity shares that are tendered in the valid form in terms of this Offer subject to the terms and conditions mentioned in the PA and this Letter of Offer ("LOF").

2.2.9 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.

2.2.10 The PA was published in the newspapers in terms of Regulation 15(1) of SEBI Takeover Regulations on November 30, 2007 and the details of the same are as follows:

Language	Name of Newspaper	Editions
English	Financial Express	All editions
Hindi	Jansatta	All editions
Marathi	Navshakti	Mumbai*

* Shares of BEL are listed on BSE, NSE and DSE but shares of BEL are most frequently traded on BSE. Registered Office of BEL is situated at Mumbai in Maharashtra. Therefore, the PA was published in the Mumbai edition of Marathi newspaper i.e. Navshakti.

A copy of the PA is also available on SEBI web site at www.sebi.gov.in

2.2.11 The contents of the PA completely cover each and every detail specified in the Format of the disclosure to be made in the PA as required in terms of the SEBI Takeover Regulations. The PA has also been sent not only to every stock exchange where the shares are listed, but also to BEL as per the requirements of Regulation 15(2) of SEBI Takeover Regulations.

2.2.12 In case of any upward revision in the Offer Price by the Acquirers at any time up to seven working days prior to the date of closure of the Offer i.e. Wednesday –October 15, 2008, the same would be announced in the above mentioned newspapers and the revised Offer Price would be payable by the Acquirers for all Shares tendered at anytime during the Offer and accepted under the Offer.

2.2.13 Acquirers hold 24,13,408 fully paid up equity shares of Rs. 10/- each representing 13.97% of the voting paid up equity share capital of BEL. The Acquirers do not hold any Shares or securities convertible into Shares of BEL as on the date of the PA other than as mentioned above and have not acquired any Shares of BEL from the date of PA till the date of this Letter of Offer as the 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.

2.2.14 The Shares acquired by the Acquirers, pursuant to this Offer, will be free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

2.2.15 There has been no competitive bid.

2.2.16 As the Offer Price can not be revised during seven working days prior to the date of closure of this Offer, it would, therefore, be in the interest of Shareholders to wait till the commencement of that period to know the final Offer Price and tender their acceptance accordingly.

2.2.17 This Offer is being made to all Shareholders of BEL except the Acquirers and the promoters of BEL.

2.3 Reasons for the acquisition, rationale/ object of the Offer and future plans

2.3.1 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.

2.3.2 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 74.71% of the current paid up capital of the company.

2.3.3 Acquirers do not currently have any plans to dispose of or otherwise encumber any assets of BEL in the two years from the date of the closure of this Offer except in the ordinary course of business to the extent permitted by applicable laws.

2.3.4 As on the date of this Letter of Offer, Mr. Shekhar Bajaj and Mr. Madhur Bajaj are on the Board of BEL. 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.

2.3.5 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

2.3.6 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.

3. BACKGROUND OF THE ACQUIRERS

Mr. Rahul Bajaj, Mr. Shekhar Bajaj, Mr. Madhur Bajaj and Mr. Niraj Bajaj are the Acquirers. No other person / entity is acting in concert with the Acquirers for the purpose of this open 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.

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.

Mr. Rahul Bajaj - Acquirer

3.1 Mr. Rahul Bajaj, aged 70 years, son of Late Shri Kamalnayan Bajaj, resides at C/o Bajaj Auto Ltd., Mumbai - Pune Road, Akurdi, Pune 411035. Tel Nos : 91 22 2202 3626 / 91 22 2202 3725 Fax No : 91 22 2202 5160

3.2 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.

3.3 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.

3.4 He is holding 7,64,920 equity shares in BEL representing 4.43% of the current paid up equity capital of the Company as on the date of the PA.

3.5 He is a full time director (as a Chairman) in Bajaj Auto Ltd. whereas he is on the Boards of Bajaj Auto Finance Ltd, Bajaj Allianz General Insurance Company Ltd, Bajaj Allianz Life Insurance Company Ltd, Bajaj Holdings & Investment Ltd., Bajaj Finserv Ltd., Kamalnayan Investment & Trading Pvt Ltd , Rahul Securities Pvt Ltd. and Bajaj Financial Solutions Limited as Chairman of the Board and Mukand Ltd. in his capacity as a Director.

Mr. Shekhar Bajaj - Acquirer

3.6 Mr. Shekhar Bajaj, aged 60 years, son of Late Shri Ramkrishna Bajaj, resides at Flat No. 201, Maker Tower A, Cuffe Parade, Mumbai 400005**.** Tel Nos : 91 22 2202 3626 / 91 22 2202 3725 Fax No : 91 22 2202 5160

3.7 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).

3.8 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.

3.9 He is holding 6,97,720 shares in BEL representing 4.04% of the current paid up equity capital of the Company as on the date of the PA which includes 1,28,880 shares held as Trustee of Bajaj Electricals Ltd Employee’s Welfare Funds.

3.10 He is a full time director in Bajaj Electricals Ltd. (as Chairman & Managing Director) whereas he is on the Boards of Hercules Hoists Ltd., Hind Musafir Agency Ltd., Hind Lamps Ltd., Bajaj International Pvt Ltd., Bachhraj Factories Pvt Ltd., Bajaj Ventures Ltd. and Shekhar Holdings Pvt Ltd. as Chairman of the Board and on the Boards of Bajaj Auto Ltd., Bajaj Sevashram Private Ltd., Rudi Multi Trading Co. Ltd. and Starlite Lighting Ltd. in his capacity as a Director.

Mr. Madhur Bajaj - Acquirer

3.11 Mr. Madhur Bajaj, aged 56 years, son of Late Shri Ramkrishna Bajaj, resides at C/o Bajaj Auto Ltd., Mumbai- Pune Road, Akurdi, Pune 411035. Tel Nos : 91 22 2202 3626 / 91 22 2202 3725 Fax No : 91 22 2202 5160

3.12 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 Limited 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.

3.13 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

3.14 He is holding 4,79,144 shares in BEL representing 2.77% of the current paid up equity capital of the Company as on the date of the PA which includes 80,000 shares held as Trustee of Bajaj Auto Ltd Employee's Welfare Funds.

3.15 He is a full time director in Bajaj Auto Ltd. (as Vice-Chairman) whereas he is on the Board of Maharashtra Scooters Ltd. (as Chairman), Bajaj Auto Finance Ltd. (as a Director) and Bajaj Electricals Ltd. (as a Director). He is also on the Boards of Bajaj Auto Holdings Ltd., Bajaj Holdings & Investment Ltd., Bajaj Finserv Ltd, Econium Investments & Finance Ltd, Catalyst Finance Limited, Lineage Investments Ltd, Conquest Investments & Finance Ltd, Emerald Acres Pvt Ltd. and Madhur Securities Pvt Ltd., as a Director.

Mr. Niraj Bajaj- Acquirer

3.16 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. Tel Nos : 91 22 2202 3626 / 91 22 2202 3725 Fax No : 91 22 2202 5160

3.17 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 was the immediate Past 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.

3.18 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.

3.19 He is holding 4,71,624 shares in BEL representing 2.73% of the current paid up equity capital of the Company as on the date of the PA.

3.20 He is a full time director in Mukand Ltd. (as Chairman & Managing Director) whereas he is on the Boards of Bajaj Auto Ltd. (as a Director), Bajaj Hindusthan Ltd. (as a Director), Mukand Engineers Ltd. (as a Director), Hind Rectifiers Ltd. (as a Director) and RPG Life Sciences Ltd. (as a Director). He is also on the Boards of Bajaj Allianz General Insurance Co.Ltd, Bajaj Allianz Life Insurance Company Ltd, Bachhraj & Co. Pvt. Ltd, Baroda Industries Pvt.Ltd., Hospet Steels Ltd., Jeewan Limited, Mukand Vijaynagar Steel Ltd, Jamnalal Sons Pvt. Ltd Rahul Securities Pvt. Ltd, Shekhar Holdings Pvt. Ltd Madhur Securities Pvt. Ltd., Niraj Holdings Pvt. Ltd., Mukand International Ltd., (U.K).

As detailed above, as on the date of this Letter of Offer Mr. Shekhar Bajaj and Mr. Madhur Bajaj are on the Board of BEL.

3.21 The Acquirers have not acquired directly or through any person, any equity shares in BEL during the twelve months preceding the date of the 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 the PA by way of (a) allotment in public issue or (b) allotment in rights issue or (c) preferential allotment.

3.22 Acquirers have complied with the provisions of Chapter II of SEBI Takeover Regulations.

Relation between the Acquirers

3.23 Mr. Shekhar Bajaj, Mr. Madhur Bajaj and Mr. Niraj Bajaj are brothers and Mr. Rahul Bajaj is their cousin brother.

3.24 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.

3.25 The Acquirers have not entered into any formal agreement with respect to the acquisition of shares of BEL through this Offer except that it has been mutually decided that the 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 %.

<u>Disclosure in terms of Regulation 16(ix) of Takeover Regulations and future plans / strategies of the Acquirers with regard to BEL:</u>

3.26 Acquirers together hold 24,13,408 fully paid up equity shares of Rs. 10/- each representing 13.97% of the current voting paid up equity share capital of BEL. Promoters hold 1,16,51,690 fully paid up equity shares of Rs. 10/- each representing 67.41% of the current voting paid up equity share capital of BEL. Assuming full acceptance, this offer will lead to an increase in the stake of the promoters from 67.41% to 74.71% of the current voting paid up equity share capital of BEL. 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. Consolidation of the holding is the object and purpose of this acquisition.

3.27 Acquirer does not currently have any plans to dispose of or otherwise encumber any assets of BEL in the two years from the date of the closure of this Offer except in the ordinary course of business to the extent permitted by applicable laws. Acquirers will take decisions regarding the future course of BEL including with regard to disposal of assets of BEL in the next two years in the ordinary course of business with the approval of the shareholders. Acquirers hereby undertake not to sell, dispose of or otherwise encumber any substantial assets of BEL except with the prior approval of the shareholders.

3.28 Acquirers will take appropriate decisions in the aforesaid matters as per the requirements of business and in line with opportunities or changes in the economic scenario, from time to time.

3.29 Mr. Shekhar Bajaj and Mr. Madhur Bajaj are on the Board of BEL. 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.

4. DISCLOSURE WITH REGARD TO 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 expanded 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 current voting share capital of BEL.

5. BACKGROUND OF THE TARGET COMPANY – BEL

5.1 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. Tel: 91 22 2204 3841/5046/5341. Corporate offices of the Company are situated at 51, Mahatma Gandhi Road, Mumbai 400 001; Tel: 91 22 2204 3780/2285 1462/1464 and 15/17, Sant Savta Marg, Reay Road, Mumbai 400 010; Tel: 91 22 2372 4192/5168/9083. 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.

5.2 BEL has 2 manufacturing units located at Chakan [Village Mahalunge, Chakan Talegaon Road, Khed, Pune 410 501] and Ranjangaon [Village Dhoksanghvi, Taluka Shirur, Ranjangaon, Pune 412 210] where as Wind Farm is situated at Village Vankusawade, Tal. Satara, Dist. Patan, Maharashtra.

5.3 Matchwel Electricals (India) Limited, a manufacturer of electric fans became the subsidiary of the Company in the year 1964 and with effect from July 1, 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.

5.4 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.

5.5 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 April 1, 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.

5.6 The main objects of the Company are –

To manufacture, assemble, repair, buy, sell, import, export, hire, exchange, alter or improve, or otherwise deal in all kinds of electrical goods, instruments, appliances, and apparatus of every kind and description including lighting fittings, and effects of every kind and description, machinery and equipment, transformers, switchgear, motors, fans, all parts, components, accessories and raw materials and all articles, goods and things required for or capable of being used for, or in connection with the generation, transformation, propogation, distribution, supply measurement, accumulation and employment of electricity, heat, light, gas, atomic, solar and other power for any purposes whatsoever.

5.7 The Promoters of BEL are (a) Bajaj family members and (b) companies forming part of the Bajaj Group. Some of the major companies of Bajaj Group are Bajaj Auto Ltd., Bajaj Auto Finance Ltd., Bajaj Allianz General Insurance Co.Ltd., Bajaj Allianz Life Insurance Company Ltd., Bajaj Electricals Ltd., Mukand Ltd., Bajaj Hindusthan Ltd.

5.8 Bajaj Group manufactures and markets a wide range of products and renders services in India and abroad and is engaged in the business of manufacturing and marketing of two and three wheelers, electrical good, home appliances, lamps & luminaries, wind energy, special alloy & stainless steel, castings, cranes, forgings, infrastructure development, sugar & ethanol, cosmetics & herbal products, material handling equipment, travel, general & life insurance and investment & financial services.

5.9 At present, following individuals and corporate entities are the promoters of BEL and they are the Promoters of the Company in terms of regulation 2(1)(h) of the Takeover Regulations.

Name of the Shareholders	**No. of Shares**	**%**
Anant Bajaj	3,57,632	2.07
Deepa Bajaj	25,600	0.15
Kevin D'Sa ,BAL Emp.Welfare Fund	1,92,380	1.11
Kiran Bajaj	66,800	0.39
Kumud Bajaj	1,96,640	1.14
Kushagra Bajaj	42,000	0.24
Madhur Bajaj *	4,79,144	2.77
Minakshi Bajaj	34,000	0.20
Minal Bajaj	57,440	0.33
Neelima Bajaj	4,000	0.02
Niraj Bajaj	4,71,624	2.73
Niravnayan Bajaj	30,000	0.17
Rahulkumar Bajaj	7,64,920	4.43
Rajivnayan Bajaj	73,672	0.43
Rameshwarprasad Nevatia	4,500	0.03
Ruparani Bajaj	24,000	0.14
Sanjivnayan Bajaj	1,44,272	0.83
Savitridevi Bajaj	15,000	0.09
Shekhar Bajaj **	6,97,720	4.04
Shishir Bajaj	2,92,372	1.69
Sunaina Kejriwal	1,91,640	1.11
V.S. Raghavan, BAL Emp.Welfare Fund	1,00,000	0.58
Bajaj Auto Limited	23,06,768	13.34
Bajaj International Pvt. Ltd.	4,00,000	2.31
Bajaj Sevashram Private Limited	18,000	0.10
Hind Musafir Agency Ltd.	4,00,000	2.31
Jamnalal Sons Pvt Ltd. ***	41,65,566	24.10
Shekhar Holdings Pvt. Ltd.	96,000	0.56
Total	1,16,51,690	67.41

* includes 80,000 shares held as a Trustee of Bajaj Auto Ltd – Employees Welfare Funds.

** includes 1,28,880 shares held as a Trustee of Bajaj Electricals Ltd – Employees Welfare Funds.

*** includes 1,20,000 shares held on account of Bajaj Trading Company.

5.10 There were no mergers, de-mergers and/or spin-offs involving BEL during the last three years.

5.11 The equity capital structure of BEL as on the date of the PA was as under:

Shares	No of equity shares / voting rights	% of equity shares / voting rights
Fully paid-up equity shares of Rs. 10/- (Rupees Ten only) each	1,72,85,760	100.00
Partly paid-up equity shares	-	-
Total paid up equity shares of Rs. 10/- (Rupees Ten only) each	1,72,85,760	100.00
Total voting rights in Target Company	1,72,85,760	100.00

There are no outstanding convertible instruments as on the date of the PA and as on the date of letter of offer. However, the Remuneration and Compensation Committee of the Directors, in their meeting held on October 25, 2007 granted options exercisable into 7,46,900 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. There are no outstanding partly paid up equity shares in the books of BEL.

