



# ECE INDUSTRIES LIMITED

Registered Office and Corporate Office: "ECE House" 28-A, Kasturba Gandhi Marg, New Delhi 110 001, India

Tel: 011-23314237/8/9 Fax: 011-23310410, Website: www.eceindustriestd.com, E-mail: grievances@eceindustriestd.com, Contact Person: Mr. Piyush Agarwal, Company Secretary & Compliance Officer.

## FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF THE EQUITY SHARES OF ECE INDUSTRIES LIMITED

This Public Announcement ("PA") is made pursuant to the provisions of Regulation 15(c), Regulation 15(d) and all other applicable provisions of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 including any statutory modifications and amendments from time to time ("Buy-Back Regulations") and contains the disclosures as specified in Schedule II to the Buy-Back Regulations.

**PART A**

**1. THE BUY-BACK**

1.1 The Board of Directors of ECE Industries Limited (the "Company" or "ECE") at its meeting held on March 23, 2016 ("Board Meeting") approved the proposal for Buy-Back of the Company's own fully paid up Equity Shares of Rs. 10/- each (hereinafter referred to as the "Buy-Back") in accordance with the provisions contained in the Article 13 of the Articles of Association of the Company, Section 68, 69 and 70 and other applicable provisions of the Companies Act, 2013 (the "Act") and rules made thereunder and other applicable laws, Regulations, approvals(s) as may be necessary, from time to time, from statutory authorities including but not limited to the Securities and Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI"), etc. the Listing Agreement entered with the National Stock Exchange of India Limited ("NSE") (hereinafter referred to as "Stock Exchange"), and such other approvals, permissions and sanctions as may be necessary, and subject to such approvals, permissions and sanctions, as may be prescribed by the appropriate authorities which the Board of Directors of the Company (which expression shall include a Buy-Back Committee as may be constituted for this purpose and/or any person(s) as may be authorized by the Board of Directors, hereinafter referred to as the "Board").

Activity	Date
Date of Board Meeting recommending the Buy-Back	March 23, 2016
Date of publication of Public Announcement	April 05, 2016
Date of commencement of the Buy-Back	April 20, 2016
Acceptance of Equity Shares and verification thereof	Within 15 days of the relevant payout dates of the Stock Exchanges
Extinguishment of Equity Shares	Within 15 days of acceptance of Equity Shares as above. Further, all the Equity Shares bought back will be extinguished within 7 days of the last date of completion of Buy-Back.
Last Date for the Buy-Back	i) October 19, 2016 (i.e. 6 months from the date of the opening of the Buy-Back) ii) when the Company completes the Buy-Back to the extent of 7,00,000 Equity Shares; or iii) at such earlier date as may be determined by the Board of Directors, in the event the Minimum Offer Size is utilized under the Buy-Back, by giving appropriate notice of such date and completing all formalities in this regard as per relevant laws and regulations, whichever is earlier.

1.2 The Buy-Back is being proposed with an objective of reducing outstanding number of equity shares and enhance overall shareholder value by retaining surplus funds in an efficient and investor friendly manner without compromising on the high growth opportunities available to the Company. The Buy-Back will also be made in making the Balance Sheet leaner by reduction in the overall capital employed in the business, which will in turn, lead to higher earnings per share and enhanced return on equity and return on capital employed, return on net worth, return on assets and other financial ratios, subject to the prevailing business conditions. The Buy-Back will also provide a reasonable exit opportunity to those shareholders who so desire.

1.3 The Board of Directors have approved Buy-Back of upto 7,00,000 (Seven Lakh) fully paid-up equity shares of Rs. 10/- each of the Company ("Maximum Offer Shares") at a price of upto Rs. 170/- per Equity Share ("Maximum Offer Price") aggregating to a maximum amount of Rs. 11.90 Crores ("Maximum Offer Size") excluding brokerage costs, Securities and Exchange Board of India turnover charges, taxes such as securities transaction tax, service tax and relevant stamp duty (collectively referred to as "Transaction Costs") for the Buy-Back. The Maximum Offer Size represents about 8.54% of the aggregate of the Company's called up and paid up equity share capital and free reserves as at March 31, 2015 (the date of the latest audited accounts as on the date of the Board Meeting). The amount required by the Company for the Buy-Back will be met out of the cash/bank balances and/or sale of liquid marketable investments made by the Company and/or internal accruals. Though the Company does not propose raising debt for affecting the Buy-Back, it may continue to borrow funds in the ordinary course of its business.

### 5.1. PROCESS AND METHODOLOGY FOR BUY-BACK PROGRAMME

The Offer is open to all Equity Shareholders/Beneficial Owners of the Equity Shares, both registered and unregistered, holding Equity Shares in physical and/or electronic form, except the Promoter and Promoter Group as indicated in this Public Announcement. The Company proposes to implement Buy-Back from the open market using the methodology of (Buy-Back through the Stock Exchange). Accordingly, the Company proposes to effect the Buy-Back through electronic terminal of NSE. For the aforesaid Buy-Back, the Company has appointed M/S Aum Capital Market Private Limited having its office at 5, Lower Rawdon Street, Akashdeep, 1st Floor, Kolkata-700020, as Broker ("Appointed Broker") through whom the purchases and settlement on account of the Buy-Back would be made.

5.2 The Buy-Back of Equity Shares will be made only through the order matching mechanism except "all or none" order matching system. The Company shall from time to time but not earlier than the date of opening of the Buy-Back, place, "buy" orders, on the NSE to buy Equity Shares through the Brokers, in such quantity and at such prices, not exceeding Maximum Offer Price of Rs. 170/- per Equity Share, as it may deem fit. Intimation about the Company's presence on NSE to Buy-Back its Equity Shares will be made available to the said Stock Exchange. When the Company has placed an order for Buy-Back of Equity Shares, the identity of the Company as purchaser would be available to the market participants of the NSE.

1.4 The Equity Shares of the Company are proposed to be bought back at a price not exceeding Rs. 170/- per Equity Share ("Maximum Offer Price"). The Maximum Offer Price has been arrived at after taking into consideration factors including but not limited to the Book Value, the market value of the share on the Stock Exchanges and the possible impact of the Buy-Back on the Company's earnings per Equity Share. The Maximum Offer Price offers a premium of 8.28% over the closing price of the Equity Shares on NSE, as on March 22, 2016, being the last trading day prior to date of the Board Meeting. The Maximum Offer Price as proposed would impact the growth of the Company and will rather contribute to the overall enhancement of shareholders' value.

5.3 The Buy-Back of Equity Shares will be made only through the order matching mechanism except "all or none" order matching system. The Company shall from time to time but not earlier than the date of opening of the Buy-Back, place, "buy" orders, on the NSE to buy Equity Shares through the Brokers, in such quantity and at such prices, not exceeding Maximum Offer Price of Rs. 170/- per Equity Share, as it may deem fit. Intimation about the Company's presence on NSE to Buy-Back its Equity Shares will be made available to the said Stock Exchange. When the Company has placed an order for Buy-Back of Equity Shares, the identity of the Company as purchaser would be available to the market participants of the NSE.

5.4 **Buy-Back of Equity Shares held in dematerialized mode:** Shareholders who desire to sell their Equity Shares under the Buy-Back, would have to do so through stock broker, who is a member of NSE by indicating to their broker details of the Equity Shares they intend to sell wherever the Company has placed a "buy" order for buy back of Equity Shares. The trade would be executed at the price at which that order matches and that price would be the price for that seller. The execution of the order, issuance of contract note, delivery of stock to the member and receipt of payment from the member would be carried out in accordance with the SEBI requirements. The Company is under no obligation to place a "buy" order on a daily basis. It may be noted that all Equity Shares bought back by the Company may not be at a uniform price. Orders for buying back the Equity Shares in dematerialized mode will be placed by the Company in such quantity and at such prices, as it may deem fit, depending upon the prevailing quotations of Equity Shares on the Stock Exchange subject to the Maximum Offer Price. The Company shall intimate the Stock Exchanges as well as shall upload the information regarding the Equity Shares bought-back on its website on a daily basis as prescribed by the Buy-Back Regulations.