5.12 Details of share capital history of BEL as on the date of this Letter of Offer is as under:

Date of Allotment	Number of Shares Refer Note (a)	Percent of existing paid-up capital	Cumulative	Mode of Allotment	Identity of allottees	Status of Compliance
3.3.1940	2,800	0.02	2,800	Consideration-Royalty	M/s. Industria Lampade E.R.	Complied
24.2.1942	17,200	0.10	20,000	Rights Issue	Existing Shareholders	Complied
9.7.1942	20,000	0.12	40,000	Rights Issue	Existing Shareholders	Complied
26.6.1943	10,000	0.06	50,000	Conversion of Deb.	Refer Note (b)	Complied
26.6.1943	42,870	0.25	92,870	Rights Issue	Existing Shareholders	Complied
29.8.1945	6,280	0.04	99,150	Rights Issue	Existing Shareholders	Complied
29.8.1945	730	0.00	99,880	Rights Issue	Existing Shareholders	Complied
13.10.1945	150	0.00	1,00,030	Rights Issue	Existing Shareholders	Complied
31.12.1945	6,050	0.03	1,06,080	Rights Issue	Existing Shareholders	Complied
2.12.1942	-30	0.00	1,06,050	Forfeited	Mr. K.R.Mangharmalani Refer Note (c)	Complied
25.1.1946	1,300	0.01	1,07,350	Rights Issue	Existing Shareholders	Complied
29.4.1946	400	0.00	1,07,750	Rights Issue	Existing Shareholders	Complied
4.7.1946	570	0.00	1,08,320	Rights Issue	Existing Shareholders	Complied
28.8.1946	500	0.00	1,08,820	Rights Issue	Existing Shareholders	Complied
21.11.1946	4,900	0.03	1,13,720	Rights Issue	Existing Shareholders	Complied
12.2.1947	16,720	0.10	1,30,440	Rights Issue	Existing Shareholders	Complied
14.4.1947	2,240	0.01	1,32,680	Rights Issue	Existing Shareholders	Complied
22.4.1947	7,000	0.04	1,39,680	Rights Issue	Existing Shareholders	Complied
7.5.1947	2,600	0.02	1,42,280	Rights Issue	Existing Shareholders	Complied
25.7.1947	1,000	0.01	1,43,280	Rights Issue	Existing Shareholders	Complied
13.9.1947	45,600	0.26	1,88,880	Rights Issue	Existing Shareholders	Complied
13.9.1947	4,000	0.02	1,92,880	Rights Issue	Existing Shareholders	Complied
2.1.1948	1,250	0.01	1,94,130	Rights Issue	Existing Shareholders	Complied
30.3.1948	7,670	0.04	2,01,800	Rights Issue	Existing Shareholders	Complied
30.3.1948	3,200	0.02	2,05,000	Rights Issue	Existing Shareholders	Complied
31.3.1954	-4,140	0.02	2,00,860	Reduction	Ref. Note **(d)**	Complied
31.3.1955	-460	0.00	2,00,400	Reduction	Ref. Note **(e)**	Complied
31.3.1956	-280	0.00	2,00,120	Reduction	Ref. Note **(f)**	Complied
31.3.1957	-110	0.00	2,00,010	Reduction	Ref. Note **(g)**	Complied
7.2.1958	28,220	0.16	2,28,230	Rights Issue	Existing Shareholders	Complied
24.2.1958	6,060	0.04	2,34,290	Rights Issue	Existing Shareholders	Complied
27.3.1958	15,710	0.09	2,50,000	Rights Issue	Existing Shareholders	Complied
5.9.1959	1,18,240	0.68	3,68,240	Rights Issue	Existing Shareholders	Complied

21.11.1959	3,850	0.02	3,72,090	Rights Issue	Existing Shareholders	Complied
30.3.1960	2,910	0.02	3,75,000	Rights Issue	Existing Shareholders	Complied
15.2.1962	88,460	0.51	4,63,460	Rights Issue	Existing Shareholders	Complied
23.3.1962	9,940	0.06	4,73,400	Rights Issue	Existing Shareholders	Complied
2.5.1962	1,600	0.01	4,75,000	Rights Issue	Existing Shareholders	Complied
16.11.1963	2,75,000	1.59	7,50,000	Rights Issue	Existing Shareholders	Complied
23.6.1982	1,72,780	1.00	9,22,780	Conversion of Deferred shares into Equity	Existing Shareholders [Refer Note (h)]	Complied
1.10.1986	37,540	0.22	9,60,320	Issued to the Shareholders of amalgamating company	[Refer Note (i)]	Complied
21.11.1989	9,54,520	5.52	19,14,840	Bonus Issue	Existing Shareholders	Complied
24.1.1990	5,800	0.03	19,20,640	Bonus Issue	Existing Shareholders	Complied
24.6.1995	9,60,320	5.56	28,80,960	Rights Issue	Existing Shareholders	Complied
6.12.1997	14,40,480	8.33	43,21,440	Bonus Issue	Existing Shareholders	Complied
20.11.2003	43,21,440	25.00	86,42,880	Rights Issue	Existing Shareholders	Complied
10.9.2007	86,42,880	50.00	1,72,85,760	Bonus Issue	Existing Shareholders	Complied
Total:	**1,72,85,760**	**100.00**				

All shares issued since the date of incorporation of the Company are fully paid up.

Notes:

a) Prior to conversion of each Ordinary/Equity Shares of Rs.100/- into the Equity Shares of Rs.10/- each on 28.11.1994, each Ordinary/Equity Share was of Rs.100/-

b) 1,000 Equity Shares of Rs.100/- each bearing distinctive numbers from 4001 to 5000 were allotted to the following Debentureholders on conversion of Debentures into Equity Shares.

Sr.	Name of Debenture holders	No. of Debentures	Distinctive Nos. of Debentures		Number of Shares allotted	Distinctive Numbers of Shares	
1.	Mr.Kishenchand	30	1	1	150	4001	4150
			68	96			
2.	Mr.Harishchander	10	40	49	50	4151	4200
3.	L.Rajpaul Chadha	4	2	5	20	4201	4220
4.	Traders Bank Ltd.	114	50	50	570	4221	4790
			59	67			
			97	200			
5.	Punjab Safe Deposit Ltd	14	6	19	70	4791	4860
6.	Sh.Rajwati	1	20	20	5	4861	4865
7.	Mr.Ravi Raj	1	57	57	5	4866	4870
8.	Mr.Raghu Raj	1	56	56	5	4871	4875
9.	L.Harkishen Lal	1	58	58	5	4876	4880
10.	Mr.Gyan Prakash Sahni	6	29	34	30	4881	4910
11.	Mr.H.R. Davar	8	21	28	40	4911	4950
12.	Mr.Malikram Chandhok	10	35	39	50	4951	5000
			51	55			
		200			1000		

c) Forfeited vide Resolution dated 2.12.1942

d) 913 Partly Paid-up Ordinary Shares were converted into 499 fully paid-up Ordinary Shares under Displaced Persons Debt Adjustment Act, 1951, thereby resulting in a reduction of paid-up capital.

Sr.	Name of the Shareholders	No.of Partly Paid Shares	No. of fully paid-up Shares	No. of shares Reduced
1.	Mrs.Laila J. Kaycee	45	17	28
2.	Mr.Jethanand K. Kaycee	162	134	28
3.	Mr.Gurumukhti	233	86	147
4.	Mr.Govindram	222	127	95
5.	Mrs.Savitri Kishanchand	142	82	60
6.	Mr.C.M. Jatiani	100	47	53
7.	Mr.P.M. Mukhi	9	6	3
	Total	913	499	414

e) 97 Partly Paid-up Ordinary Shares were converted into 51 fully paid-up Ordinary Shares under Displaced Persons Debt Adjustment Act, 1951, thereby resulting in a reduction of paid-up capital.

Sr.	Name of the Shareholders	No.of Partly Paid Shares	No. of fully paid-up Shares	No. of shares Reduced
1.	Mr.Ramlal Kakar	97	51	46

f) 60 Partly Paid-up Ordinary Shares were converted into 32 fully paid-up Ordinary Shares under Displaced Persons Debt Adjustment Act, 1951, thereby resulting in a reduction of paid-up capital.

Sr.	Name of the Shareholders	No.of Partly Paid Shares	No. of fully paid-up Shares	No. of shares Reduced
1.	Mr.Lalchand Bhatia	20	11	9
2.	Mr.D.R. Sondhi	40	21	19
	Total	60	32	28

g) 25 Partly Paid-up Ordinary Shares were converted into 14 fully paid-up Ordinary Shares under Displaced Persons Debt Adjustment Act, 1951, thereby resulting in a reduction of paid-up capital.

Sr.	Name of the Shareholders	No.of Partly Paid Shares	No. of fully paid-up Shares	No. of shares Reduced
1.	Mr.Ramchand K. Jagtiani	20	11	9
2.	Ms.I.R. Adwani	5	3	2
	Total	25	14	11

h) 17,228 Equity Shares of Rs.100/- each were issued to the Deferred Shareholders pursuant to the Scheme of Conversion of Deferred Shares into Equity Shares sanctioned by the Hon'ble High Court, Bombay vide its order dated 23rd June, 1982 and by the Controller of Capital Issue, New Delhi vide its letter No.R-126-CCI/82 dated 2nd November, 1982

i) 3,754 Equity Shares of Rs.100/- each were issued as fully paid to the Shareholders of Matchwell Electricals (India) Limited in terms of Scheme of Amalgamation in the ratio of 1 Equity Share of Rs.100/- against 20 Equity Shares of Rs.10/- each. Controller of Capital Issues granted its consent vide its letter No.R-605/CCI/86 dated 30th September, 1986.

5.13 Details of change in the shareholding of the promoters of BEL are as follows:

Date	No of Shares Acquired	Mode of Acquisition	No of Shares Sold	Promoter holding	Compliance
1	2	3	4	5	6
3/31/1997	**-**	**-**	**-**	**1,106,922**	
5/28/1997	-	Inter-se-transfer	16,000	10,90,922	Complied
5/28/1997	16,000	Inter-se-transfer	-	11,06,922	Complied
6/1/1997	-	Inter-se-transfer	13,540	10,93,382	Complied
6/1/1997	13,540	Inter-se-transfer	-	11,06,922	Complied
6/21/1997	-	Inter-se-transfer	5,000	11,01,922	Complied
6/21/1997	2,500	Inter-se-transfer	-	11,04,422	Complied
6/21/1997	2,500	Inter-se-transfer	-	11,06,922	Complied

Date	No of Shares Acquired	Mode of Acquisition	No of Shares Sold	Promoter holding	Compliance
1	2	3	4	5	6
10/27/1997	-	Inter-se-transfer	500	11,06,422	Refer Note 1
10/27/1997	-	Inter-se-transfer	500	11,05,922	Refer Note 1
10/27/1997	-	Inter-se-transfer	500	11,05,422	Refer Note 1
10/27/1997	-	Inter-se-transfer	500	11,04,922	Refer Note 1
10/27/1997	2,000	Inter-se-transfer	-	11,06,922	Refer Note 1
12/6/1997	553,461	Bonus Shares	-	16,60,383	Complied
1/21/1998	-	Inter-se-transfer	20,000	16,40,383	Complied
1/21/1998	20,000	Inter-se-transfer	-	16,60,383	Complied
3/31/1998	**-**	**-**	**-**	**16,60,383**	
4/2/1998	-	Inter-se-transfer	3,180	16,57,203	Complied
4/2/1998	318	Inter-se-transfer	-	16,57,521	Complied
4/2/1998	318	Inter-se-transfer	-	16,57,839	Complied
4/2/1998	636	Inter-se-transfer	-	16,58,475	Complied
4/2/1998	636	Inter-se-transfer	-	16,59,111	Complied
4/2/1998	636	Inter-se-transfer	-	16,59,747	Complied
4/2/1998	636	Inter-se-transfer	-	16,60,383	Complied
8/5/1998	765	Old holding included in Promoter's holding	-	16,61,148	Complied
8/5/1998	7,605		-	16,68,753	Complied
1/15/1999	-	Inter-se-transfer	7,605	16,61,148	Refer Note 2
1/15/1999	7,605	Inter-se-transfer	-	16,68,753	Refer Note 2
2/24/1999	-	Inter-se-transfer	61,000	16,07,753	Complied
2/24/1999	52,300	Inter-se-transfer	-	16,60,053	Complied
2/24/1999	4,000	Inter-se-transfer	-	16,64,053	Complied
2/24/1999	4,700	Inter-se-transfer	-	16,68,753	Complied
2/24/1999	-	Inter-se-transfer	12,030	16,56,723	Complied
2/24/1999	12,030	Inter-se-transfer	-	16,68,753	Complied
3/31/1999	**-**	**-**	**-**	**16,68,753**	
5/6/1999	-	Inter-se-transfer	16,260	16,52,493	Complied
5/6/1999	16,260	Inter-se-transfer	-	16,68,753	Complied
6/23/1999	3,000	Market Purchase	-	16,71,753	Complied
8/13/1999	10,000	Market Purchase	-	16,81,753	Complied
8/26/1999	39,600	Market Purchase	-	17,21,353	Complied
8/27/1999	33,000	Market Purchase	-	17,54,353	Complied
8/30/1999	15,900	Market Purchase	-	17,70,253	Complied
8/30/1999	4,000	Market Purchase	-	17,74,253	Complied
8/30/1999	4,200	Market Purchase	-	17,78,453	Complied
8/30/1999	3,000	Market Purchase	-	17,81,453	Complied
8/30/1999	3,000	Market Purchase	-	17,84,453	Complied
8/30/1999	3,000	Market Purchase	-	17,87,453	Complied
8/31/1999	18,200	Market Purchase	-	18,05,653	Complied
8/31/1999	2,000	Market Purchase	-	18,07,653	Complied
8/31/1999	16,000	Market Purchase	-	18,23,653	Complied
8/31/1999	18,000	Market Purchase	-	18,41,653	Complied
9/1/1999	40,050	Market Purchase	-	18,81,703	Complied
3/31/2000	**-**	**-**	**-**	**18,81,703**	
9/19/2000	-	Inter-se-transfer	54,060	18,27,643	Complied

Date	No of Shares Acquired	Mode of Acquisition	No of Shares Sold	Promoter holding	Compliance
1	2	3	4	5	6
9/19/2000	6,000	Inter-se-transfer	-	18,33,643	Complied
9/19/2000	4,000	Inter-se-transfer	-	18,37,643	Complied
9/19/2000	3,000	Inter-se-transfer	-	18,40,643	Complied
9/19/2000	4,500	Inter-se-transfer	-	18,45,143	Complied
9/19/2000	4,500	Inter-se-transfer	-	18,49,643	Complied
9/19/2000	4,700	Inter-se-transfer	-	18,54,343	Complied
9/19/2000	4,660	Inter-se-transfer	-	18,59,003	Complied
9/19/2000	18,000	Inter-se-transfer	-	18,77,003	Complied
9/19/2000	4,700	Inter-se-transfer	-	18,81,703	Complied
10/5/2000	4,200	Market Purchase	-	18,85,903	Complied
10/5/2000	4,300	Market Purchase	-	18,90,203	Complied
10/5/2000	4,300	Market Purchase	-	18,94,503	Complied
10/5/2000	3,200	Market Purchase	-	18,97,703	Complied
10/5/2000	3,200	Market Purchase	-	19,00,903	Complied
10/5/2000	6,400	Market Purchase	-	19,07,303	Complied
10/9/2000	3,200	Market Purchase	-	19,10,503	Complied
10/9/2000	3,200	Market Purchase	-	19,13,703	Complied
10/9/2000	3,200	Market Purchase	-	19,16,903	Complied
10/9/2000	1,000	Market Purchase	-	1,917,903	Complied
10/9/2000	1,500	Market Purchase	-	19,19,403	Complied
10/9/2000	2,700	Market Purchase	-	19,22,103	Complied
10/9/2000	1,000	Market Purchase	-	19,23,103	Complied
10/9/2000	3,200	Market Purchase	-	19,26,303	Complied
10/9/2000	6,100	Market Purchase	-	19,32,403	Complied
10/10/2000	2,750	Market Purchase	-	19,35,153	Complied
10/11/2000	1,000	Market Purchase	-	19,36,153	Complied
10/12/2000	1,750	Market Purchase	-	19,37,903	Complied
10/13/2000	1,550	Market Purchase	-	19,39,453	Complied
10/18/2000	4,100	Market Purchase	-	19,43,553	Complied
10/19/2000	7,400	Market Purchase	-	19,50,953	Complied
10/19/2000	3,000	Market Purchase	-	19,53,953	Complied
10/19/2000	5,650	Market Purchase	-	19,59,603	Complied
10/19/2000	6,800	Market Purchase	-	19,66,403	Complied
10/31/2000	10,600	Market Purchase	-	19,77,003	Complied
10/31/2000	10,600	Market Purchase	-	19,87,603	Complied
10/31/2000	14,100	Market Purchase	-	20,01,703	Complied
10/31/2000	14,150	Market Purchase	-	20,15,853	Complied
10/31/2000	14,000	Market Purchase	-	20,29,853	Complied
10/31/2000	10,500	Market Purchase	-	20,40,353	Complied
10/31/2000	10,600	Market Purchase	-	20,50,953	Complied
11/16/2000	400	Market Purchase	-	20,51,353	Complied
12/28/2000	800	Market Purchase	-	20,52,153	Complied
12/29/2000	250	Market Purchase	-	20,52,403	Complied
12/31/2000	-	Inter-se-transfer	1,350	20,51,053	Complied
12/31/2000	1,350	Inter-se-transfer	-	20,52,403	Complied
12/31/2000	-	Inter-se-transfer	3,000	20,49,403	Complied

Date	No of Shares Acquired	Mode of Acquisition	No of Shares Sold	Promoter holding	Compliance
1	**2**	**3**	**4**	**5**	**6**
12/31/2000	3,000	Inter-se-transfer	-	20,52,403	Complied
2/8/2001	10,000	Market Purchase	-	20,62,403	Complied
2/8/2001	6,000	Market Purchase	-	20,68,403	Complied
2/8/2001	7,000	Market Purchase	-	20,75,403	Complied
2/8/2001	660	Market Purchase	-	20,76,063	Complied
2/8/2001	10,000	Market Purchase	-	20,86,063	Complied
3/31/2001	**-**	**-**	**-**	**20,86,063**	
5/8/2001	100	Market Purchase	-	20,86,163	Complied
5/10/2001	200	Market Purchase	-	20,86,363	Complied
5/11/2001	50	Market Purchase	-	20,86,413	Complied
5/24/2001	100	Market Purchase	-	20,86,513	Complied
5/29/2001	500	Market Purchase	-	20,87,013	Complied
5/30/2001	100	Market Purchase	-	20,87,113	Complied
6/1/2001	100	Market Purchase	-	20,87,213	Complied
6/5/2001	1,000	Market Purchase	-	20,88,213	Complied
6/6/2001	400	Market Purchase	-	20,88,613	Complied
6/12/2001	100	Market Purchase	-	20,88,713	Complied
6/20/2001	650	Market Purchase	-	20,89,363	Complied
6/25/2001	600	Market Purchase	-	20,89,963	Complied
7/28/2001	250	Market Purchase	-	20,90,213	Complied
8/13/2001	50	Market Purchase	-	20,90,263	Complied
8/30/2001	4,300	Market Purchase	-	20,94,563	Complied
9/5/2001	400	Market Purchase	-	20,94,963	Complied
9/12/2001	450	Market Purchase	-	20,95,413	Complied
10/24/2001	50	Market Purchase	-	20,95,463	Complied
11/2/2001	450	Market Purchase	-	20,95,913	Complied
11/29/2001	650	Market Purchase	-	20,96,563	Complied
12/7/2001	1,250	Market Purchase	-	20,97,813	Complied
12/13/2001	-	Inter-se-transfer	35,280	20,62,533	Complied
12/13/2001	35,280	Inter-se-transfer	-	20,97,813	Complied
1/8/2002	50	Market Purchase	-	20,97,863	Complied
2/4/2002	97	Market Purchase	-	20,97,960	Complied
3/11/2002	23,850	Market Purchase	-	21,21,810	Complied
3/31/2002	**-**	**-**	**-**	**21,21,810**	
4/24/2002	-	Inter-se-transfer	41,550	20,80,260	Complied
4/24/2002	41,550	Inter-se-transfer	-	21,21,810	Complied
4/24/2002	-	Inter-se-transfer	23,310	20,98,500	Complied
4/24/2002	23,310	Inter-se-transfer	-	21,21,810	Complied
—	-	Reporting Rectification	1,500	21,20,310	Refer Note 3
—	1,500		-	21,21,810	Refer Note 3
3/31/2003		**-**	**-**	**21,21,810**	
6/30/2003	-	Excluded from Promoter Group	6,930	21,14,880	Complied
6/30/2003	-	Excluded from Promoter Group	3,750	21,11,130	Complied
6/30/2003	-	Excluded from Promoter Group	3,750	21,07,380	Complied
11/20/2003	32,94,900	Rights Issue	-	54,02,280	Refer Note 4
11/20/2003	6,360	Rights Issue	-	54,08,640	Refer Note 5