1.5 The Company intends to deploy a minimum of Rs. 5,95,00,000 (Rupees Five Crores Ninety Five Lakhs only) being 50% of the Maximum Offer Size is determined to be the Minimum Offer Size ("Minimum Offer Size").

1.6 The number of Equity Shares bought back would depend upon the average price paid for Equity Shares bought back and aggregate consideration paid for such equity shares bought back. The maximum number of Equity Shares that can be bought back will be in consonance with Regulations 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 68 of the Act, Buy-Back Regulations and Maximum Buy-Back Size.

### 5.5. A. Buy-Back of Equity Shares held in Physical Mode:

Equity Shares are traded in the compulsory demat mode. Shareholders holding Equity Shares in physical form can participate in the Buy-Back through NSE in the manner specified below:

- Shareholders holding Equity Shares in physical form and who want to participate in the Buy-Back can do so under a separate window created specially for physical shareholders by NSE.
- The Shareholders holding Equity Shares in physical form would be required to contact his/her broker, to submit physical shares under the Buy-Back. The Shareholder will be required to execute the share transfer deed(s) and attach the relevant share certificate(s) along with identity proof and address proof and hand over the complete set of documents to his/her broker for settlement within the time lines specified by his/her broker.
- In case the share transfer deed(s) or any other documents submitted are found to be invalid, the rules of good/bad delivery norms of the Stock Exchanges shall apply and, inter alia, the Shareholder's broker may return or ask him/ her to re-submit these documents duly corrected.
- The broker of the Shareholder shall be responsible for verification of the identity proof and address proof of the Shareholder.
- The Company is under no obligation to place a "buy" order on a daily basis.

1.7 The aggregate Paid-up Capital and Free Reserves of the Company as on March 31, 2015 is Rs. 13,931.62Lacs. The deployment of funds for the proposed Buy-Back of upto Rs. 1,190Lacs, does not exceed 10% of the Paid-up Capital and Free Reserves of the Company as on March 31, 2015. The maximum offer size is equivalent to 8.54% of the total Paid-up Capital and Free Reserves of the Company.

1.8 As per the provisions of the Companies Act, 2013, the maximum number of equity shares permitted to be bought back in any financial year shall not exceed 25% of the total paid-up Equity Share Capital of the Company in that financial year. The Company proposes to Buy-Back a maximum of 7,00,000 Equity Shares in the financial year 2016-17. Such a Buy-Back will be well within the limit of 25% of the total paid up equity share capital of the Company and is equivalent to approximately 9.06% of the total number of outstanding equity shares of the Company.

### 5.6. B. Buy-Back price for Equity Shares held in Physical Mode:

The price at which the Equity Shares in physical mode will be bought back shall be the volume weighted average price of the Equity Shares bought-back, other than in the physical form, during the calendar week in which such Equity Shares were received by their broker.

The price of Equity Shares tendered during the first calendar week of the Buy-Back shall be the volume weighted average market price of the Equity Shares of the Company during the preceding calendar week.

In case no Equity Shares were bought back in the normal market during calendar week, the preceding week when the Company has last bought back the Equity Shares will be considered.

The Equity Shares of the Company are traded in the compulsory demat mode. (Trading Code: NSE: ECEIND; ISIN: INE68801014).

Subject to the Company utilizing the Minimum Offer Size, nothing contained herein shall create any obligation on the part of the Company or the Board of Directors to Buy-Back any Equity Shares or confer any right on the part of Shareholder to offer any Equity Shares to the Buy-Back, even if the Maximum Offer Size has not been reached, and/or impair any power of the Company or the Board of Directors to terminate or suspend in relation to the Buy-Back, if so permitted, by law.