Date	No of Shares Acquired	Mode of Acquisition	No of Shares Sold	Promoter holding	Compliance
1	2	3	4	5	6
11/20/2003	2,00,000	Rights Issue	-	56,08,640	Complied
11/20/2003	2,00,000	Rights Issue	-	58,08,640	Complied
11/29/2003	-	Sold	2,490	58,06,150	Complied
3/31/2004	**-**	**-**	**-**	**58,06,150**	
5/31/2004	2,000	Market Purchase	-	58,08,150	Complied
6/2/2004	850	Market Purchase	-	58,09,000	Complied
6/2/2004	1,100	Market Purchase	-	58,10,100	Complied
6/2/2004	950	Market Purchase	-	58,11,050	Complied
6/3/2004	2,150	Market Purchase	-	58,13,200	Complied
6/3/2004	8,900	Market Purchase	-	58,22,100	Complied
6/3/2004	500	Market Purchase	-	58,22,600	Complied
6/22/2004	3,606	Market Purchase	-	58,26,206	Complied
6/23/2004	3,894	Market Purchase	-	58,30,100	Complied
6/23/2004	500	Market Purchase	-	58,30,600	Complied
6/24/2004	3,300	Market Purchase	-	58,33,900	Complied
6/24/2004	1,000	Market Purchase	-	58,34,900	Complied
6/25/2004	1,000	Market Purchase	-	58,35,900	Complied
8/12/2004	3,800	Market Purchase	-	58,39,700	Complied
8/13/2004	2,000	Market Purchase	-	58,41,700	Complied
8/19/2004	-	Inter-se-transfer	420,102	54,21,598	Complied
8/19/2004	420,102	Inter-se-transfer	-	58,41,700	Complied
9/30/2004	-	Inter-se-transfer	146,190	56,95,510	Refer Note 6
9/30/2004	96,190	Inter-se-transfer	-	57,91,700	Refer Note 6
9/30/2004	50,000	Inter-se-transfer	-	58,41,700	Refer Note 6
11/30/2004		Sold	2,145	58,39,555	Complied
3/9/2005	6,215	Market Purchase	-	58,45,770	Refer Note 7
3/10/2005	7,906	Market Purchase	-	58,53,676	Refer Note 7
3/11/2005	16,601	Market Purchase	-	58,70,277	Refer Note 7
3/14/2005	16,884	Market Purchase	-	58,87,161	Refer Note 7
3/15/2005	8,294	Market Purchase	-	58,95,455	Refer Note 7
3/18/2005	6,990	Market Purchase	-	59,02,445	Refer Note 7
3/28/2005	4,100	Market Purchase	-	59,06,545	Refer Note 7
3/29/2005	4,350	Market Purchase	-	59,10,895	Refer Note 7
3/30/2005	1,133	Market Purchase	-	59,12,028	Refer Note 7
——	-	Reporting Error	1,500	59,10,528	Refer Note 3
——	1,500	Reporting Error	-	59,12,028	Refer Note 3
3/31/2005	**-**	**-**	**-**	**59,12,028**	
4/4/2005	2,024	Market Purchase	-	59,14,052	Refer Note 7
4/8/2005	1,532	Market Purchase	-	59,15,584	Refer Note 7
4/20/2005	-	Sold	10	59,15,574	Refer Note 7
5/4/2005	4,329	Market Purchase	-	59,19,903	Refer Note 7
5/5/2005	4,000	Market Purchase	-	59,23,903	Refer Note 7
5/6/2005	775	Market Purchase	-	59,24,678	Refer Note 7
5/11/2005	-	Sold	350	59,24,328	Refer Note 7
5/12/2005	-	Sold	6	59,24,322	Refer Note 7
6/7/2005	1,445	Market Purchase	-	59,25,767	Refer Note 7

Date	No of Shares Acquired	Mode of Acquisition	No of Shares Sold	Promoter holding	Compliance
1	2	3	4	5	6
6/13/2005	-	Sold	10	59,25,757	Refer Note 7
9/1/2005	203	Market Purchase	-	59,25,960	Refer Note 7
9/8/2005	397	Market Purchase	-	59,26,357	Refer Note 7
9/9/2005	1,328	Market Purchase	-	59,27,685	Refer Note 7
9/13/2005	1,000	Market Purchase	-	59,28,685	Refer Note 7
9/15/2005	1,562	Market Purchase	-	59,30,247	Refer Note 7
9/19/2005	5,010	Market Purchase	-	59,35,257	Refer Note 7
9/21/2005	10,000	Market Purchase	-	59,45,257	Refer Note 7
9/30/2005	5,645	Market Purchase	-	59,50,902	Refer Note 7
10/19/2005	9,107	Market Purchase	-	59,60,009	Refer Note 7
——	-	Reporting Rectification	1,500	59,58,509	Refer Note 3
——	1,500		-	59,60,009	Refer Note 3
11/26/2005	-	Sold	1,500	59,58,509	Refer Note 3
11/28/2005	51,732	Market Purchase	-	60,10,241	Refer Note 7
12/12/2005	-	Inter-se-transfer	22,500	59,87,741	Refer Note 8
12/12/2005	22,500	Inter-se-transfer	-	60,10,241	Refer Note 8
3/24/2006	-	Sold	99,775	59,10,466	Refer Note 7
3/28/2006	-	Inter-se-transfer	88,200	58,22,266	Refer Note 9
3/28/2006	-	Inter-se-transfer	70,560	57,51,706	Refer Note 9
3/28/2006	1,58,760	Inter-se-transfer	-	59,10,466	Refer Note 9
3/31/2006	**-**	**-**	**-**	**59,10,466**	
4/7/2006	-	Sold	72,411	58,38,055	Refer Note 7
8/8/2006	-	Inter-se-transfer	83,100	57,54,955	Refer Note 10
8/8/2006	83,100	Inter-se-transfer	-	58,38,055	Refer Note 10
9/28/2006	-	Sold	12,210	58,25,845	Complied
3/31/2007	**-**	**-**	**-**	**58,25,845**	
9/10/2007	58,25,845	Bonus Shares	-	1,16,51,690	Complied
10/16/2007	**-**	Inter-se-transfer	12,720	1,16,38,970	Refer Note 11
10/16/2007	**12,720**	Inter-se-transfer	-	1,16,51,690	Refer Note 11

Note 1

2000 Equity shares belonging to Late Shri Ramkrishna Bajaj were jointly held by him alongwith the then Directors of Bajaj Electricals Ltd as qualification shares as per details given below :

a) Late Shri Ramkrishna Bajaj jointly with Shri Harshvardhan Goenka 500

b) Late Shri Ramkrishna Bajaj jointly with Shri Mangalore Ranga Pai 500

c) Late Shri Ramkrishna Bajaj jointly with Shri Vishnubhai B. Haribhakti 500

d) Late Shri Ramkrishna Bajaj jointly with Shri Ashok Jalan 500

Upon the death of Shri Ramkrishna Bajaj on 21-09-1994, these shares were transferred by the other joint holders in favour of Shri Shekhar Bajaj & others as the Trustees of Niravnayan Trust on 27th October, 1997 as per the Will of Late Shri Ramkrishna Bajaj.

Note 2

The 7605 shares held by Mrs.Seema Pendharkar, as trustee of BEL Employees Welfare Fund were, on her resignation as trustee, transferred in the name of Shri Shekhar Bajaj, the other trustee of the fund. Hence, this transaction is not in the nature of sale and purchase of shares.

Note 3

Late Shri Rameshwar Prasad Nevatia and Late Shri Keshavdeo Nevatia were distant relatives of the Bajaj family who are the main Promoters of Bajaj Electricals Ltd (BEL). While Shri Keshavdeo Nevatia expired on 04-11-1960, Shri Rameshwar Prasad Nevatia expired on 20-03-2002.

1,500 Equity shares belonging to Late Shri Keshavdeo Nevatia were clubbed with the holding of Late Shri Rameshwar Prasad Nevatia and accordingly Late Shri Rameshwar Prasad Nevatia's holding was shown as 3,750 Equity shares instead of 2,250 Equity shares, whereas Late Shri Keshavdeo Nevatia's holdings was shown as NIL instead of 1,500 Equity shares. As such, no sale / transfer of shares had taken place between Late Shri Keshavdeo Nevatia and Late Shri Rameshwar Prasad Nevatia in respect of 1,500 Equity shares. The position has been corrected/rectified as shown in the statement above.

The 1,500 Equity shares belonging to Shri Keshavdeo Nevatia were transmitted in favour of his son on 26-11-2005.

The 2,250 Equity shares belonging to Late Shri Rameshwar Prasad Nevatia together with 2,250 Bonus Equity shares allotted thereon by BEL on 10-09-2007, aggregating to 4,500 shares continue to remain in the name of Late Shri Rameshwar Prasad Nevatia even as on date.

Note 4

Jamnalal Sons Pvt Ltd. has filed a Report with SEBI under Regulation 3 (4) of SEBI (SAST) Regulations, 1997 on October 11, 2007 in respect of 14,29,541 equity shares of BEL acquired in terms of Rights Issue in November, 2003.

Note 5

6,360 Equity shares were allotted to Smt. Sunaina Kejriwal on November 20, 2003 under the Rights Issue on renunciation by her father Shri Rahul Bajaj of her rights entitlement on her 6,360 original shares which otherwise also he was holding in his name for and on her behalf as her father and natural guardian since when she was a minor. These rights shares were credited to her demat account on November 25, 2003. However, these were not included in the "List of Promoter's total Holdings" filed by the Promoters with BEL upto March 31, 2006.

Note 6

Bajaj Auto Ltd., one of the Promoters of BEL, sold and transferred 50,000 Equity shares of BEL to Bajaj Auto Employees Welfare Fund No. 1 and 96,190 Equity shares of BEL to Bajaj Auto Employees Welfare Fund No. 2 on 30-09-2004. The transaction was effected through a Stock Exchange. These shares are held by Mr. V.S. Raghavan & Others and Mr. Kevin D'sa & Others, as the Trustees of the respective BAL Employee Welfare Fund No. 1 and Fund No. 2

These shares were not included in the "List of Promoter's total Holdings" filed by the Promoters with BEL as on March 31, 2005, but the same were included in the disclosures made by the Promoters to BEL on and after 28th July, 2005.

Note 7

Bajaj Allianz Life Insurance Co. Ltd [Bajaj Allianz], a promoter group company, is a Life Insurance company registered with the Insurance Regulatory and Development Authority of India. During the period from March 2005 to April 2006, Bajaj Allianz had on its own purchased and sold equity shares of BEL from the open market in the names of various Equity Linked Life Insurance Plans of Bajaj Allianz. The objective and purpose of such purchases was the equity market investments by Bajaj Allianz as part of the insurance business. The said acquisitions by Bajaj Allianz are under SEBI's examination.

Note 8

22,500 Equity shares of BEL were held in the joint names of Mr. Rahul Bajaj, his wife Smt. Ruparani Bajaj and their younger son, Mr. Sanjivnayan Bajaj, the then Trustees of Sanjivnayan Trust, a Private Family Trust created for the benefit of Mr. Sanjivnayan Bajaj

In accordance with the provisions of the said Trust Deed, on 12th December, 2005, the said shares were transferred to the beneficiary, Mr. Sanjivnayan Bajaj on his attaining the age of 35 years.

Hence, the transfer of 22,500 Equity shares by the Trustees to the beneficiary of the Trust is not a sale transaction. A Report as required under Regulation 3 (4) of SEBI (SAST) Regulations, 1997 was filed with SEBI on 5th May, 2008.

Note 9

In respect of inter-se transfer of Equity shares of Bajaj Electricals Ltd. effected on 28th March, 2006, between Bachhraj Factories Pvt Ltd. (88,200 shares) and Baroda Industries Pvt Ltd. (70,560 shares) to Jamnalal Sons Pvt Ltd. (1,58,760 shares), all forming part of the Promoter Group of Bajaj Electricals Ltd., covered under Regulation 3(1) (e) (iii) (b) of the said Regulations, a Report as required under Regulation 3 (4) of SEBI (SAST) Regulations, 1997 was filed with SEBI on 14th March, 2008.

Note 10

83,100 Equity shares of BEL were held in the joint names of Mr. Rahul Bajaj, and his wife Smt. Ruparani Bajaj, as the then Trustees of Sunaina Trust, a Private Family Trust created for the benefit of their daughter, Ms. Sunaina Bajaj vide Deed of Trust dated 28th Aug, 1971 and as amended vide Deed of Amendment dated 25th January, 2002.

In accordance with the provisions of the said Trust Deed, on 8th August, 2006, the said shares were transferred to the beneficiary, Smt. Sunaina Kejriwal (nee Ms. Sunaina Bajaj) on her attaining the age of 35 years.

Hence, the transfer of 83,100 Equity shares by the Trustees to the beneficiary of the Trust is not a sale transaction. A Report as required under Regulation 3 (4) of SEBI (SAST) Regulations, 1997 was filed with SEBI on 5th May, 2008.

Note 11

12,720 Equity shares of BEL were held by Mr. Rahul Bajaj, for and on behalf of Ms.Sunaina Bajaj (now known as Smt Sunaina Kejriwal after her marriage), as the Father and Natural Guardian of his then minor daughter. These shares were therefore transferred by Mr. Rahul Bajaj to Smt. Sunaina Kejriwal on 16th October, 2007.

Hence, the transfer of these 12,720 Equity shares is not a sale transaction. A Report as required under Regulation 3 (4) of SEBI (SAST) Regulations, 1997 was filed with SEBI on 5th May, 2008.

Smt. Sunaina Kejriwal was born on 31st July, 1971 and the details of the above 12,720 shares of BEL held by Shri Rahul Bajaj for and on behalf of his daughter Smt Sunaina Kejriwal are as follows

Date	Particulars of shareholdings	No. of Shares
7/25/1983	Purchased	212
11/21/1989	Bonus (1 : 1)	212
11/28/1994	Conversion of Equity Shares of Rs. 100/- each into Equity Shares of Rs. 10/- each	4,240
12/6/1997	Bonus (1 : 2)	2,120
9/10/2007	Bonus (1 : 1)	6,360
	Total	12,720

5.14 Compliance of SEBI Takeover Regulations: The following major shareholders [also promoters of BEL] of BEL were required to comply and who have duly complied with the requirements of Chapter II of the SEBI Takeover Regulations except for non compliance as per the details given by way of Note 1 below. There were no other shareholders holding the requisite percentage of voting capital so as to warrant disclosure under Chapter II:

Sr. No.	Name & Address	Telephone No. Fax No.	No of Shares	%
1	Jamnalal Sons Pvt Ltd. (Refer Note 1 below) Bajaj Bhavan, 2nd Floor, J.B. Marg, 226, Nariman Point, Mumbai-400-021.	Tel No: 91 22 22023626 Fax No: 91 22 22025160	41,65,566 [Refer Note 2 below]	24.09
2	Bajaj Auto Ltd. Mumbai-Pune Road, Akurdi-411-035 Pune.	Tel No : 91 20 27472851 Fax No : 91 20 27407380	23,06,768	13.34

Note 1: The promoters (major shareholders of BEL) have complied with the provisions of Chapter II of SEBI Takeover Regulations except for delay and non compliance as per the details given below.

There has been a delay of nearly 4 years in filing the report with SEBI under Regulation 3(4) of SEBI Takeover Regulations by Jamnalal Sons Pvt Ltd, one of the promoters of BEL, in connection with the Rights Issue of 2003. Pursuant to the said rights issue, the shareholding of Jamnalal Sons Pvt Ltd increased from 0.33% to 16.71%. Secondly, Jamnalal Sons Pvt Ltd did not make requisite disclosure as per the requirements of Regulation 7(1) and 7(2) of SEBI Takeover Regulations as the shareholding of Jamnalal Sons Pvt Ltd crossed 14% pursuant to the said Rights Issue.

Note 2: Includes 1,20,000 shares held on behalf of partnership firm Bajaj Trading Company.

SEBI may initiate appropriate action against the major shareholders at a later stage for this delay in compliance

5.15 BEL has complied with the provisions of Chapter II of SEBI Takeover Regulations except for delay [52 days to 634 days] in filing declarations under Regulations 6(4) and 8(3) of Takeover Regulations during the period from 1997 to 2001. SEBI may initiate appropriate action against BEL at a later stage for this delay in compliance

5.16 The Shares of the Company have not been suspended at any time in the ordinary course. There have not been any listing agreement violations by the Company in the past. All the shares of the company are listed on the stock exchanges.

5.17 BEL has complied with other provisions of Takeover Regulations and other applicable provisions of SEBI Act and other statutory requirements.

5.18 Bajaj Allianz Life Insurance Co. Ltd [Bajaj Allianz], a promoter group company, is a Life Insurance company registered with the Insurance Regulatory and Development Authority of India. During the period from March 2005 to April 2006, Bajaj Allianz had on its own purchased and sold equity shares of BEL from the open market in the names of various Equity Linked Life Insurance Plans of Bajaj Allianz. The objective and purpose of such purchases was the equity market investments by Bajaj Allianz as part of the insurance business. The said acquisitions by Bajaj Allianz are under SEBI's examination.

5.19 The Company's management is vested with the Board of Directors. The composition of the Board of Directors as on the date of PA is as under:

Name of Director	Designation	Residential Address	Qualifications	Experience	Date of Appt
Mr. Shekhar Bajaj	Chairman & Managing Director	Flat No.201 Maker Tower "A" Cuffe Parade Mumbai 400 005	B.Sc., MBA	Given below	01.11.1984
Mr. Harsh Vardhan Goenka	Non-Executive Director	14/15 II Palazzo B.G. Kher Marg Mumbai 400 026	B.A.(Hons), MBA	Given below	17.09.1984
Mr. Ashok Kumar Jalan	Non-Executive Director	Hari Bhavan, 4th Floor 64, Peddar Road Mumbai - 400 026	B.A. (Hons)	Given below	18.01.1989
Mr. Ajit Gulabchand	Non-Executive Director	94, NCPA Apartment 1, Sir Dorabji Tata Road Nariman Point Mumbai 400 021	B.Com.(Hons)	Given below	21.08.1990
Mr. Vishnubhai Bhagwandas Haribhakti	Non-Executive Director	51, Maker Tower "B" Cuffe Parade Mumbai - 400 005	C.A.	Given below	12.08.1991
Mr. Madhur Bajaj	Non-Executive Director	03, Bungalow Bajaj Vihar Akurdi Pune 411 035	B.Com., MBA	Given below	28.11.1994
Mr. Anant Bajaj	Executive Director	Flat No.211 Maker Tower "A" Cufe Parade Mumbai 400 005	B.Com. PGDFMB	Given below	01.02.2006
Dr. Indu Shahani	Non-Executive Director	Flat No.56, Hill Park A.G.Bell Road Malabar Hill Mumbai 400 006	Ph.D in Commerce	Given below	31.03.2006
Mr. R.Ramakrishnan	Executive Director	Flat No.A-44, Kalpataru Residency Plot No.107 (E) Kamani Road, Sion (E) Mumbai 400 022	B.Sc.(Hons) PGDBM	Given below	26.10.2006

Experience details of Directors of BEL are as follows:

(a) **Mr Shekhar Bajaj:** Mr. Shekhar Bajaj has substantial experience in the management of Companies. He was the Past President of Electric Lamp & Component Manufacturers' Association of India (ELCOMA). He was the Past President of Associated Chambers of Commerce & Industry of India, IMC, Council for Fair Business Practices, Indian Fan Manufacturers Association etc. He has been a Director in several other Companies and was also on the Board of IDBI Bank Ltd. He was assigned and vested with onerous responsibility of managing and conducting the business affairs of the Company at a crucial time when the Company was passing through critical phase of operation. He managed with great skill and ability and set the company on revival path. An overall improvement of the Company, as reflected in the financials, is ample testimony of his thoughtful planning and relentless efforts put in by him.

(b) **Mr. Harsh Vardhan Goenka**: Mr. Harsh Vardhan Goenka is the Chairman of RPG Enterprises, one of the largest industrial groups in India, active in tyres, power, life sciences, retail, information technology and entertainment having an annual turnover of around Rs.13,500 Crore.He comes from the well known family of industrialists of Kolkata and is the son of Mr. Rama Prasad Goenka. Born in December 1957, Mr. Goenka graduated in Economics and thereafter MBA from the International Institute of Management Development (IMD), Lausanne, Switzerland and has since been inducted on the Board of IMD Lausanne. Mr. Goenka, a past President of the Indian Merchants'

Chamber is also a member of the Executive Committee of Federation of Indian Chambers of Commerce and Industry (FICCI). He is a member of the Board of Governors of National Institute of Industrial Engineering (NITIE) and has a vast experience in the field of management.

(c) **Mr. Ashok Kumar Jalan**: The Jalan Group has diversified business and has been in export business since long and had established offices in New York and London in 1940s. He joined family business in 1961 and worked in jute mill in Calcutta and textile mill in Mumbai. Became the Managing Director of The Elphinstone Spg. & Wvg. Mills Co. Ltd., which was an export-oriented unit manufacturing various types of fabric and PVC coated upholstery material. Has been extensively involved in export business. Launched Wrangler brand jeans in India under license from VF Coproration of USA, a Fortune-500 Company. Has been associated with various Chambers of Commerce and has served on the Comittees of FICCI, New Delhi; Indian Cotton Mills Federation; Millowners' Association; Textile Export Promotion Council. He is also a patron member of Indo-American Chamber of Commerce, Bombay. He also made presentations abroad on the Indian economy to leading multinationals in USA.

(d) **Mr. Ajit Gulabchand**: Mr. Ajit Gulabchand is an Industrialist and Chairman & Managing Director of 80 year old Hindustan Construction Company Limited (HCC) a leader in Civil Construciton - since 1983. He is - a member of CII National Council and Chairman of CII National Committee on Construction and Projects; Founder President of the Construction Federation of India (CFI); Founder member and Permanent member of the Board of Governors of Construction Industry Development Council of India (CIDC); Chairman of the Board of Governors and Member of the Board of Trustees of National Institute of Construction Management and Research (NICMR); Chairman of Administrative Council of Walchand College of Engineering; Governor of the World Economic & Construction Forum (Geneva); Founding Member of the World Economic Forum's Disaster Resource Network and Member of the CII WEF Infrastructure Task Force. He has been Chairman of Projects Exports Promotion Council and President &Member of the Governing Coucil of Builders Association of India.

(e) **Mr. Vishnubhai Bhagwandas Haribhakti**: Mr. Vishnubhai Bhagwandas Haribhakti is a leading Chartered Accountant of India and a prominent figure in the trade and industrial circles of India. He was the President of the Institute of Chartered Accountants of India for the year 1967-68. He is the Founder and Senior Partner of the firm Haribhakti & Co., Chartered Accountants, a leading accounting firm which is a member of "Moores Rowland International" an International group of accounting firms. He was the President of - the Indian Merchants' Chamber, Mumbai, in 1978; Rotary Club of Bombay Mid-Town for the year 1987-88; the Council for Fair Business Practices for the year 2004-06. As the Deputy Leader of the Indian Delegation to the IXth International Congress of Accountants held in Paris, he submitted a Paper on "ACCOUNTANT'S ROLE IN EVALUATION OF CAPITAL INVESTMENTS". He has been a distinguished academician, member of the All India Board of Technical Studies in Management, a member of the Faculty of Commerce of the University of Mumbai and of M.S. University.

(f) **Mr. Madhur Bajaj:** Mr. Madhur Bajaj is an alumni of Doon School, Dehra Dun. After obtaining his B.Com Degree from Sydenham College, Mumbai, in 1973, he did his MBA at International Institute of Management Development (IMD), Lausanne, Switzerland, in 1979. He is the Past-Chairman of the Confederation of Indian Industry (Western Region) and its present National Council Member . He is Chairman of CII's National Committee on Latin America. He is the President of SIAM (Society of Indian Automobile Manufacturers), an apex association of Indian automobile manufacturers. He is also the Vice President of Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA), the apex Industries Association of Pune. He is a member of the Advisory Council of Department of Management Studies of the University of Pune. He is currently the Vice Chairman of Bajaj Auto Limited-a leader in the motorised 2 and 3 wheeler sector.

(g) **Mr. Anant Bajaj:** He is a B.Com Graduate and PGDFMB from S.P. Jain Institute of Management, Mumbai.

(h) **Dr. Indu Shahani: :** Dr. Shahani holds Ph.D in Commerce from University of Mumbai on enhancing Academia Institutional linkages Academician with over 31 years teaching experience at University and Degree College, member of various Committees, Academic Council, Audit & Corporate Governance Committee of HSBC, Director of the Rotary Club of Bombay and Member Junior/Youth Red Cross of the Indian Red Cross Society and has pioneering linkages with various bodies such as CII, BC CI, IMC. She is the present Sheriff of Mumbai.

(i) **Mr. R.Ramakrishnan:** Mr. R.Ramakrishnan has been associated with the Company since last 8 years and is responsible for the Company's Strategic Business Units (SBUs) viz. Lighting, Luminaries, Appliances & Fans, apart from certain corporate functions such as Information Technology, Advertising, Customer Care, TQM and Corporate Planning. He is a member of the Executive Council of the Indian Society of Advertisers and also serves on the Consumer Complaints Council of the Advertising Standards Council of India. Before joining Bajaj Electricals, he worked with India's No.1 Paint Company, M/s.Asian Paints (India) Ltd. for about 18 years in various capacities.

Mr. Shekhar Bajaj and Mr. Madhur Bajaj are the Acquirers who are on the Board of BEL.

5.20 Brief audited financials of BEL for the last three years and unaudited financial statements for the period ended September 30, 2007 as certified by the Statutory Auditors are as follows:

(Rs. In Lakhs)

Profit & Loss Statement for the period ended	**30th September, 2007 (Unaudited)**	**31st March 2007 (Audited))**	**31st March 2006 (Audited)**	**31st March 2005 (Audited)**
Income from Operations – Net	55,716.30	1,07,886.16	84,589.23	64,963.45
Other Income **	161.09	430.38	195.71	162.44
Total Income	55,877.39	1,08,316.54	84,784.94	65,125.89
Total Expenditure	50,759.02	99,194.02	77,674.84	60,679.05
Profit before Depreciation, Interest and tax	5,118.37	9,122.52	7,110.10	4,446.84
Depreciation	354.13	728.59	638.17	598.75
Interest	1,461.26	2,307.33	1,795.66	1,637.59
Extraordinary items	-	-57.53	22.31	-78.19
Profit before tax	3,302.98	6,029.07	4,698.58	2,179.26
Provision for tax	1,207.00	2,167.58	1,715.17	795.18
Profit after tax	2,095.98	3,861.49	2,983.41	1,384.08

(Rs. in Lakhs)

Balance Sheet	**30th September, 2007 (Unaudited)**	**31st March 2007 (Audited)**	**31st March 2006 (Audited)**	**31st March 2005 (Audited)**
Sources of Funds				
Paid up Equity Share Capital	1,728.58	864.29	864.29	864.29
Preference Share Capital	-	-	160.00	1,000.00
Reserves & Surplus (excluding revaluation reserve)	11,036.37	1,0818.15	8,053.44	6,327.02
Net Worth	12,764.95	11,682.44	9,077.73	8191.31
Secured Loan	16,815.31	16,903.09	11,740.28	12,153.11
Unsecured Loan	6,461.94	6,813.97	7,541.97	4,665.03
Deferred Tax liability	614.45	726.45	866.28	775.44
Total	**36,656.65**	**36,125.95**	**29,226.26**	**25,784.89**
Uses of Funds				
Net Fixed Assets	8,030.18	9,142.76	9,405.95	8759.74
Net Current Assets	26,396.94	24,750.79	18,263.15	1,5404.96
Investments	2,229.53	2,229.53	1,493.94	1,496.62
Miscellaneous Expenditure	-	2.87	63.22	123.57
Total	**36,656.65**	**36,125.95**	**29,226.26**	**25,784.89**

Contingent liabilities as on March 31, 2008 are as under:

Sr. No.	**Particulars**	**Amount (Rs. Lakhs)**
1.	Disputed Income tax matters	55.41
2.	Disputed Excise matters - Gross	68.02
	- net of tax	44.89
3	Disputed Sales Tax matters - Gross	819.34
	- net of tax	540.34
4	Claims against the company not acknowledged s debt's - Gross	319.42
	- net of tax	210.85
5	Guarantees/ Letter of comfort given on behalf of other companies	2750.00
6	Penalty/ damages/interest, if any due to non- fulfillment of any of the terms of works contract	Amount not ascertainable
7	Uncalled liability in respect of partly paid shares held as investments	7.20

Other Financial data

Particulars	30th September, 2007 (Unaudited)	31st March 2007 (Audited)	31st March 2006 (Audited)	31st March 2005 (Audited)
Dividend on equity(%)	-	80	60	30
Earning Per Share (Rs.)	24.25*	44.41	31.49	14.49
Return on Net Worth (%)	32.84*	32.94	32.00	15.92
Book Value per Share (Rs.)	73.85	135.17	105.03	94.78

Source: Annual Reports

** Annualised figures*

Note:

(a) EPS = Profit after tax before extraordinary items – preference dividend inclusive of tax – adjustment for extraordinary items/Number of equity shares

(b) RONW= Profit after tax available for equity shareholders/ net worth

(c) Book value per share (Rs.) = Net worth/ No of shares

5.21 Reason for rise in total income and Profit After Tax (PAT):

(Rs. in Lakhs)

Sl. No.	Financial Year	Total Income	PAT
1.	2004-05	65,125.89	1,384.08
2.	2005-06	84,784.94	2,983.41
3.	2006-07	1,08,316.54	3,861.49

Increase in business turn over is the reason for increase in the total income and PAT in last 3 years.

5.22 Shareholding pattern before and after the Offer (assuming full acceptances) as on the date of PA

Category	Shareholding & voting rights prior to PA		Shares & voting rights to be acquired in Offer (assuming full acceptances)		Share holding & voting rights after Offer	
	Shares	%	Shares	%	Shares	%
(1) Promoter & Promoter Group excluding Acquirers	92,38,282	53.44	Nil	-	92,38,282	53.44
(2) Acquirers *[Refer Note 1 below]*	24,13,408	13.97	12,62,287*	7.00	36,75,695	21.27
Total Promoter holding [1+2]	**1,16,51,690**	**67.41**	**12,62,287**	**7.00**	**1,29,13,977**	**74.71**
(3) Public (other than Promoter and acquirers)	56,34,070	32.59	(12,62,287)	(7.00)	43,71,783	25.29
No of shareholders in "Public category" – 7,357						
GRAND TOTAL (1+2+3)	**1,72,85,760**	**100.00**	**12,62,287**	**7.00**	**1,72,85,760**	**100.00**

Note 1: Acquirers form part of the promoter group

Note 2: No other person / individual / entity is acting in concert with the Acquirers for the purposes of this Offer and therefore the reference to PACs has been deleted from the table.

* the offer size (7%) is calculated on the expanded paid up capital of 1,80,32,660 equity shares.

5.23 As on December 7, 2007 i.e. Specified Date, there were 7,357 Shareholders. All owners (registered or unregistered) of Shares of BEL, anytime before closure of the Offer, except the Acquirers and the Promoters are eligible to participate in this offer.

5.24 Corporate Governance: Dalal & Shah, Chartered Accountants, the Statutory Auditors of BEL vide their Certificate dated May 29, 2007 have certified that BEL has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreement with the Stock Exchanges. [Source: Audited Annual Report 2006-07].

5.25 Compliance Officer: BEL has appointed Mr. Mangesh Patil, Company Secretary, 45/47, Veer Nariman Road, Mumbai 400 001, Telephone No: 022-2204 3841/5046/5341, Fax No: 022 2285 1279 as the Compliance Officer.

5.26 Pending litigations as on March 31, 2008 are as follows:

CIVIL SUITS:

Sr.No	Name of the Party	Suit No. & in which Court	Name of Advocate/ Solicitors on behalf of the Company
1.	Bajaj Electricals Ltd. V/s. Som Engg. Corpn. & Anr.	Arbitration Petition No.9 of 1977 in the High Court of Bombay	Chimanlal Shah & Co.

Remarks:

A Petition has been filed by the Company to declare that the appointment of Mr.S.K.Nigam, Advocate, as the Sole Arbitrator is bad, illegal and void and may be set aside, or alternatively the Company may be allowed to appoint its own Arbitrator. The Court vide Order dated 11.12.1981 allowed the Company to appoint its own Arbitrator. Accordingly, Mr. Rafique A. Dada was appointed as the Company's Arbitrator. On the resignation of Mr.R.A.Dada as Arbitrator, the Company appointed Shri Anant Shende as it's Arbitrator. (Please refer to item 6 of List of Cases filed against the Company). *No progress in the Arbitration Proceedings.*

2.	Bajaj Electricals Ltd. V/s. Radha Trading Co.	OOCJ Suit No.2229 of 1988 at Bombay High Court	Adv. R.M.Vasudeo

Remarks:

The Company has filed a suit for the recovery of outstanding of Rs.66,573.43 (comprising of the principal amount of Rs.43,305.13 and interest @ 18% p.a. upto the date of filing the suit). No appearance is filed by the defendant and hence, the matter is kept for ex-parte decree by the Court. However, the matter has not yet come on the board.

3.	Bajaj Electricals Ltd. V/s. Mahalaxmi Electric & Radio Co.	Summary Suit No.8459 of 1988 at Bombay City Civil Court	Adv. R.M.Vasudeo

Remarks:

The Company has filed a suit for recovery of outstanding of Rs.38,001.64 (comprising of the principal amount of Rs.24,978.64 and interest @ 18% p.a. upto the date of filing the suit). An ex-parte decree has been passed on 20.2.1989. However, the certified copy of the decree is yet not received.

4.	Bajaj Electricals Ltd. V/s. Madhav Enterprises	Summary Suit No.1106 of 1989 in the Court of Small Causes, Bombay.	Adv. R.M.Vasudeo

Remarks:

The Company has filed a suit for recovery of outstanding of Rs.8,631.98 (comprising of the principal amount of Rs.7,067.98 and interest @ 18% p.a. upto the date of filing the suit). An ex-parte decree has been passed on 11.7.1989 and the Court has also granted interest @ 6% from the date of decree. The process for transfer of this decree from Bombay Court to Thane Court has been initiated by the Advocate. No further progress in the matter.

5.	Bajaj Electricals Ltd. V/s. Jayshree Electricals	Summary Suit No.8458 of 1988 in the Bombay City Civil Court.	Adv. R.M.Vasudeo

Remarks:

The Company has filed a suit for recovery of outstanding of Rs.11,453.01 (comprising of the principal amount of Rs.9,538.21 and interest @ 18% p.a. upto the date of filing the suit). An ex-parte decree has been passed on 5.6.1989. However, the certified copy of the decree is yet not received.

6.	Bajaj Electricals Ltd. V/s. Anil Allied Products & Ors	Summary Suit No.283 of 1992 in the High Court of Bombay.	Adv. R.M.Vasudeo

Remarks:

The Company has filed a suit for the recovery of outstanding of Rs.14,65,939.10 (inclusive of sales tax liability & interest) for the supply of fittings made by the Company to the party.