1.9 The Buy-Back offer will be implemented by the Company from the open market through the methodology of "Buy-back through the Stock Exchange", using the electronic trading facilities of the National Stock Exchange of India Limited (NSE) (hereinafter referred to as the "Stock Exchange") in one or more tranches from time to time, on such terms and conditions as may be determined by the Board of Directors at the appropriate time, out of its free reserves, in such manner as prescribed under the Act and/or the Buy-Back Regulations and/or any other applicable laws and as may be determined by the Board of Directors and on such terms and conditions, as may be permitted by law from time to time.

### 6. METHOD OF SETTLEMENT

The Company will pay the consideration to the Appointed Broker on or before every settlement date as applicable in respect of Equity Shares bought back.

The Shareholders/Beneficial Owners holding Equity Shares in the demat form would be required to transfer the number of Equity Shares sold by them by tendering the delivery instruction to their respective depository participant ("DP") for debiting their beneficiary account maintained with the DP and crediting the same to the pool account of the brokers through whom the trade was executed. The Shareholders/Beneficial Owners holding Equity Shares in physical form may present the share certificates along with valid transfer deeds to their respective brokers through whom the trade was executed.

The Company has opened a Special Depository Account with Aum Capital Market Private Limited, Equity Shares bought back in the demat form would be transferred into the aforesaid account by the Appointed Broker on receipt of Equity Shares from the clearing and settlement mechanism of NSE.

The Company shall complete the verification of acceptances within fifteen days of the payout. The Company shall extinguish and physically destroy the security certificates so bought back in the presence of a Merchant Banker and the Statutory Auditor on or before the fifteenth day of the succeeding month. In case the shares bought back are in dematerialized form the same will be extinguished and destroyed in the manner specified in Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and the bye-laws framed thereunder. The Company will extinguish all the shares bought back within seven days of the last date of completion of Buy-Back.

1.10 a) The aggregate shareholding of the Promoters of the Company or persons forming part of the Promoters Group of the Company, the Directors of its Promoters group entities, Persons in Control and Persons Acting in Concert (all such shareholders hereinafter referred to collectively as "Promoter and Promoter Group") is 48.6722% equity shares constituting 63% of the paid up share capital of the Company as on March 23, 2016, being the date of the Board Meeting for approving the Buy-Back proposal.

b) The Promoter and Promoter Group have not sold or purchased any equity shares during the period of last six months preceding the date of the Board Meeting at which the Buy-Back was approved i.e., from September 24, 2015 to March 23, 2016 except for the following:

Sr. No.	Name of the Promoter/ Promoter Group	Date of purchase	No. of shares bought	% of total Equity Share capital	Average price (In Rs.)
1.	Bhargacha Finance Company Private Ltd	20.11.2015	1000	0.01%	139.15

1.11 The Promoter and Promoter Group have confirmed that they will not sell their holding under the proposed Buy-Back as they are prohibited from selling their Shares in terms of Regulation 15(b) of the SEBI Buy-Back Regulations. In accordance with the same, no shareholder belonging to the Promoter and Promoter Group of the Company intends to tender his/her/its equity shares to the Company under the proposed Buy-Back Offer.

1.12 The Company hereby confirms that there are no defaults subsisting in the repayment of any Deposits or interest payment thereon, redemption of debentures or Preference Shares or payment of term loans or interest payable thereon to any financial institutions or banks or any party. There are no outstanding convertible debentures or preference shares.

### 7. BRIEF INFORMATION ABOUT THE COMPANY

The Company was incorporated on June 13, 1945, under the Indian Companies Act, VII of 1913, in the name and style of Electric Construction and Equipment Company Limited vide Registration Number 12403/182 of 1945-1946, with the Assistant Registrar of Joint-Stock Companies, Bengal. The Company received its Certificate for Commencement of Business on July 13, 1945. The Fresh Certificate of Incorporation dated July 28, 1976 was issued by the Assistant Registrar of Companies, Delhi & Haryana confirming the change in Registered office of the Company from the State of West Bengal to the Union Territory of Delhi. Its Corporate Identification Number is L31500DL1945PLC008279.

Pursuant to the Fresh Certificate of Incorporation dated June 5, 1987 issued by the Additional Registrar of Companies, Delhi & Haryana, New Delhi the name of the Company was changed to ECE Industries Limited having its Registered Office and Corporate Office at ECE House, 28-A, Kasturba Gandhi Marg, New Delhi-110001, India.

The Company is mainly engaged in manufacture of Power transformers and elevator equipments including their installation and maintenance.

The Equity Shares of the Company were listed on the BSE Limited on March 25, 2003 and on the National Stock Exchange of India Limited on November 24, 2007. The Company opted from Voluntary Delisting of its shares from BSE Limited and got delisted from BSE Limited with effect from May 04, 2015.

The Company delisted its Equity Shares from The Calcutta Stock Exchange Limited and The Delhi Stock Exchange Limited (the "Exchanges") since the trading volumes of the Company's equity shares at the Exchanges was negligible. The Company decided to de-list its shares from the Exchanges in terms of the SEBI (Delisting of Securities) Guidelines, 2003. The effective dates of de-listing of the Company's shares from The Calcutta Stock Exchange Limited and Delhi Stock Exchange Limited were April 25, 2005 and February 19, 2004, respectively.

The Company successfully completed Buy-Back of 8,75,000 fully paid up equity shares, as was approved by the Board of Directors of the Company, on November 14, 2011. Further, the company completed Buy-Back of 1,735,385 fully paid up equity shares, as was approved by the shareholders of the Company by a resolution passed through postal ballot, on March 27, 2013.

1.13 The Board of Directors of the Company confirm that they have made a full inquiry into the affairs and prospects of the Company and they have formed the opinion that:

- that it has made the necessary and full inquiry into the affairs and prospects of the Company and has formed the opinion that:
  - that immediately following the date of the Board meeting, there will be no grounds on which the Company could be found unable to pay its debts; and
  - as regards its prospects for the year immediately following the date of this meeting that, having regard to its intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the view of the Board, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this meeting; and
- that in forming its opinion for the above purposes, the Board has taken into account the liabilities as if the Company was being wound up under the provisions of the Act (including prospective and contingent liabilities).

### 8. BRIEF FINANCIAL INFORMATION OF THE COMPANY

The audited financial information of the Company for the last three financial years and unaudited financial information of the Company for the nine months ended December 31, 2016 are given below:

Particulars	(Rs. in Lacs)			
	Nine Months ended on December 31, 2015 (Unaudited)	Year Ended 31.03.2015 (12 Months) (Audited)	Year Ended 31.03.2014 (12 Months) (Audited)	Year Ended 31.03.2013 (12 Months) (Audited)
<b>INCOME</b>				
Turnover (Gross)	11,653.72	19,535.46	12,284.64	14,832.06
Less: Excise Duty	1,114.67	1,652.27	959.31	1,241.75
Turnover (Net)	10,539.05	17,883.19	11,325.33	13,590.31
Other Income	969.91	1,032.37	1,152.56	1,218.40
<b>Total Income</b>	<b>11,508.96</b>	<b>18,915.56</b>	<b>12,477.89</b>	<b>14,808.71</b>
<b>EXPENDITURE</b>				
Purchases of Traded Goods	69.94	69.95	86.13	127.93
Raw Materials, Stores and Other Materials consumed	8,647.15	13,505.25	8,163.92	9,072.61
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(856.27)	413.42	(231.42)	468.32
Employee Benefit Expense	1,496.99	1,611.51	1,323.74	1,278.49
Operating and Other Expenses	2,708.33	3,106.35	2,591.70	2,702.65
Managerial Remuneration/ Director's Commission	115.00	132.50	120.00	111.88
Depreciation/ Amortization	167.92	264.49	235.54	222.73
Finance Cost	147.84	215.86	163.44	162.28
<b>Total Expenditure</b>	<b>12,486.90</b>	<b>19,319.32</b>	<b>12,452.05</b>	<b>14,146.90</b>
Profit before Exceptional Item and tax	(977.94)	(403.76)	25.84	661.81
(Less)/Add: Exceptional Items	818.01	451.50	0.00	(437.51)
<b>Profit before Tax</b>	<b>(159.93)</b>	<b>47.74</b>	<b>25.84</b>	<b>224.30</b>
Total Tax expense (net of deferred tax)	0.00	(51.13)	8.06	130.25
<b>Net Profit for the Year</b>	<b>(159.93)</b>	<b>96.61</b>	<b>17.78</b>	<b>94.05</b>
<b>Key Ratios</b>				
Earnings per Share (Rs.)	2.07	1.28	0.23	1.20
Book value per Share (Rs.)	181.25	182.36	181.46	182.53
Return on Net Worth (%)	(1.14)%	0.70%	0.13%	0.67%
Long Term Debt/Equity Ratio	0.00	0.00	0.00	0.00
Dividend (%)	0.00%	1.00%	1.00%	1.00%

Source: Annual Reports of respective years and unaudited results for quarter and nine months period ended December 31, 2015

**Quote**  
The Board of Directors  
ECE Industries Limited  
ECE House, 28A, K.G. Marg, New Delhi-110001

Dear Sirs,  
Sub: Proposed Buyback of Equity Shares of ECE Industries Limited ("Company")

In connection with the proposed Buy-Back of Equity Shares approved by the Board of Directors of ECE Industries Limited (the "Company") at its meeting held on March 23, 2016, in pursuance of the provisions of section 68, 69 and 70 of the Companies Act, 2013 (the "Act"), and the Securities & Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time ("Buy-Back Regulations"), and based on the information, explanations and representations given to us and on the basis of such verification of relevant record as we considered appropriate, we report that:

- We have enquired into the state of affairs of the Company in relation to its audited financial statements for the year ended March 31, 2015 and unaudited accounts for the nine months period ending December 31, 2015, which were taken on record by the Board of Directors at their meeting held on 26.05.2015 and 10.02.2016 respectively.
- The Board of Directors has proposed Buy-Back of the company's equity to the extent of Rs. 11,90,00,000 ("Maximum Offer Size") at a price not exceeding Rs. 170/- per equity share ("Maximum Offer Price"). In our view, the amount of permissible capital payment (including premium) towards Buy-Back of equity shares as computed above has been properly determined in accordance with proviso to Section 68(2)(c) of the Act and is within the permissible amount of 10% of the paid up equity capital and free reserves of the Company.

a) Permissible limit for buy back under proviso to section 68(2)(c)		Amount (Rs. in Lacs)
<b>Total Paid up capital as on March 31, 2015</b>		
77,25,925 Equity Shares of Rs. 10 each fully paid up	772.59	
Forfeited Shares money	0.17	
<b>Free Reserves as on March 31, 2015 comprising of</b>		
Securities Premium Account	2892.65	
General Reserve	5742.89	
Profit and Loss Account	4523.32	
<b>Total of Paid up capital and Free Reserve as at March 31, 2015</b>	<b>13931.62</b>	
10% thereof, being permissible limit for buyback of equity shares with Board's approval	1393.16	
<b>Amount approved by the Board for Buyback</b>	<b>1190.00</b>	
<b>b) Maximum limit of buyback of equity shares in a financial year</b>		
<b>Particulars</b>	<b>No. of Shares</b>	
Total Paid up capital as at March 31, 2015	7725925	
25% thereof being maximum equity capital eligible for buyback	1931481	
<b>Maximum shares approved by the Board for Buyback</b>	<b>700000</b>	

3. The Board of Directors at their meeting held on March 23, 2016 has formed an opinion as specified in Clause (i) in Part A of Schedule II of the Buy-Back Regulations on reasonable grounds and that the company will not, having regard to its state of affairs, be rendered insolvent within a period of one-year from March 23, 2016.