The packet containing the Writ of Summons has come back with the remarks “Not Found”.

On the instructions of the Company, Advocate Chamanlal Razdan has served the Writ of Summons by substitute service by advertising the same in the newspaper “Daily Excelsior”, dated 24.2.2000, and published from Jammu.

7.	Bajaj Electricals Ltd. V/s. Hi-Speed Appliances Pvt. Ltd., Pune	Suit No.1700/95 in the High Court of Bombay.	Adv. R.M.Vasudeo

Remarks:

The Company has filed a suit for recovery of the total amount of Rs.9,10,486.86 (including principal amount of Rs.6,66,941.91 and interest @ 21% p.a. amounting to Rs.2,43,433.95 upto the date of filing of the suit) for supply of defective Storage Water Heaters and non performance of guarantee obligations. Summon has been served to the defendant. However, the suit has not so far come up on the Board. The Defendants have filed their written statement on 7.12.2001. A letter No.B/LOK-63/3704 dated 8.3.2007 from Registrar High Court was received requesting the Company to state whether the Company is willing to refer the suit to the Lok Nyayalaya held on 7.4.2007 for amicable settlement. However, the letter was received on 20.4.2007 after the Lok Nyayalaya date and on consultation the Advocate stated that no action warranted.

8.	Bajaj Electricals Ltd. V/s. Solray Appliances P. Ltd. Pune	Suit No.1701/95 in the High Court of Bombay.	Adv. R.M.Vasudeo

Remarks:

The Company has filed a suit for the recovery of the total amount of Rs.1,54,337.75 (including principal amount of Rs.1,46,965.01 and interest @ 21% p.a. amounting to Rs.7,372.74 upto the date of filing of the suit) for supply of defective Storage Water Heaters and non performance of guarantee obligations. Summon has been served to the Defendant. However, the suit has not so far come up on Board. The Defendants have filed their written statement on 7.12.2001. A letter No.B/LOK-63/3529 dated 7.3.2007 from Registrar High Court was received requesting the Company to state whether the Company is willing to refer the suit to the Lok Nyayalaya held on 17.3.2007 for amicable settlement. However, the letter was received on 1.4.2007 after the Lok Nyayalaya date and on consultation the Advocate stated that no action warranted.

9.	Bajaj Electricals Ltd. V/s. Inspector of Legal Metrology & Ors.,	Writ Petition No.1480 of 2004 in the High Court of Bombay.	A.R.Vaidya & Co.

Remarks:

The Writ Petition has been filed by the Company on 4.1.2004 against the Inspector of Legal Metrology Dept. & Others for seizure & detention of various products of the Company worth Rs.2.02 crores on 9.12.2003 without giving prior notice. The matter was heard on 13.2.2004 and the Order was passed in favour of the Company giving an interim relief restraining the respondents from taking any action against the Company pending hearing and final disposal of the Writ Petition and directing the respondent to release the goods forthwith. The matter has not yet come up for hearing.

10.	Bajaj Electricals Ltd. V/s. Ravindra B.Jain & Ors.	Summary Suit No.1819 of 2003 in the High Court of Bombay	Adv. R.M.Vasudeo

Remarks: [Refer Item No.2 under Heading "Criminal Complaints under Negotiable Instruments Act"]

The Company has filed a Summary Suit during 2003-2004 for orders to pay to the Company a sum of Rs.4,68,227.78 with interest thereon @ 18% p.a. from the date of filing the suit till payment or realization and costs of the suit. The Summons for judgement came up for hearing on 7th June, 2005 before His Lordship Justice Shri Vazifdar. None appeared on behalf of the Defendants. Justice Shri Vazifdar was pleased to pass the decree as prayed for. Copy of judgement and decree is yet to be received.

11.	Bajaj Electricals Ltd. V/s. Kishor Nagdev & S.K.Distributors	Summary Suit No.2048 of 2003 in the High Court of Bombay	Adv. R.M.Vasudeo

Remarks: [Refer Item No.3 under Heading "Criminal Complaints under Negotiable Instruments Act"]

The Company has filed a Summary Suit during 2003-2004 for orders to pay to the Company a sum of Rs.5,05,936.07 with interest thereon @ 18% p.a. from the date of filing the suit till payment or realization and costs of the suit. The matter has not yet come for hearing. Registered A.D. packet containing duplicate copy of Writ of Summons and true copy of Plaint returned back with remarks "Party does not stay on this address".

12.	Bajaj Electricals Ltd. V/s. Sandeep Gala &Shefali Electricals	Summary Suit No.2468 of 2003 in the High Court of Bombay	Adv. R.M.Vasudeo

Remarks: [Refer Item No.4 under Heading "Criminal Complaints under Negotiable Instruments Act"]

The Company has filed a Summary Suit during 2003-2004 for orders to pay to the Company a sum of Rs.9,13,863/- with interest thereon @ 18% p.a. from the date of filing the suit till payment or realization and costs of the suit. The Summons for judgement came up for hearing on 8th June, 2005 before His Lordship Justice Shri Vazifdar. None appeared on behalf of the Defendants. Justice Shri Vazifdar was pleased to pass the decree as prayed for. Copy of judgement and decree is yet to be received.

13.	Bajaj Electricals Ltd. V/s. Sandeep Gawli & Ors.	Suit No.132 of 2005 in the High Court of Bombay	Adv. R.M.Vasudeo

Remarks: [Refer Item No.6 under Heading "Criminal Complaints under Negotiable Instruments Act"]

The Company has filed a Suit in January, 2005 for orders and decree to pay to the Company a sum of Rs.17,72,160/- with interest thereon @21% per annum from the date of filing of the suit till payment or realization; appointment of court receiver for recovery of material supplied and injunction against the Defendants restraining from using the material supplied by the Company for erection of Highmast lighting systems at SEEPZ MIDC, Mumbai. Revised Plaint was served on the Accused by way of UPC/Courier/Regd.A.D Post on 3.4.2006. The Court Receiver was appointed to take possession of the suit material and the Defendant was given 2 weeks time to co-operate with the Receiver for return of goods.

14.	Bajaj Electricals Ltd. V/s. Bajaj Consumer Care Ltd.	Suit No.3265 of 2004 in the High Court of Bombay [OOCJ]	Adv. R.M.Vasudeo

Remarks:

The Company has filed a Suit in October, 2004 for orders and decree to pay to the Company a sum of Rs.14,42,608.64 [Rs.9,43,311.60 in Account No.82 and Rs.4,99,297.04 in Account No.64] with interest thereon @ 21% per annum from the date of filing of the suit till payment or realization and cost of the suit. *Written statement was filed by the Defendant in Oct-2007.* The suit is not yet come up for hearing.

CRIMINAL COMPLAINTS UNDER NEGOTIABLE INSTRUMENTS ACT

(for cheque bouncing)

1.	Bajaj Electricals Ltd. V/s. M/s.Ravindra B.Jain & its three Partners	Criminal Complaint No. 885/ S/2001 in Additional Chief Metropolitan Magistrate's 33rd Court, Ballard Estate, Mumbai.	Adv. Shabbir Rasiwalla

Remarks:

The party had given a cheque of Rs.1,14,077.64 against supply of goods by the Company. The cheque deposited with the Bank was returned unpaid on 30.3.2000. The Company filed Criminal Complaint u/s.138 of the Negotiable Instruments Act, 1881 with the Additional Chief Metropolitan Magistrate’s 33rd Court, Ballard Estate, Mumbai. The name of Mr.Peter Joseph has been substituted in place of Mr.S.N.Deshpande, the original complainant on behalf of the Company in the case, consequent upon his transfer to Lucknow Branch. The warrant has been issued and served upon the Defendant. Proclamation issued by the Court has been submitted to the Commissioner of Police. The hearing is in progress. The name of Ms.Gauri Surve has been substituted in place of Mr.Peter Joseph, the substituted Complainant on behalf of the Company in the case, consequent upon his resignation from the services of the Company. *Proclamation has been issued against the Accused and submitted to the Commissioner of Police. Proclamation Report from Commissioner of Police is awaited. Court has issued reminder to the Commissioner of Police. The case has been transferred to Small Causes Court and numbered 1199/SS/07.*

2.	Bajaj Electricals Ltd. V/s. M/s.Ravindra B.Jain & its three Partners	Criminal Complaint No. 885/ S/2001 Additional Chief Metropolitan Magistrate’s 33rd Court, Ballard Estate, Mumbai.	Adv. Shabbir Rasiwalla

Remarks:

The party had given a cheque of Rs.4,68,227.78 against supply of goods by the Company. The cheque deposited with the Bank was returned unpaid on 28.7.2000. The Company filed Criminal Complaint u/s. 138 of the Negotiable Instruments Act, 1881 with the Additional Chief Metropolitan Magistrate’s 33rd Court, Ballard Estate, Mumbai. The name of Mr.Peter Joseph has been substituted in place of Mr.S.N.Deshpande, the original complainant on behalf of the Company in the case, consequent upon his transfer to Lucknow Branch. The warrant has been issued and served.

The settlement plan was worked out with the Accused and according to the settlement the Accused paid Rs.2,40,000/- by Demand Draft. However, the Accused failed to pay the balance as per the settlement schedule agreed upon and hence the NBW was issued and served on the Accused. The name of Ms.Gauri Surve has been substituted in place of Mr.Peter Joseph, the substituted Complainant on behalf of the Company in the case, consequent upon his resignation from the services of the Company. *Bailable Warrants have been issued against all three and the sealed packet of which as received from the Court has been sent to the Superintendent of Police, Malegaon, Nasik by Registered Post (AD) on 23.2.2008.*

The Company has also filed summary suit against the party in the High Court of Judicature at Mumbai.

3.	Bajaj Electricals Ltd. V/s. S.K.Distributor, its Prop. Mr.Kishore Nagdev.	Criminal Complaint No.232/S/2001 in Additional Chief Metropolitan Magistrate’s 33rd Court, Ballard Estate, Mumbai.	Adv. Ms.Sujata Mhadgut

Remarks:

The party had given a cheque of Rs.5,05,936.37 against supply of goods by the Company. The cheque deposited with the Bank was returned unpaid by the Bank on 20.3.2001. The Company filed Criminal Complaint U/s. 138 of the Negotiable Instruments Act, 1881 with the Additional Chief Metropolitan Magistrate’s 33rd Court, Ballard Estate, Mumbai. The name of Mr.Peter Joseph has been substituted in place of Mr.S.N.Deshpande, the original complainant on behalf of the Company in the case, consequent upon his transfer to Lucknow Branch. Discharge application has been filed on behalf of the Accused. The argument on discharge application filed by the Accused was contested and the discharge application has been dismissed. Subsequently, the cross examination has began and is going on. As Mr.Peter Joseph was not present at the time of cheque return, the court has summoned company personnel who were personally present at the time of the transaction. The name of Ms.Gauri Surve has been substituted in place of Mr.Peter Joseph, the substituted Complainant on behalf of the Company in the case, consequent upon his resignation from the services of the Company. Examination in Chief by Affidavit of Mr.Bharat Thakker filed in the Court on 30.4.2007.

The Company has also filed summary suit against the party in the High Court of Judicature at Mumbai.

4.	Bajaj Electricals Ltd. V/s. Shefali Electricals and its Proprietor	Criminal Complaint No.1442/M/2001 in Additional Chief Metropolitan Magistrate's 33rd Court, Ballard Estate, Mumbai.	Adv. Ms.Sujata Mhadgut

Remarks:

The party had given several cheques amounting to Rs.5,12,746/- and Rs.4,01,117/- against supply of goods by the Company. The cheques deposited with the Bank were returned unpaid by the Bank on 27.9.2001 and 12.9.2001 respectively. The Company filed a Criminal Complaint U/s. 138 of the Negotiable Instruments Act, 1881 with the Additional Chief Metropolitan Magistrate's 33rd Court, Ballard Estate, Mumbai. The plea has been recorded; the affidavit in evidence is to be filed at the next date. The name of Ms.Gauri Surve has been substituted in place of Mr.Peter Joseph, the substituted Complainant on behalf of the Company in the case, consequent upon his resignation from the services of the Company.

The Company has also filed a summary suit against the party in the High Court of Judicature at Mumbai through Mr Roop M Vasudeo-Advocate

5.	Bajaj Electricals Ltd. V/s. Mrs.Suraj Kaur, Prop. of Puneet Sales Agency, Haryana	Criminal Complaint No.226/S/2003 in Additional Chief Metropolitan Magistrate's 23rd Court, Ballard Estate, Mumbai.	Adv. S.D.Mogre

Remarks:

The party had given a cheque amounting to Rs.10,75,724/- against supply of goods by the Company. The cheque deposited with the Bank was returned unpaid by the Bank on 19.4.2003. The Company filed a Criminal Complaint on 2.6.2003, U/s. 138 of the Negotiable Instruments Act, 1881 with the Metropolitan Magistrate's 23rd Court, Esplanade, Mumbai.

The Bailable Warrant issued by the Court on 23.8.2004 was served on the party returnable on 15.1.2005.

The non-bailable warrant could not be served as the accused was not traceable. On the last hearing held on 23rd January, 2006, the Court was requested for extension of time for serving the warrant.

Non-Bailable Warrant could not be served as it had some defect and the branch wanted the same to be corrected from the court. The Judge wanted the SHO of the police station to give his noting on the NBW of the nature of the defect. We had returned the NBW to the branch for carrying out the orders of the Judge.

Fresh NBW was issued by the Court in September, 2007 addressed to CJM Haryana and the same was forwarded to the RSSM West for onward transmission to Branch for serving the same on the accused. Warrant service report is awaited.

6.	Bajaj Electricals Ltd. V/s. Sandeep Gawli of Vinay Electronics	Criminal Complaint No.407/SS/2005 in Additional Chief Metropolitan Magistrate's 33rd Court, Ballard Estate, Mumbai.	Adv. Sujata Mhadgut

Remarks:

The party had given a cheque amounting to Rs.17,72,160/- for supply and erection of Highmast lighting systems at SEEPZ MIDC, Mumbai and for purchase of certain goods. The cheque deposited with the Bank was returned unpaid on 18.11.2004. The Company filed a Criminal Complaint during Jan-2005, U/s.138 of the Negotiable Instruments Act, 1881 with the Metropolitan Magistrate's 31st Court, Ballard Estate, Mumbai. The Accused since absconding, has been proclaimed as wanted by obtaining process of proclamation from the Court. Notice of Proclamation has been advertised in Indian Express and Loksatta, Pune editions on 28.3.2007. Report from the Commissioner of Police, Pune is awaited. The information on whereabout and the property details of the accused gathered from the market has been passed on to Mr.Bhor, BSSM Pune for his verification. No positive feedback received from him so far.

The Company has also filed a summary suit bearing No.132 of 2005 against the party in the High Court of Judicature at Mumbai through Mr Roop M Vasudeo-Advocate. The High Court has appointed Court Receiver to take possession of the suit material and the Defendant was given 2 weeks time to co-operate with the Receiver for return of goods.

7.	Bajaj Electricals Ltd. V/s. Gunavant H. Jain of M/s. Surya Electricals, Bhayandar	Criminal Complaint No.302/SS/2006 in Additional Chief Metropolitan Magistrate's 33rd Court, Ballard Estate, Mumbai.	Adv. Sujata Mhadgut

Remarks:

The party, who was the Distributor of the Company, had given a cheque amounting to Rs.1,45,874/- for supply goods to them. The cheque deposited with the Bank was returned unpaid on 24.1.2006. The Company filed a Criminal Complaint during March-2006, U/s.138 of the Negotiable Instruments Act, 1881.

The plea of the accused is to be recorded at the next date of hearing.

The name of Ms.Gauri Surve has been substituted in place of Mr.Peter Joseph, the substituted Complainant on behalf of the Company in the case, consequent upon his resignation from the services of the Company.

The original records pertaining to the case was misplaced in the Court and the same being untraceable, the Court has been requested to reconstruct the same.

8.	Bajaj Electricals Ltd. V/s. M/s.Hardika Electricals and its Proprietor	Criminal Complaint No. 1423/M/2005 in Additional Chief Metropolitan Magistrate's 33rd Court, Ballard Estate, Mumbai.1440/SS/07	Adv. VijayaC/o Mongi

Remarks:

The party had given a cheque amounting to Rs.63,588/- against supply of goods by the Company to the party. The cheque deposited with the Bank was returned unpaid by the Bank on 29.03.2004. The Company filed a Criminal Complaint U/s.138 of the Negotiable Instruments Act, 1881.

The case has been transferred to small causes court from the Metropolitan Magistrates court. The hearing of the case is in process. The name of Ms.Gauri Surve has been substituted in place of Mr.Peter Joseph, the substituted Complainant on behalf of the Company in the case, consequent upon his resignation from the services of the Company.

Fresh summons were issued and the summons serving report was submitted to the Court.

9.	Bajaj Electricals Ltd. V/s. M/s. Kalpatru Electricals and its Proprietor	Criminal Complaint No.649/SS/06 in Additional Chief Metropolitan Magistrate's 33rd Court, Ballard Estate, Mumbai.	Adv. Ms.Sujata Mhadgut

Remarks:

The party had given a cheque amounting to Rs.1,26,788/— against supply of goods by the Company to the party. The cheque deposited with the Bank was returned unpaid by the Bank. The Company filed a Criminal Complaint U/s.138 of the Negotiable Instruments Act, 1881.

The name of Ms.Gauri Surve has been substituted in place of Mr.Peter Joseph, the substituted Complainant on behalf of the Company in the case, consequent upon his resignation from the services of the Company.

Examination-in-Chief has been filed in the case.

10.	Bajaj Electricals Ltd. V/s. M/s.Prerna Electricals and its Proprietor	Criminal Complaint No.971/SS/06 in Additional Chief Metropolitan Magistrate's 33rd Court, Ballard Estate, Mumbai.	Adv. Ms.Sujata Mhadgut

Remarks:

The party had given a cheque amounting to Rs.50,000/- against supply of goods by the Company to the party. The cheque deposited with the Bank was returned unpaid by the Bank. The Company filed a Criminal Complaint U/s.138 of the Negotiable Instruments Act, 1881.

The name of Ms.Gauri Surve has been substituted in place of Mr.Peter Joseph, the substituted Complainant on behalf of the Company in the case, consequent upon his resignation from the services of the Company.

Examination-in-Chief has been filed in the case. Accused agreed to settle the issue on payment of Rs.1.0 lac as a settlement amount and against that paid a sum of Rs.25,000/- and agreed to give balance amount of Rs.75,000/- by PDC.

CRIMINAL COMPLAINTS - OTHERS

TRADE MARKS SUITS

1.	Bajaj Electricals Ltd. V/s. Khanna Electrical Appliances, Indo Appliances, Sun Shine Marketing.	Suit No.1184/94 in the High Court of Bombay	Adv. Shantilal & Co.

Remarks:

This suit is filed by the Company for the infringement of the Registered Design No.163381 in respect of Ceiling Fan (Regal). The High Court has granted an ad-interim relief on 29.3.1994 to the Company by restraining the defendants to manufacture and/or sell the fans by applying the said registered design or any similar design using the same colour scheme, shape and configuration in respect of fans.

On 4.12.1999, the Suit has been decided in favour of the Company. Indo Appliances & Others, the Defendants have been ordered to refrain permanently from infringing the Registered Design No.163381 for “REGAL” fan of the Company.

2.	Bajaj Electricals Ltd. V/s. Siri Ram & Sons & Ors.	Suit No.3305/95 in the High Court of Bombay	Adv. Sunil Krishna

Remarks:

The Company has filed a Suit bearing No.3305 of 95 on 9.8.1995 against SIRI RAM & SONS & ORS. in the High Court at Bombay for perpetual Order and injunction against the Respondents from using any design similar to the Company’s design No.163381 (REGAL FANS). In the Notice of Motion, the Opposite Party has filed an Affidavit that they are registered proprietor of design bearing No.167584, dated 2.8.1994 and they have not copied the Company’s design No.163381, dated 5.7.1991. The Company’s prayer for ad-interim relief was declined on 14.10.1995.

The Company’s prayer in the Suit for interim relief has also been declined on 17.11.1997 on the same grounds that if both the designs under dispute are registered design, the remedy is available U/s.51A of the Design Act, 1911 for cancellation of Design.

Against the said Order dated 17.11.1997, the Company had filed an Appeal No.355 of 1998 before the Division Bench, High Court at Bombay. The said Appeal was heard on 15th April 1998 declining the interim relief as prayed by the Company.

Against certain observations of the Division Bench of High Court while declining the interim injunction on 15.4.1998, the Company filed a SLP in the Supreme Court in August, 1998. On 4.9.1998 the SLP was dismissed. However, it was made clear by the Supreme Court that observations made by the Division Bench of High Court should not affect the merit of the main matter.

The Company has filed a Misc. Application bearing No.69 of 1995 in the High Court at Bombay for cancellation of Design No.167584 registered by Siri Ram & Sons, the Opposite Party. The Opposite Party has also filed a Misc. Petition No.8 of 1996 on 20.9.1996 in the Bombay High Court for seeking an Order U/s.51A of the Designs Act, 1911 for cancellation of the Company’s Design bearing No.163381, dated 5.7.1991.

The Company’s Attorney has made an application to The Controller of Patents and Design with a request to provide information in respect of Defendants design registered under registration No.167584. The Company made an Affidavit on 27.1.2004 verifying the said fact of having made an application for information.

By an order dated 24th June, 2005, his lordship justice S.U. Kamdar made the Petition No.8 of 1996 absolute for removal and cancellation of our Design. Against the said order, the Company had preferred an Appeal on 20th February, 2006, which has also been dismissed. Against the said dismissal the Company has filed a Revision petition.

3.	Bajaj Electricals Ltd. V/s. Khajanchi Electricals Pvt. Ltd.	Suit No.1948 of 1998 in the High Court of Bombay	Adv. Sunil Krishna

Remarks:

The Company has filed a Suit on 3.4.1998 against M/s.Khajanchi Electricals Pvt.Ltd. for “passing off” under the Trade Marks & Merchandise Act using the Trade Mark “REGAL”. The Company’s application for grant of an ad-interim relief was declined on 2.7.1998. On 16.1.2001, the Company’s application for grant of interim relief was also declined. Against the said Order, the Company has, on or around 24.2.2001, preferred an Appeal bearing No.216/2001 before the Division Bench of Bombay High Court. The Appeal was admitted on 27.11.2001 after submissions. The said Appeal has not come up for hearing as yet. The Company has filed an application for early hearing of the matter by the Division Bench.

Notice of Motion dated 1.8.2007 was taken out in terms of Order 41 Rule 27 for adducing the additional and further evidence and documents. Also, an affidavit in support of the same was filed with the court. A new Notice of Motion and an affidavit in support of the same dated 8.8.2007 filed. The Hon'ble court set aside the order of the Trial Court and allowed the draft amendments and ordered the same to be carried out. The Hon'ble Court also granted liberty to move the Trial Court for immediate relief after the amendments. The Plaint has been reaffirmed and re-declared with the amendments.

4.	Bajaj Electricals Ltd. V/s. Indo Appliances, Sunrise International, K.K.Electricals (India)	Suit No.3433 of 1999 in the High Court of Bombay	Shantilal & Co.

Remarks:

This suit is filed by the Company for infringement of the Registered Design No.163381 in respect of 4 blades of Ceiling Fan (Regal). This suit is in addition to Suit No. 1184/94 filed by the Company. (Refer note no.1 above). The Suit is filed on 4.5.1999 and the Notice of Motion for ad-interim reliefs is served upon the defendants. The Court has on 28.1.2000 granted interim reliefs being an interim injunction against the defendants from infringing the Company's Registered Design and/or passing off their fans as the Company's fans, as per prayer (a) & (b) of the Notice of Motion. On 16.4.2001, the High Court has confirmed the interim injunction against the Defendants and made it absolute to remain operative till disposal of suit.

5	Bajaj Electricals Ltd. V/s. Bajaj Engineering Works	C.M. (Main) 492 of 1995 in Delhi High Court	Adv. Amarjit Singh

Remarks:

Vide Order dated 26.6.1995, the Dy. Registrar of Trade Marks dismissed the Company's Opposition to the Application bearing No.471994 by Bajaj Engg. Works for registration of Trade Mark "Bajaj" in respect of certain goods falling in Class-7 of the Schedule-4 to the Trade & Merchandise Marks Act, 1958.

For quashing the said Order of Dy. Registrar of Trade Marks, the Company has filed a case before the High Court, Delhi. The Company has also made an application for Stay of the said Order of Dy.Registrar of Trade Marks. The High Court of Delhi heard the matter on 16.10.2000. Since the Court had no time, the matter was ordered to be adjourned to 12.3.2001 with the consent of both the parties. In the meantime, the Company received a notice from the Advocate that the Dy.Registrar of Trade Mark, New Delhi has fixed up a hearing in the matter on 12.3.2001. Upon enquiry as to how the matter has been fixed for hearing by the Dy.Registrar of Trade Marks, New Delhi when the matter was pending before the High Court, it was informed that the files in the matter were transferred from the High Court to the Office of Dy.Registrar of Trade Marks, New Delhi pursuant to the following Order passed by the High Court:-

"Present : Mr.Amarjit Singh for Petitioner and
Mr.Yakesh Anand & Ms.Kajol for Respondent

C.M. (Main) No.492/95
As prayed, let the file relating to TM No.DEL-7524 be placed
before the Registrar for deciding the matter on 12th March, 2001.
Sd/-. S.N.Kapoor, J."

Accordingly, the matter was heard by the Dy.Registrar of Trade Marks on 12.3.2001. On behalf of the Company, Advocate Himanshu Kane attended the said hearing. The Order of the Dy.Registrar of Trade Marks was against the Company.

The Company has now filed a suit No.561 of 2001 in the High Court at Delhi against the said Order. The Court has granted an interim relief being the direction to the Registrar of Trade Marks that the Registration of Trade Mark "Bajaj" in favour of the Respondent would be subject to the decision of the High Court in the suit. The Court has called upon the Respondent for filing their reply. The next date of hearing was on 6.5.2004.

In view of the new enforcement under the new Trade Marks Act, 1999, High Courts are under statutory obligation to transfer all pending appeals and rectification proceedings to the Trade Marks Appellate Board constituted under the new Act. Presently, the Trade Marks Appellate Board has been constituted having Head Office at Chennai. As and when the said Board is constituted at Delhi, fresh notice will be served by them in respect of the aforesaid matter.

6	Bajaj Electricals Ltd. V/s. K.K.Electricals, Kusum Lata, Brig.Lal Khanna, Ramesh C.Khanna, V.D.Appliances	Suit No.1061 of 2001 in High Court of Mumbai.	Adv. H.W.Kane

Remarks:

This Suit is filed on 19.3.2001 by the Company for the infringement of the Registered Designs Nos.175417 in Class-1 and 175418 in Class-3 in respect of Instant Water Heaters. In the Notice of Motion dated 29th March, 2001 the High Court has passed an order on 29.3.2001 granting an interim injunction against the Defendants. The copies of the said interim injunction have been served upon the defendants. The Court has confirmed its ad-interim order dated 29.3.2001 vide its Order dated 28.10.2002.

BAJAJ ELECTRICALS LIMITED

LIST OF LEGAL CASES FILED AGAINST THE COMPANY AND PENDING AS ON 31.3.2008

MUMBAI OFFICE:

1	Mr.Anil Moti, Prop. of Anil Allied Products, Srinagar V/s. Bajaj Electricals Ltd. & Ors.	Cos.23/1991 in the Court of District Judge, Jammu.	Adv. Chamanlal Razdan.

Remarks:

A case was filed against the Company by Mr. Anil Moti, Proprietor of Anil Allied Products, Srinagar, for recovery of Rs.23 lacs as the actual cost of Poles supplied through the Company and additional damages. The written statement has been filed by the Company. The District Court on 17.7.1997 has passed an Order for dismissal of the said Suit for non-appearance by the Plaintiff.

The Plaintiff has made an application to the Court for restoration of the suit dismissed by the High Court of Jammu on 17.7.1997. The Suit dismissed in default on 17.7.1997 has been restored to its original number. On 10.10.2005, the Suit was again dismissed in default of appearance and prosecution by the District & Sessions Judge, Jammu.

2	Aska Equipment Pvt. Ltd. & Anr. V/s. Nuclear Power Corporation & Bajaj Electricals Limited	Writ Petition No.2254 of 1999 in the Bombay High Court	Adv. S.D.Mogre

Remarks:

The Petitioners have filed a Writ Petition against Nuclear Power Corporation and the Company seeking an order to set aside the award (valued at estimated Rs.35.00 lacs) granted by Nuclear Power Corporation to Bajaj Electricals Limited for installation of High Mast at its TAPP-3-4 construction site. Mr. Lalit Mehta on behalf of the Company has filed an affidavit on 29.4.1999. The matter has not come up for hearing so far.

E.P.D.:

3.	Sachchidanand Sing V/s. Mr.A.K.Das, Sr.Proj.Manager	Money Suit No.87/96 in the Court of Subordinate Judge.	

Remarks:

The Plaintiff has filed a Money Suit for recovery of Rs.57,900/- (being Principal amount of Rs.30,800/- and interest of Rs. 27,100/- from the year 1990 till the date of filing of suit @ 15% p.a.) from Mr.A.K.Das, Sr.Project Manager of Bajaj Electricals Ltd., Ganesh Electricals, Durgapur and Surendra Choudhury of Durgapur. The suit is filed for recovery of the amount under a contract alleged to have been entered into between the Plaintiff and Bajaj Electricals Ltd. for his appointment as a contractor for loading and unloading work at Kahalgaon, Super Thermal Power Project, Stage-I, Bhagalpur, Bihar. The Company, through the office of EPD at Delhi, has filed Written Statement. No further progress in the said matter has been informed by E.P.D. The case is being handled by EPD, Delhi.

JABALPUR

4.	Shri Ram Kishor Gupta V/s. Bajaj Electricals Limited	Suit No.3 of 1979 before the Commissioner under Workmen's Compensation Act.	Adv. K.L.Raj

Remarks:

Shri Ram Kishor Gupta has filed an application for recovery of Rs.23,520/- for injuries suffered by him during the course of his employment. Shri R.K.Gupta, a workman, was employed by our sub-contractor, Shri Devra. An order is passed by the Commissioner (WC) ordering the Garrison Engineer to pay Rs.15,620/- to Shri R.K.Gupta. The Company is contesting the liability. No further progress in the matter has been informed by the E&P BU.

CALCUTTA

5.	R.N. Panth, Ex.employee V/s. Bajaj Electricals Limited	No.224 of 1976	OR Dignam & Co.

Remarks:

Shri R.N. Pant, Ex-employee of our Company has filed the suit for recovery of Rs.1,62,779.12 being the amount of his dues by way of salary, profit sharing etc. Out of the total claim, there is a claim of Rs,50,000/- for defamation against the Trustees. The total claim against the Company therefore, remains to be Rs.1,12,779.12. He has also instituted separate proceedings against P.F. Trust.

KANPUR

6.	Som Engg. Corporation V/s. Bajaj Electricals Limited	No.294 of 1976 in the Court of First Civil Judge, Kanpur	Adv. R.M.Vasudeo

Remarks:

The suit has been filed for the recovery of Rs.46,029.67 against our Company. This amount is of hundies which were accepted by our Company but not paid. Our application U/s. 34 of the Arbitration Act for stay of proceedings in civil suit had been rejected by Addl. Civil Judge, Kanpur against which we had filed an appeal in the High Court of Allahabad. The Company won this appeal. The Special Leave Petition to the Supreme Court by the party has been dismissed by the Supreme Court on 2.12.1991. So, the Party has initiated Arbitration Proceedings before Shri S.K.Nigam and Shri A.K.Shende, the learned Arbitrators.

First hearing before the Arbitrators was held 25.8.92. Som Engg. Corpn. have filed their statement of claim of Rs.32,96,561/- (consisting of principal amount of Rs.1,08,554.78 plus interest of 31,75,906.17 and other expenses of Rs.12,100/-). The Company vide its written statement dated 13.4.1993 have denied the said claim.

Som Engg. has also filed an additional claim dated 22.1.1994 for Rs.90,24,433.57 (consisting of principal amount Rs.1,08,554.78 plus interest of Rs.89,15,878.79 till 24.8.1992 under the Interest on Delayed Payments to Small Scale & Ancillary Industrial Undertaking Act, 1993). The Company has also filed an additional written statement denying the above claims of Som Engg.

On 7.10.1999, Som Engg. has filed an application for revision of claim in respect of interest on Principal amount under the amended Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993 (Amended vide Act of 23 of 1998). As per the application, the interest claim is for Rs.1,80,00,338.49 till the date of claim.

On 2.11.2001, the Company refused to extend the time for the Arbitrators for giving award. Against this refusal by the Company to extend the time, Som Engg. preferred an appeal before the High Court of Mumbai. The Court passed an Order extending time upto 18.3.2002. The matter then progressed further on 22 & 23.2.2002 and the Advocate for Som Engg. has completed his arguments. The Company has to put forward its argument against the claim. There is no progress in the matter at present.

PUNE

7.	Slimline Electricals Pvt. Ltd. V/s. Bajaj Electricals Limited	Suit No.1793 / 93 in the Civil Court, Pune	Through Pune Branch

Remarks:

This suit has been filed for a sum of Rs.3,36,099.27 against the Company consisting of the principal sum of Rs.2,56,228.27 and interest of Rs.79,871/- upto date of filing the suit. The claim is in respect of purchase price dispute and also for repairs charges alleged to be recovered from the Company.

The Company has filed its Written Statement. The hearing of the case is still going on.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

6.1.1 The Shares of BEL are presently listed on BSE, NSE and DSE.

6.1.2 During the six months prior to the month in which the PA was made i.e. May 2007 to October 2007, the Shares were traded on BSE. Details of trading during this period was as follows:

Stock Exchanges	Total Shares traded	Total No. of listed Shares	Annualized trading turnover as a % of total number of listed Shares
BSE	21,20,704	1,72,85,760	24.54

Source: Bloomberg

Note: During the 6 months prior to the month in which the PA was made i.e. May 2007 to October 2007, Equity shares of BEL were not listed on NSE. The equity shares of BEL were listed on NSE on November 2, 2007. During the two weeks prior to the PA an aggregate of 19,488 equity shares of BEL were traded on the NSE. *[Source: Capitaline]*

6.1.3 As the annualized trading turnover, based on the trading during six calendar months i.e. May 2007 to October 2007 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.