4. This certificate has been prepared only for the Company and is in reference (including disclosing in the Public Announcement as required under the Buy-Back Regulations) to proposed Buy-Back of Equity Shares approved by the Board of Directors of the Company at their meeting held on March 23, 2016, in pursuance of the provisions of section 68, 69 and 70 of the Companies Act, 2013 and the Buy-Back Regulations and for no other purpose. We do not accept any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For M/s VSD & Associates  
Chartered Accountants  
Firm Reg. No.: 008726N  
Sd/-  
(VINOD SAHNI)  
Partner  
Membership No. 086666

Place: New Delhi  
Dated: 23.03.2016

### 15. UNQUOTE

- The Company shall transfer from its Free Reserves a sum equal to the nominal value of the Equity Shares purchased through the Buy-Back to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet.
- As required under the Companies Act, 2013, the ratio of debt owed by the Company would not be more than twice the Equity Share Capital and Free Reserves of the Company after completion of the proposed Buy-Back.
- As per the provisions of the Companies Act, 2013, the Buy-Back will be completed within a maximum period of one year from the date of passing of the said Resolution by the Board. The time frame for the Buy-Back is determined by the Board within this validity period.
- As per the provisions Section 68(b) of the Companies Act, 2013, the Company shall not make further issue of the same kind of shares or other specified securities within a period of six months after the completion of the Buy-Back except by way of bonus shares or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares as may be permitted under applicable law by regulatory authorities including the SEBI.
- The Company shall not Buy-Back its shares from any person through negotiated deal (whether on or off the Stock Exchanges) or through spot transactions or through any private arrangement in the implementation of the Buy-Back.
- In accordance with the regulatory provisions, the shares bought back by the Company will compulsorily be cancelled and will not be held for re-issuance.
- The Equity Shares of the Company are listed on the National Stock Exchange of India Limited (NSE).
- Further, as required under the Act and Buy-Back Regulations, the Company shall not purchase Equity Shares which are partly paid-up, Equity Shares with calls-in-arrears, locked-in Equity Shares or non-transferable Equity Shares, in the Buy-Back, until they become fully paid-up, or until the pendency of the lock-in, or until the Equity Shares become transferable, as applicable. It is however confirmed that as on date, all the Equity Shares of the Company are fully paid-up.
- In terms of the provisions contained under Buy-Back Regulations and proviso to Section 68(2)(g) of the Act, the Company confirms that the offer of Buy-Back, through a Board approval as permitted under the proviso to Section 68(2)(b) of the Companies Act, 2013, is not being made within a period of one year reckoned from the date of the closure of preceding offer of Buy-Back of Equity Shares.
- The Buy-Back from shareholders who are persons resident outside India, including the Foreign Institutional Investors, Overseas Corporate Bodies, if any, shall be subject to such approvals as are required including approvals from the RBI under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder.

### PART B

**2. DATE OF BOARD OF DIRECTORS' APPROVAL FOR BUY-BACK**  
The Board of Directors of the Company at their meeting held on March 23, 2016, approved Buy-Back of upto 7,00,000 (Seven Lakh) fully paid-up equity shares of Rs. 10/- each of the Company ("Maximum Offer Shares") at a price of upto Rs. 170/- per Equity Share ("Maximum Offer Price") for an aggregate amount not exceeding Rs. 11,90,00,000 (Rupees Eleven Crores Ninety Lakhs Only) ("Maximum Offer Size") payable in cash and that an amount of Rs. 5,95,00,000 (Rupees Five Crores Ninety Five Lakhs Only) being 50% of the Maximum Offer Size is determined to be the Minimum Offer Size ("Minimum Offer Size").