6.1.4 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 applicable parameters as per the details given below:

(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

6.1.5 Average of the weekly high and low of the closing prices and volume data on BSE, where the Shares are most frequently traded, for the twenty six weeks period ended November 29, 2007 i.e. date preceding the date of the PA:

WkNo	Week	Weekly Closing High (Rs.)	Weekly Closing Low (Rs.)	Weekly Average (Rs.)	Volume Traded
1	1-June-07 to 7-June-07	282.30	269.60	275.95	86,478
2	8-June-07 to 14-June-07	272.57	259.48	266.02	26,894
3	15-June-07 to 21-June-07	274.75	265.77	270.26	35,884
4	22-June-07 to 28-June-07	290.90	271.05	280.97	32,434
5	29-June-07 to 5-July-07	297.15	292.95	295.05	34,766
6	6-July-07 to 12-July-07	308.80	304.70	306.75	86,724
7	13-July-07 to 19-July-07	307.10	295.10	301.10	33,412
8	20-July-07 to 26-July-07	301.73	295.90	298.815	31,502
9	27-July-07 to 2-Aug-07	309.30	297.60	303.45	94,382
10	3-Aug-07 to 9-Aug-07	300.45	296.45	298.45	34,828
11	10-Aug-07 to 16-Aug-07	300.10	295.77	297.93	12,944
12	17-Aug-07 to 23-Aug-07	301.48	288.88	295.18	25,564

13	24-Aug-07 to 30 -Aug—07	308.50	293.80	301.15	33,909
14	31 -Aug—07 to 6-Sept-07	351.20	317.60	334.40	44,063
15	7-Sept-07 to 13-Sept-07	367.90	350.40	359.15	30,833
16	14-Sept-07 to 20-Sept-07	352.4	339.80	346.10	26,487
17	21-Sept-07 to 27-Sept-07	339.25	309.00	324.12	28,874
18	28-Sept-07 to 4-Oct-07	310.10	306.35	308.22	18,526
19	5-Oct-07 to 11-Oct-07	316.90	300.00	308.45	23,662
20	12-Oct-07 to 18-Oct-07	313.75	297.70	305.72	25,125
21	19-Oct-07 to 25-Oct-07	314.25	289.80	302.02	20,532
22	26-Oct-07 to 1-Nov-07	363.70	329.95	346.82	58,343
23	2-Nov-07 to 8-Nov-07	363.00	329.90	346.45	35,973
24	9-Nov-07 to 15-Nov-07	389.60	336.80	363.20	44,620
25	16-Nov-07 to 22-Nov-07	382.00	374.70	378.35	1,26,508
26	23-Nov-07 to 29-Nov-07	405.00	380.05	392.53	25,247
	Twenty six weeks average (Rs.)				**315.64**

Source: Bloomberg

6.1.6 Average of daily high and low prices for the two weeks period ended November 29, 2007 i.e. date preceding the date of the PA:

Dates	DailyHigh (Rs.)	DailyLow (Rs.)	DailyAverage (Rs.)	Volume
29-Nov-07	405.00	395.50	400.25	2,450
28-Nov-07	409.00	392.00	400.50	4,905
27-Nov-07	400.00	386.10	393.05	1,533
26-Nov-07	404.00	377.00	390.50	13,721
23-Nov-07	385.00	345.10	365.05	2,638
22-Nov-07	390.00	371.60	380.80	4,728
21-Nov-07	387.95	363.00	375.48	1,07,429
20-Nov-07	400.00	376.50	388.25	5,063
19-Nov-07	405.00	372.15	388.58	3,898
16-Nov-07	400.00	378.00	389.00	5,390
Two weeks Average (Rs.)				**387.15**

Source: Bloomberg

6.1.7 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.

(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) Other parameters based on the audited financial results for the year ended on March 31, 2007	• Book Value per share Rs. 123.56 • Return on Net Worth 36.08% • Earning Per Share Rs. 44.41 • P/E ratio 9.19 [Closing price on BSE on the date of PA Rs. 408/-] • [P/E multiple for the Industry category i.e. "Domestic Appliances" (Source: Capital Market : December 3 - 16, 2007) is 11.7 times] • Offer P/E 8.76. • Fair Value of the share [as per the details given below] Rs. 265.06
(d) Other parameters based on the un audited financial results for the period ended on September 30, 2007	• Book Value per share Rs. 73.85 • Return on Net Worth 32.84% (annualized) • Earning Per Share Rs. 24.25 (annualized) • P/E ratio 16.82 [Closing price on BSE on the date of PA Rs. 408/-] • [P/E multiple for the Industry category i.e. "Domestic Appliances" (Source: Capital Market : September 22 – October 5, 2008) is 8 times] • Offer P/E 16.04 • Fair Value of the share Rs. 265.06

6.1.8 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.

6.1.9 This Offer is being made pursuant to Regulations 11(2A) of the SEBI Takeover Regulations as 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. The Acquirers are thus, making this voluntary open offer, to acquire upto 12,62,287 fully paid up equity shares of Rs.10/- each, representing 7.00% of the expanded voting rights in BEL, from the equity shareholders of BEL, at a price of Rs. 389/- per share payable in cash subject to the terms and conditions mentioned in this letter of offer. Therefore non – Compete fee is not relevant.

6.1.10 The Offer Price of Rs. 389.00 per share is justified (a) in terms of Regulation 20(4) of the SEBI Takeover Regulations, applicable for companies whose shares are frequently traded in view of this offer price being more than the parameters specified in Regulation 20(4) and (b) in terms of Regulation 20(5) of the SEBI Takeover Regulations, applicable for companies whose shares are infrequently traded in view of this offer price being more than the parameters specified in Regulation 20(5) and the Offer Price is justified as per regulation 20(11) of SEBI Takeover Regulations as stated above.

6.1.11 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 the PA has appeared and the revised offer price would be paid for all the shares tendered anytime during the Offer.

6.1.12 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.

6.1.13 Based on the above, (a) the Manager to the Offer and (b) the Acquirers are of the opinion that the Offer Price of Rs. 389.00 per equity share is justified.

6.2 Financial Arrangements

6.2.1 The maximum purchase consideration payable by the Acquirers in case of full acceptance of this Offer would be Rs. 49,10,29,643/- (Rupees Forty Nine Crores Ten Lakhs Twenty Nine Thousand Six Hundred Forty Three only) for acquisition of 12,62,287 equity shares at the offer price of Rs. 389.00 (Rupees Three Hundred Eighty Nine only) per share.

6.2.2 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 acquisition of 12,10,000 equity shares to the extent of their obligations of the Offer.

6.2.3 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.

6.2.4 The Acquirers increased the Open offer size from 12,10,000 equity shares to 12,62,287 equity shares in compliance with Regulation 21(5) of the Takeover Regulations to ensure that the offer size is 7% of the expanded capital of BEL. In view of the same, the Acquirers have deposited an additional amount of Rs.77,43,290/- and the balance lying in the Escrow Account is more than the minimum requirement as per Regulation 28 of the SEBI Takeover Regulations.

6.2.5 In view of the above, 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 September 24, 2008 that Acquirers have adequate financial resources i.e. amount deposited in the escrow account and sale of investment in shares to finance the above mentioned acquisition of 12,62,287 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.

6.2.6 Funds lying in the cash escrow account represent 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 SEBI Takeover Regulations.

6.2.7 The 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.

6.2.8 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 SEBI Takeover Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 The Offer is being made by the Acquirers to (i) all Shareholders of BEL whose names appeared in the Register of Members on Friday – December 7, 2007 i.e. Specified Date and (ii) beneficial owners of the Shares of BEL whose names appeared as beneficiaries on the records of the respective Depositories, at the close of business hours on Friday – December 7, 2007 i.e. Specified Date and (iii) to those persons who acquire Shares of BEL any time prior to the date of the closure of the Offer i.e. Saturday – October 25, 2008 but who are not the registered Shareholders of BEL, except the Acquirers and the Promoters of BEL.

7.2 The Offer is not subject to any minimum level of acceptance and the Acquirers will be obliged to acquire up to a maximum of 12,62,287 Shares of BEL that are tendered in the valid form in terms of this Offer subject to the terms and conditions mentioned in the PA and this Letter of Offer. The Shares of BEL 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 %.

7.3 The Offer will open on Monday – October 6, 2008 and close on Saturday – October 25, 2008.

7.4 The Shareholders who have accepted the Offer by tendering the requisite documents in terms of the PA / Letter of Offer can withdraw the same up to three working days prior to the date of the closure of the Offer i.e. on or up to Tuesday – October 21, 2008.

7.5 The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgment constitute an integral part of the terms of this Offer.

7.6 Each Shareholder of BEL to whom this Offer is being made is free to offer his Shareholding in BEL in whole or in part while accepting the Offer. However, the Acquirers and the Promoters of BEL are not eligible to tender their Shares under the Offer.

7.7 The Shares will be acquired by the Acquirers free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared thereafter.

7.8 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 Acquirers from the aforesaid category of shareholders under the Offer and other related matters. RBI, vide their letter dated January 28, 2008 granted approval to the Acquirers to acquire upto 12,10,000 equity shares of BEL through open offer from the eligible non resident shareholders. Manager to the Offer, vide their letter dated September 26, 2008 filed an application with RBI for approval to the Acquirers to acquire additional 52,287 equity shares of BEL through open offer from the eligible non resident shareholders, as the number of shares to be acquired pursuant to the open offer have been revised upwards to ensure that the offer size is 7% of the expanded capital in compliance with Regulation 21(5) of the SEBI Takeover Regulations.

7.9 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.

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

7.11 There has been no competitive bid.

7.12 As the Offer Price cannot be revised during seven working days prior to the closing date of the Offer i.e. prior to Wednesday – October 15, 2008, it would be in the interest of the Shareholders to wait till the commencement of that period to know the final Offer Price and tender their acceptance accordingly.

7.13 The Manager to the Offer shall within a period of forty five days of the closure of the Offer inform BSE, NSE, DSE and SEBI as to level of acceptance received thereof.

7.14 The acceptance of the Offer of the Acquirers is entirely at the discretion of the Equity Shareholders of BEL. The Acquirers will not be responsible for any loss of share certificate(s) and Offer acceptance documents during transit and the Shareholders of BEL are advised to adequately safeguard their interests in this regard.

7.15 The Acquirers will proceed with the Offer even if they are unable to obtain acceptance to the extent of 12,62,287 fully paid-up Shares of face value of Rs. 10/- (Rupees Ten only) each of BEL.

7.16 In the case of Shares acquired from non resident Shareholders, the Acquirers will not be responsible for any fall in the value of the rupee due to any fluctuation in the foreign exchange market on account of delay in the approval.

7.17 Accidental omission to dispatch this Letter of Offer to any person to whom this Offer has been made to or non-receipt of this Offer by any such person shall not invalidate the Offer in any way.

7.18 The acceptance must be unconditional and should be sent with the attached form duly filled in, signed by the applicant Shareholder(s) which should be received by the Registrar to the Offer at the address mentioned in para no. 8.13 on or before Saturday – October 25, 2008. If any change or modification is made, the acceptance is liable to be rejected.

7.19 All expenses relating to the Offer will be borne by the Acquirers.

7.20 The Acquirers reserve the right of upward revision of price at any time up to seven working days prior to the closure of the Offer as per regulation 26 of the SEBI Takeover Regulations. The same price would be paid by the Acquirers for all the Shares tendered any time during the Offer and accepted under the Offer. The information about such revision(s), if any, would appear in the same newspapers in which PA has appeared.

7.21 There are no shares of BEL which are currently locked in.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

8.1 The Shareholders of BEL who wish to avail this Offer are required to forward the under mentioned documents by hand delivery or by registered post or by speed post or by courier to Intime Spectrum Registry Ltd, the Registrar to the Offer [details of collection centres are given in para no. 8.13] so as to reach them on or before Saturday – October 25, 2008 on working days during business hours indicated in para no. 8.13. In the case of dematerialized Shares, the Registrar is not bound to accept those Offers which have not yet been credited to the escrow depository account at the end of business hours on the date of closure of the Offer, i.e. Saturday – October 25, 2008. No documents for tendering the Shares should be sent either to the Acquirers or Manager to the Offer or BEL.

8.2 The registered Shareholders of BEL holding physical shares should submit:

- The enclosed Acceptance Form duly completed and signed in accordance with the instructions contained therein by the Equity Shareholders of BEL in the same order in which they hold Shares in BEL. The order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
- Original share certificate(s).
- Valid share transfer deed(s) duly signed as transferors by all Shareholders (in case of joint holdings) in the same order and as per specimen signatures lodged with BEL.

In case of non-receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.

In case the present signature of the Shareholder(s) differ from the specimen signatures lodged with BEL, transfer deeds should be duly attested at the appropriate place by a notary or bank manager or member of stock exchange under their seal of office and membership number. In each case, the name and address of the attesting authority, attesting authority's seal and registration number (if the authority is a notary public/member of stock exchange) or the name and address of the bank (if the authority is a bank manager) should appear. Further, all attestations should be unconditional, i.e. the authority attesting should not deny the responsibility of identifying the person and the signature by qualifying the attestation. If the said guidelines are not followed, the Acquirers reserve the right to reject the transfer deed along with the application.

8.3 Notwithstanding that the signature(s) of the transferor(s) has/ have been attested as aforesaid, if the signature(s) of the transferor(s) differ(s) from the specimen signature(s) recorded with BEL or are not in the same order, such Shares are liable to be rejected under this Offer even if the Offer has been accepted by a bonafide owner of such Shares.

8.4 Unregistered owners of shares / registered Shareholders who have not received the Letter of Offer and are holding physical shares should enclose the Acceptance Form which is available on SEBI web site (www.sebi.gov.in), duly completed and signed in accordance with the instructions contained therein or an application in writing on a plain paper with original equity share certificates, original broker contract note, valid share transfer deed(s) as received from the market stating the name, address, number of Shares held, number of Shares offered, distinctive numbers and folio number. All other requirements for valid transfer (including matching of signatures) will be precondition for acceptance. No indemnity is required from the unregistered owners.

8.5 In the case of Shareholders who have sent their physical share certificates for transfer to BEL can enclose the acknowledgement, if any, received from BEL. The Shareholders 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.

8.6 If required, Shareholders may download the Acceptance Form from the SEBI's site (www.sebi.gov.in) or may request for the Acceptance Form from the Registrar to the Offer.

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED EXCEPT NAME, SIGNATURE AND WITNESS.

8.7 Procedure for Shares held in dematerialized form - Registered beneficiary owners:

The beneficiary owners (holders of Shares in dematerialized form) who wish to tender their Shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in "off-market" mode or counterfoil of the delivery instruction in "off-market" mode, duly acknowledged by the DP in favor of the escrow depository account.

8.8 The beneficiary owners/ registered demat Shareholders who have not received Letter of Offer:

These Shareholders can apply on a plain piece of paper giving details like the name, address, number of shares held, no. of Shares offered, depository details i.e. DP name, DP ID and Client ID along with a photocopy of the delivery instructions in "off-market" mode or counterfoil of the delivery instruction in "off-market" mode, duly acknowledged by the DP in favor of the escrow depository account. Alternatively, they may download the Acceptance Form from the SEBI's site (www.sebi.gov.in) or may request for the Acceptance Form from the Registrar to the Offer. All other requirements for valid transfer (including matching of signatures) will be precondition for acceptance.

8.9 Intime Spectrum Registry Ltd Registrar to the Offer, have opened an escrow depository account. The details are as under:

Depository	NSDL
Depository Participant / DP	Stock Holding Corporation of India Limited
Client ID	20255042
DP ID	IN301330
ISIN	INE193E01017

8.10 Shareholders of BEL having their depository account with a DP registered with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the escrow depository account opened by the Registrar with Stock Holding Corporation of India Limited which is registered with NSDL. The Shareholders may note that the credit for the Shares tendered must be received in the escrow depository account, as specified above, at the end of business hours, on Saturday – October 25, 2008.

8.11 For each delivery instruction, the beneficial owner should submit a separate Acceptance Form.

8.12 The Equity Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but are not limited to):

- Duly attested death certificate and succession certificate / No Objection Certificates **("NoC")** / letters from legal heirs (in the case of single Shareholder) where the original Shareholder has expired.
- Duly attested power of attorney, if any person other than the Shareholder has signed the Form of Acceptance cum Acknowledgement or transfer deed(s).
- In case of companies, the necessary corporate authorizations (including board and shareholders' resolutions) and specimen signatures of authorized signatories.
- Any other relevant documents, as deemed necessary.

In case of non-receipt of the aforesaid documents, but receipt of Shares in the escrow depository account on or before the end of business hours on Saturday – October 25, 2008, the Offer shall be deemed to be accepted provided subsequent receipt of all the relevant documents.

8.13 The Shareholders of BEL who wish to avail of the Offer can deliver all the relevant documents referred to above to the Registrar to the Offer at the addresses given below (on all days except holidays and Sundays) in accordance with the instructions specified in the Letter of Offer.

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	AwaniThakkar	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

Note: collection centres mentioned above, will 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. excluding Sundays and public holidays.

8.14 The shareholders who successfully tender the equity shares of BEL have option to receive payment through Electronic Clearing System (ECS), if the required information for ECS has been provided in the Form of Acceptance or details provided on plain paper.

8.15 The documents sent by registered post/ speed post/ courier or through any other means will be at the applicant's own risk and cost.

8.16 All owners (registered or unregistered) of Shares of BEL except the Acquirers and the Promoters of BEL, anytime before closure of the Offer are eligible to participate in the Offer.

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 Equity 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.

8.17 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. Further, the Remuneration and Compensation Committee of the Directors, in their meeting held on October 25, 2007 granted options exercisable into 7,46,900 equity shares of Rs. 10/- each to the employees under Employees Stock Option Scheme 2007 (ESOP Scheme) 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. As per the terms of the ESOP scheme, the aforesaid options, exercisable into 7,46,900 equity shares of Rs. 10/- each will vest on October 25, 2008. Therefore, while determining the public offer size, paid up equity share capital of Rs.18,03,26,600/- comprising of 1,80,32,660 equity shares of Rs. 10/- each is considered in terms of Regulation 21(5) of SEBI Takeover Regulations which provides that for the purpose of determining the minimum Public offer size, voting rights as at the expiration of 15 days after the closure of the proposed public offer shall be reckoned. There are no partly paid up equity shares in the books of BEL.

8.18 The minimum marketable lot for the purpose of acceptance, for both physical and demat Shares, would be one Share.

8.19 Shares, if any, that are subject matter of litigation wherein the Shareholder/s is/are/ may be precluded from transferring the Shares during the pendency of such litigation are liable to be rejected in case directions/orders from competent authority regarding these Shares are not received together with the Shares tendered under the Offer.

8.20 The Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting Shares dematerialized is completed well in time so that the credit in the escrow depository account should be received on or before the end of business hours on the date of closure of the Offer, else the application would be rejected.

8.21 The Registrar to the Offer will hold in trust the Share certificates, Shares lying in credit of the escrow depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the Shareholders of BEL who have accepted the Offer, till the Offer obligations are completed in full by the Acquirers.