### 3. THE MINIMUM AND MAXIMUM NUMBER OF EQUITY SHARES PROPOSED TO BE BOUGHT BACK, SOURCES OF FUNDS AND COST OF FINANCING THE BUY-BACK

3.1 The Company will utilize, save and except the event mentioned in Regulation 15(b) of the Buy-Back Regulations, a minimum of Rs. 5,95,00,000 (Rupees Five Crores Ninety Five Lakhs only) ("Maximum Offer Size") which is at least 50% of the amount earmarked (i.e. Rs. 11,90,00,000) for the Buy-Back to Buy-Back the Equity Shares from the shareholders/beneficial owners of Equity Shares other than Promoter and Promoter Group. If the average purchase price is lower than Maximum Offer Price, the number of Equity Shares that can be bought back would be greater, assuming the full utilization of the Maximum Offer Size, but subject to a maximum of 7,00,000 Equity Shares that the Company may Buy-Back, representing 9.06% of the outstanding Equity Shares of the Company as on date of this Public Announcement. Assuming that the Equity Shares are bought back at the Maximum Offer Price, the minimum number of Equity Shares that can be bought back would be 3,50,000 Equity Shares.

3.2 The amount required by the Company for the Buy-Back will be met out of the cash/bank balances and/or sale of investments made by the Company and/or internal accruals. Though the Company does not intend to raise any debt for carrying out the Buy-Back, yet it may continue to borrow funds in the ordinary course of its business.

3.3 The Maximum Offer Size is Rs. 11,90,00,000 and it represents 8.54% of the aggregate Paid-up Capital and Free Reserves of the Company as at March 31, 2015 (the date of the latest audited accounts).

4. **PROPOSED TIME TABLE**

### 9. ESCROW ACCOUNT:

Towards security for performance of its obligations and in compliance with Regulation 15B of the Buy-Back Regulations, the Company has created an escrow arrangement in the form of Cash Escrow and Bank Guarantee, the details of the same are provided as under:

- The Company has opened an escrow account in the name and style "ECE Industries Ltd-Escrow Account" (bearing account number 000405112069) with ICICI Bank Limited ("Escrow Bank") (the "Escrow Account") and deposited therein cash aggregating to Rs. 29,75,00,000 (Rupees Twenty Nine Lacs Seventy Five Thousand only), being 2.5% of the Maximum Offer Size ("Cash Escrow"). The Company has authorized First Overseas Capital Limited ("Manager to the Buy-Back Offer") to operate the Escrow Account in compliance with the Buy-Back Regulations.
- In addition, Bank of Baroda has issued a bank guarantee in favour of the Manager to the Buy-Back Offer, for an amount of Rs. 2,67,15,000 (Rupees Two Crores Sixty Seven Lacs Eighty Five Thousand only), ("Bank Guarantee") being 2.25% of the Maximum Offer Size. The Company undertakes that the Bank Guarantee shall be kept valid until 30 (thirty) days after the closure of the Buy-Back.
- The Company's escrow arrangement consisting of Cash Escrow and Bank Guarantee aggregating to Rs. 29,75,00,000 (Rupees Two Crores Ninety Seven Lacs Fifty Thousand only), which is 25% of the Maximum Offer Size.
- The funds in the Escrow Account may be released for making payments to the shareholders subject to at least 2.50% of the Maximum Offer Size remaining in the Escrow Account at all points in time.
- If the Company is not able to complete the Buy-Back equivalent to Minimum Offer Size, the amount held in Escrow Account up to a maximum of 2.50% of the Maximum Offer Size, shall be liable for forfeiture in compliance with the provisions of the Buy-Back Regulations.
- The balance lying to the credit of the Escrow Account may be released to the Company on successful completion of the Buy-Back and in compliance of the Buy-Back Regulations.</