8.22 In the case of dematerialized Shares, the Shares would reside in the escrow depository account as mentioned above. The Registrar to the Offer will debit the escrow depository account to the extent of payment of consideration made by the Acquirers and give instructions for the credit to the beneficiary account of the Acquirers. The Shares held in dematerialized form to the extent not accepted as a result of non-payment / part payment of consideration by the Acquirers will be released to the beneficial owner's depository account with the respective beneficial owner's depository participant as per details furnished by the beneficial owner in the Acceptance Form, at the sole risk of the beneficial owner.

8.23 In accordance with regulation 22(5A) of the Takeover Regulations, the Shareholders who have tendered the requisite documents in terms of the PA and this Letter of Offer shall have the option to withdraw acceptances tendered up to three working days prior to the closing date 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 centers mentioned above as per the mode of delivery indicated therein on or before Tuesday – October 21, 2008.

8.24 The withdrawal option can be exercised by submitting (a) the Form of Withdrawal which will be sent to Shareholders 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 (c) In respect of physical Shares – name, address, distinctive numbers, folio number, and number of Shares tendered and in respect of dematerialized Shares – name, address, number of Shares tendered, DP Name, DP ID, beneficiary account number and photocopy of the delivery instruction in off market mode duly acknowledged by DP. In case of nonreceipt of Form of Withdrawal, the above application can be made on a plain paper.

8.25 In case of partial withdrawal of the Offer or rejection of Shares:

- The Shareholders who have tendered Shares in physical form and wish to partially withdraw their tenders, should also enclose valid share transfer form(s) for the remaining Shares (i.e. Shares not withdrawn) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with BEL and duly witnessed at the appropriate place.

- Option of withdrawal of Shares will be available only with respect to the share certificates / Shares that have been received by the Registrar to the Offer / escrow depository account.
- The intimation of returned Shares / rejected Shares to the Shareholders will be made at the address as specified in the Acceptance Form.
- The Form of Withdrawal should be sent only to the Registrar to the Offer, at the collection centres mentioned in para no. 8.13.
- In case of partial withdrawal of Shares tendered in physical form and the original share certificates are required to be split, the withdrawn Shares will be returned on receipt of share certificates from BEL.

  In case of partial withdrawal of Shares / rejection of Shares tendered in demat form, the Shares withdrawn / rejected will be credited to the beneficial owner's depository account with the respective DP as furnished in the Acceptance-cum-Acknowledgment form. It is the responsibility of the Shareholder to ensure that the withdrawn Shares / unaccepted Shares are accepted by their respective DP when transferred by the Registrar to the Offer. The Shareholders should ensure that their depository account is maintained till the Offer formalities are completed.
- Partial withdrawal of tendered Shares can be done only by the registered Shareholders / beneficial owners.
- In case of partial withdrawal, the earlier Form of Acceptance-cum-Acknowledgement will stand revised to that effect.
- The Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

Transfers not lodged: In case any person has lodged Shares of BEL for transfer and such transfer has not yet been effected, the concerned person may apply as per instruction contained in para no. 8.5 above together with the acknowledgement of the lodgement of Shares for transfer. Such persons should also instruct BEL to send the transferred share certificate(s) directly to Intime Spectrum Registry Ltd, 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 India. The applicant should ensure that the certificate(s) reach the designated collection centre on or before the Offer closing date, else the Offer will be deemed invalid.

8.26 Dematerialization process not complete: In case any shareholder has tendered his physical Shares in BEL for dematerialization and such dematerialization has not yet been effected, then, the concerned Shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialization request form acknowledged by Shareholder's DP. Such Shareholders should ensure the credit of the Shares to the escrow depository account at the end of business hours on Saturday – October 25, 2008 and forward a copy of the delivery instructions acknowledged by the DP to the collection centre.

8.27 The consideration for the Shares accepted by the Acquirers will be paid by crossed account payee cheques / demand drafts. Such considerations in excess of Rs. 1,500/- or unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post / speed post at the Shareholders' / unregistered owners' sole risk to the sole / first Shareholder. The consideration up to Rs. 1,500/- may be dispatched Under Certificate of Posting ("**UPC**"). It is mandatory that Shareholders provide bank account details in the Acceptance Form so that the same can be incorporated in the cheque / demand draft.

The shareholders who successfully tender the equity shares of BEL have option to receive payment through Electronic Clearing System (ECS), if the required information for ECS has been provided in the Form of acceptance or details provided on plain paper

8.28 While tendering Shares under the Offer, non resident Shareholders (NRI/FII etc.) will be required to submit the previous RBI / GOI approvals, if any, which they would have obtained for acquiring the Shares of BEL and Tax Clearance Certificate ("**TCC"**) from the Income Tax authorities under the Income Tax Act, 1961 ("**Income-tax Act**") indicating the rate at which the tax is required to be deducted by the Acquirers before remitting the consideration. In case previous approvals as explained above are not submitted, the Acquirers reserve the right to reject the Shares tendered in the Offer. In case the aforesaid TCC is not submitted, the Acquirers will deduct the tax at the current prevailing rates as applicable to the category of the Shareholder under the Income Tax Act on the entire consideration payable to such shareholder.

8.29 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 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, the 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.

8.30 In the case of resident Shareholders, 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 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 NoC 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. The Shareholders eligible to receive interest component exceeding Rs. 5,000/- would be required to give their Permanent Account Number ("**PAN**") for income-tax purposes.

8.31 The securities transaction tax will not be applicable to the Shares accepted pursuant to this Offer.

9. DOCUMENTS FOR INSPECTION

Copies / certified copies of the following documents will be available for inspection at the office of YES Bank Limited, 12th Floor, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 during normal business hours on any working day i.e. Monday to Friday between 10 am and 3 pm during the Offer period i.e. from Monday – October 6, 2008 to Saturday – October 25, 2008.

1. Networth certificates dated November 16, 2007 of the Acquirers issued by Mr. Jagdish P. Lakhani,, Partner M/s Gandhi & Lakhani
2. Audited Annual Reports / Accounts of BEL for the years ended March 31, 2007, 2006 and 2005 and certified financials for the period ended September 30, 2007
3. Letter dated November 28, 2007 from the escrow banker confirming deposit of requisite funds in the cash escrow account.
4. Letter dated November 16, 2007 received from the Acquirers that the escrow funds will be exclusively utilized for the Offer.
5. Newspaper clipping of the PA published on November 30, 2007.
6. Letter dated September 16, 2008 received from SEBI in terms of Regulation 18(2).
7. Escrow Depository Agreement entered into with the Registrar to the Offer.
8. Certificate dated November 29, 2007 & September 24, 2008 from Mr. Jagdish P. Lakhani,, Partner M/s Gandhi & Lakhani certifying that Acquirers have adequate financial resources to finance the open offer to the extent of its obligations of the Offer.

10. DECLARATION BY THE ACQUIRERS

10.1 A copy of the draft Letter of Offer was delivered to (a) the Board of Directors of BEL, (b) Delhi Stock Exchange Limited (c) The Bombay Stock Exchange Ltd (d) The National Stock Exchange of India Limited for their information and perusal on December 14, 2007.

10.2 The Acquirers accept full responsibility for the information contained in this Letter of Offer and also for the obligations of the Acquirers as laid down in Regulation 22(6) of SEBI Takeover Regulations.

10.3 The Acquirers are responsible for ensuring compliance with SEBI Takeover Regulations.

10.4 The Manager to the Offer has ensured that Mr. Niraj Bajaj is duly and legally authorized to sign the Letter of Offer.

For and on behalf of Mr. Rahul Bajaj, Mr. Shekhar Bajaj, Mr. Madhur Bajaj and Mr. Niraj Bajaj. [Acquirers]

Sd/-

Mr. Niraj Bajaj
Authorized Signatory

Place : Mumbai
Date : September 29, 2008

Encl: 1. Form of Acceptance cum Acknowledgement with Form of Withdrawal

2. Transfer Deed (as applicable)

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

OFFER	
OPENS ON	: OCTOBER 6, 2008
CLOSES ON	: OCTOBER 25, 2008

- *Please submit this Form with enclosures to the Registrar to the Offer at their address given overleaf.*
- *Please read the enclosed Letter of Offer dated September 29, 2008 carefully before filling this Acceptance Form.*
- *All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer.*
- *Each Shareholder of BEL to whom this Offer is being made, is free to offer his Shareholding in BEL in whole or in part while accepting the Offer.*

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

From:

Folio No./DP ID No./ Client ID No.:

.

To,
Intime Spectrum Registry Limited
[Unit: Bajaj Electricals Limited],
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup West, Mumbai 400 078

Dear Sir,

Sub: Offer for purchase of upto 12,62,287 fully paid up Shares of the face value of Rs. 10/- (Rupees Ten only) each, representing 7.00% of the expanded voting paid up equity share capital of Bajaj Electricals Limited, at an Offer Price of Rs. 389.00 (Rupees Three Hundred & Eighty Nine only) per fully paid-up equity share by Mr. Rahul Bajaj, Mr. Shekhar Bajaj, Mr. Madhur Bajaj and Mr. Niraj Bajaj [Acquirers].

I/We refer to the Letter of Offer dated September 29, 2008 for acquiring the Shares held by me/us in BEL.

I/We, the undersigned, have read the Letter of Offer and understood the contents including the terms and conditions mentioned therein.

☐ **FOR SHARES IN PHYSICAL FORM**

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

Sr.No	Ledger Folio No	Certificate No	Distinctive Nos		No of fully paid-up Shares
			From	To	
				Total number of Shares	

Note: Please attach an additional sheet of paper if the above space is insufficient and authenticate the same.

I/ We note and understand that the original Share certificate (s) and valid Share transfer deed(s) will be held in trust for me / us by Registrar to the Offer until the time the Acquirers complete the Offer obligations under the SEBI Takeover Regulations as mentioned in the Letter of Offer. I/ We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

☐ **SHARES IN DEMATERIALIZED FORM**

I/We holding Shares in the dematerialized form, accept the Offer and enclose the photocopy of the delivery instruction in "off-market" mode, duly acknowledged by the DP in respect of my/our Shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No of fully paid-up Shares

I/ We have executed an off-market transaction for crediting the Shares to the escrow depository account opened by Intime Spectrum Registry Limited with NSDL through Stock Holding Corporation of India Limited styled **"Escrow Account - BEL Offer"** with the following particulars:

DP Name	DP ID	Client ID	ISIN
NSDL	IN301330	20255042	INE193E01017

☐ via a delivery instruction from my account with NSDL ☐ via inter-depository delivery instruction from my account with CDSL

I/ We note and understand that the Shares would reside in the Escrow Depository Account until the time the Acquirers complete the Offer obligations under the SEBI Takeover Regulations as mentioned in the Letter of Offer.

☐ **For NRIs/ FIIs/ Foreign Shareholders:**

I/We have enclosed the following documents:

☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities, as applicable.

☐ RBI approval(s) for acquiring Shares of BEL hereby tendered in the Offer.

Following documents should be enclosed wherever applicable

☐ Power of attorney

☐ Death certificate/ succession certificate/ No objection Certificate/ letters from legal heirs- duly attested

☐ Corporate authorization in case of companies along with board/ shareholders resolutions and specimen signatures of authorized signatories

☐ Others (please specify)

Bank details: So as to avoid fraudulent encashment in transit, the Shareholder(s) holding Shares in physical form should provide details of bank account of the first/sole Shareholder and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in electronic form, the bank account as obtained from the beneficiary position download to be provided by the Depositories will be considered and the payment instruments will be issued with those bank particulars only:

Name of Bank		**Branch**	
Account Number		**Current/ Savings/Others (Please specify)**	
IFSC Code		**RTGS**	

I/We confirm that the Shares of BEL, which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/ We note and understand that once I/ We have accepted the Offer by tendering the requisite documents in terms of Public Announcement / Letter of Offer, I/ We have the option to withdraw the same up to three working days prior to the date of the closure of the Offer i.e. up to Tuesday - October 21, 2008.

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

I/We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

I/We authorize the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by registered post/speed post/under postal certificate as may be applicable at my/our risk, the draft/cheque /payment instruments, as the case may be, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

In case of Shares tendered in dematerialized form,

I/We authorize the Acquirers, Registrar to the Offer and the Manager to the Offer to use my/our details regarding my/our address and bank account details as obtained from my/our depository participant for the purpose of mailing the aforementioned instruments.

The shareholders who successfully tender the equity shares of BEL have option to receive payment through Electronic Clearing System (ECS), if the required information for ECS has been provided in the Form of acceptance or details provided on plain paper.

Yours faithfully,

Signed and Delivered

	Full name(s) of Shareholder(s)	**Specimen Signature(s)**	**PAN/ GIR No.**
1st/ Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. A corporation must affix its rubber stamp.

Address of first/ sole holder where the purchase consideration/ share certificates are to be dispatched ____________________________________

____

____

Place:

Date:

PROCEDURE FOR ACCEPTANCE

The Equity Shareholders of BEL who wish to avail the Offer can deliver all the relevant documents referred to above to the Registrar to the Offer at the collection centres specified below in accordance with the instructions specified in the Letter of Offer and Acceptance Form so as to reach them not later than Saturday - October 25, 2008.

COLLECTING CENTRE DETAILS:

Address of the Collection Centre	Contact Person	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

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. excluding Sundays and public holidays.

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRERS OR TO THE MANAGER TO THE OFFER

(1) **All queries** pertaining to this Offer may be directed to the Registrar to the Offer.

(2) **Shareholders holding registered Shares** should submit the Form duly completed and signed in accordance, by the holders of the Shares, along with the original equity share certificate(s) and valid equity share transfer form(s) duly signed as per the specimen signatures lodged with BEL and duly witnessed at the appropriate place. Please do not fill in any other details in the transfer deed except name, signature and witness.

(3) **Shareholders holding Shares in dematerialized form** should submit the Form duly completed and signed in accordance with the instruction contained therein by all the beneficial holders of the Shares, as per the records of the DP.

(4) **In case of Shares held in joint names**, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in BEL, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.

(5) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorized to use the seal of his office.

(6) **Persons who own Shares (as on the Specified Date or otherwise) but are not the registered holders** of such Shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer together with the original contract note issued by the broker, the share certificate(s), the transfer deed(s) with the buyers details not filled in and other relevant documents. In case the share certificate(s) and transfer deed(s) are lodged with BEL / its transfer agent for transfer, then the Form shall be accompanied by the acknowledgment of lodgment with, or receipt by, BEL /its transfer agent, of the share certificate(s) and transfer deed(s). Persons under this paragraph should submit their acceptance and necessary documents by registered post or speed post or courier or in person to the Registrar at their office as mentioned above.

(7) **Non-resident Shareholders** should enclose copy (ies) of permission received from Reserve Bank of India to acquire Shares held by them in BEL.

— — — — — — — — — — — — — — — **TEAR ALONG THIS LINE** — — — — — — — — — — — — — — —

ACKNOWLEDGEMENT SLIP

Folio No________________ DP ID______________________ Client ID__________________ Sr. No________________

Received from Mr./Ms. ____

residing at ____

a form of Acceptance cum Acknowledgment for Offer of ________________ Shares of BEL along with: ☐ Copy of delivery instruction slip ☐ Share certificate(s) under folio number(s) __________________________ along with transfer deed(s).

Stamp of Collection Center	Signature of Official, & Date of Receipt

(8) **Non-resident Shareholders** are advised to refer to the clause on taxation in the Letter of Offer regarding important disclosures regarding the tax on the consideration to be received by them.

(9) **In case of bodies corporate**, certified copies of appropriate authorization (including board/shareholders' resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(10) **All the Shareholders** should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not limited to):

(a) Duly attested death certificate and succession certificate (in case of single Shareholder) in case the original Shareholder has expired.

(b) Duly attested power of attorney if any person apart from the Shareholder has signed acceptance form or transfer deed(s).

(c) No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

— — — — — — — — — — — — — — — — — — **TEAR ALONG THIS LINE** — — — — — — — — — — — — — — — — — —

Note: All future correspondence, if any should be addressed to the Registrar to the Offer at

Intime Spectrum Registry Limited
[Unit: Bajaj Electricals 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
Contact: Awani Thakkar

FORM OF WITHDRAWAL

OFFER OPENS ON	**October 6, 2008**
LAST DATE FOR WITHDRAWAL	**October 21, 2008**
OFFER CLOSES ON	**October 25, 2008**

I/ We would like to withdraw my/our acceptance in terms of Regulation 22(5A) of the SEBI Takeover Regulations and my/our relevant details are as follows:

☐ In respect of physical shares

Name		
Address		
Distinctive Numbers		
Folio Number		
Share Certificate Numbers	From	
	To	
Number of Shares tendered		
Number of Shares withdrawn		

Copy of acknowledgment received from the Registrar to the Offer while tendering the acceptance is being attached herewith.

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

☐ In respect of demat / electronic shares:

Name	
Address	
Number of Shares tendered	
Number of Shares withdrawn	
DP Name	
DP ID	
Beneficiary Account Number	

Photocopy of the delivery instruction slip in off market mode duly acknowledged by DP is attached along with a copy of the acknowledgment received from the Registrar to the Offer while tendering the Shares.

— — — — — — — — — — — — — — **TEAR ALONG THIS LINE** — — — — — — — — — — — — — —

ACKNOWLEDGEMENT SLIP

Folio No__________________ DP ID______________________ Client ID__________________ Sr. No________________

Received from Mr./Ms. ____

residing at ____

a form of withdrawal of Offer of_________________________________ Shares of BEL along with: ☐ Copy of depository instruction slip ☐ Share certificate(s) under folio number(s) ________________________ along with transfer deed(s).

Stamp of Collection Center	**Signature of Official, & Date of Receipt**

— — — — — — — — — — — — — — — — — — — TEAR ALONG THIS LINE — — — — — — — — — — — — — — — — — — —

Note: All future correspondence, if any should be addressed to the Registrar to the Offer at

Intime Spectrum Registry Limited
[Unit: Bajaj Electricals 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
Contact: Awani Thakkar

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